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YUE DA MINING HOLDINGS LIMITED
悦達礦業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

MAJOR TRANSACTION
IN RELATION TO PROPOSED ACQUISITION OF
INTEREST IN A VIETNAM COMPANY:
(1) LAPSE OF THE SUBSCRIPTION AGREEMENT; AND
(2) LAPSE OF THE CALL OPTIONS

Reference is made to (a) the Company's circular dated 17 April 2013 regarding, among other matters, a major transaction of the Company in relation to its investment in the Target Group for the acquisition of interest in Slag Factory (the "**Circular**"); (b) the Company's announcement dated 28 June 2013 in relation to the first extension of the Long Stop Date (the "**June 2013 Announcement**"); (c) the Company's announcement dated 17 October 2013 in relation to the Call Option Agreements (the "**October 2013 Announcement**"); (d) the Company's announcement dated 31 December 2013 in relation to the second extension of the Long Stop Date (the "**December 2013 Announcement**"); (e) the Company's announcement dated 30 June 2014 in relation to the third extension of the Long Stop Date (the "**June 2014 Announcement**"); and (f) the Company's announcement dated 24 December 2014 in relation to the update of the transaction (the "**December 2014 Announcement**").

Unless otherwise specified, terms defined in the Circular, the October 2013 Announcement and the June 2014 Announcement shall have the same meanings when used in this announcement.

LAPSE OF THE SUBSCRIPTION AGREEMENT

As disclosed in the Circular and the June 2014 Announcement, if the Conditions are not fulfilled (or, where applicable, waived by YDM) on or before 31 December 2014, the Subscription Agreement shall be terminated forthwith and cease to be of any effect, whereupon the parties to the Subscription Agreement shall have no claim against each other arising out of or in connection with the Subscription Agreement, save in respect of claims arising out of any antecedent breach of the Subscription Agreement.

As certain Conditions were not fulfilled on 31 December 2014 (and the Long Stop Date was not further extended), the Subscription Agreement was terminated on the same day. As disclosed in the Circular, pursuant to the Subscription Agreement, YDM paid US\$3 million as the YD First Deposit to Everwise on 4 February 2013. Pursuant to the Subscription Agreement, as the Subscription Agreement lapsed on 31 December 2014, without prejudice to any other remedies available to any party, the YD First Deposit shall be repaid to YDM in its entirety (and New Aims shall procure such repayment) within seven business days from the date of lapse of the Subscription Agreement (i.e. on or before 12 January 2015).

LAPSE OF THE CALL OPTIONS

As disclosed in the October 2013 Announcement, the option period of the Everwise Option would commence immediately after Subscription Completion and expire on 31 December 2014, while the option period of the SF Option would commence on the date of the SF Option Agreement (i.e. 17 October 2013) and expire on 31 December 2014 (collectively, the “**Call Options**”).

As mentioned above, since the Subscription Agreement has lapsed, the option period of the Everwise Option will not commence and the Everwise Option lapsed on 31 December 2014 accordingly. Furthermore, the SF Option has not been exercised on or before 31 December 2014 and accordingly the SF Option lapsed on the same day.

The Board considers that the termination of the Subscription Agreement and the lapse of the Call Options will not have any material adverse impact on the existing business of the Group. The Group will take all means to procure the repayment of the YD First Deposit to YDM at its best endeavours.

The Board is assessing the potential financial impact of the Company’s proposed Vietnam projects taking into account among others, the amount receivables by the Company pursuant to the Loan Agreement and the Acquisition Agreement (as defined in the Company’s announcement dated 5 September 2013) respectively, on the Company. In addition, as disclosed in the December 2014 Announcement, the Group received a letter from a law firm purported to represent Mineral Land, Everwise and New Aims making certain allegations against the Group in relation to (among others) the Group’s proposed investment in the Target Group. The Group is still seeking legal advice on such matters and planning to take all necessary and appropriate actions to protect the legitimate rights of the Group. The Company will make further announcement(s), after consulting the Company’s legal advisers and auditors, to update the Shareholders and the investing public of the progress of the matters, as and when appropriate.

By order of the Board
Yue Da Mining Holdings Limited
Hu Huaimin
Executive Director

Hong Kong, 5 January 2015

As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr Wang Lian Chun and Mr Qi Guang Ya; (b) as executive Directors, Mr Liu Xiaoguang, Mr Hu Huaimin and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Ms Leung Mei Han, Mr Cui Shu Ming and Dr Liu Yongping.