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YUE DA MINING HOLDINGS LIMITED

悅達礦業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

- (1) CONNECTED TRANSACTION RELATING TO
SUBSCRIPTION OF NEW SHARES;
AND
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Company

AMASSE CAPITAL
寶 積 資 本

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

 **SOMERLEY CAPITAL LIMITED**

SUBSCRIPTION OF NEW SHARES

On 11 November 2016 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 250,000,000 new Shares at the Subscription Price of HK\$0.38 per Subscription Share to the Subscriber.

The Subscription Shares represent approximately 27.21% of the issued share capital of the Company as at the date of this announcement. Upon Completion, the Subscription Shares represent approximately 21.39% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares). The Subscriber will then hold 657,241,333 Shares, representing approximately 56.24% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares).

IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES

As at the date of this announcement, the Subscriber is a Shareholder which holds 407,241,333 Shares, representing approximately 44.33% of the issued share capital of the Company as at the date of this announcement. Since the Subscriber is a controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval of the Subscription Agreement at the EGM.

Upon Completion, the shareholding of the Subscriber will increase from approximately 44.33% to approximately 56.24% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares), hereby triggering a general offer obligation under the Takeovers Code.

APPLICATION FOR WHITEWASH WAIVER

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among others, the approval of the Independent Shareholders taken on a poll at the EGM. As the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement and such condition is not waivable, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors (excluding all the non-executive Directors), has been formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The non-executive Directors, namely, Mr. Wang Lian Chun and Mr. Qi Guangya, are directors of the Subscriber and/or parties acting in concert with it. Accordingly, the non-executive Directors are considered to have a material interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver, and therefore, will not be members of the Independent Board Committee.

The Independent Board Committee has approved the appointment of Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate, and the Whitewash Waiver.

In accordance with the Listing Rules and the Takeovers Code, (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; (iii) each of Mr. Hu Huaimin, Mr. Qi Guangya and Mr. Bai Zhaoxiang, details of their shareholding in the Company are set out in the paragraph headed “Changes in the Shareholding of the Company”; and (iv) the Shareholders involved in or interested in the Subscription Agreement, the Specific Mandate or the Whitewash Waiver will be required to abstain from voting on the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM. Accordingly, (i) the Subscriber and parties acting in concert with it (holding in aggregate of 407,241,333 Shares, representing approximately 44.33% of the issued share capital of the Company as at the date of this announcement), having a material interest in the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver; and (ii) Mr. Hu Huaimin (holding in 1,130,666 Shares, representing 0.12% of the issued share capital of the Company as at the date of this announcement), will abstain from voting on the relevant resolution(s) at the EGM. Save as disclosed, no other Shareholder has a material interest in the transactions contemplated under the Subscription Agreement, the Specific Mandate or the Whitewash Waiver and will be required to abstain from voting on the relevant resolution(s) at the EGM.

A circular containing, among other things, (i) further details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and Takeovers Code.

The Subscription Shares will be allotted and issued under the Specific Mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 2:34 p.m. on 11 November 2016, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 14 November 2016.

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES

The Subscription Agreement

Date

11 November 2016 (after trading hours)

Parties

- (a) Issuer: the Company
- (b) Subscriber: Yue Da Group (H.K.) Co., Limited

The Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 250,000,000 new Shares at the Subscription Price of HK\$0.38 per Subscription Share to the Subscriber, with an aggregate consideration of HK\$95 million.

The Subscription Shares

The Subscription Shares represent approximately 27.21% of the issued share capital of the Company as at the date of this announcement. Upon Completion, the Subscription Shares represent approximately 21.39% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares). The Subscriber will then hold 657,241,333 Shares, representing approximately 56.24% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares).

Subscription Price

The Subscription Price of HK\$0.38 per Subscription Share, which represents:

- (i) a premium of approximately 31.03% over the closing price per Share of HK\$0.29 as quoted on the Stock Exchange on 10 November 2016, being the last full trading day immediately preceding the date of this announcement;
- (ii) a premium of approximately 35.23% over the average closing price per Share of HK\$0.281 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of this announcement;

- (iii) a premium of approximately 34.28% over the average closing price per Share of HK\$0.283 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of this announcement; and
- (iv) a discount of approximately 12.04% to the Group's unaudited consolidated net assets per Share as at 30 June 2016 of approximately HK\$0.432 (based on a total of 918,626,516 Shares as at the date of this announcement and the Group's unaudited consolidated net assets attributable to the owners of the Company of approximately RMB342,491,000 (equivalent to approximately HK\$397,289,560) as at 30 June 2016).

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to market prices of the Shares in recent times. The Directors (excluding the Independent Board Committee whose opinion will be provided after taking into consideration of the advice from the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Conditions precedent

Completion is conditional upon fulfillment of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the Executive granting the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code to the Subscriber;
- (c) the Independent Shareholders approving the Subscription and the related transactions contemplated thereunder (including the Whitewash Waiver to be approved by way of poll); and
- (d) all the warranties by the Company and the Subscriber under the Subscription Agreement remain true, accurate and not misleading in all material respects at all times from the date of the Subscription Agreement up to the date of Completion.

All conditions set out above cannot be waived by the Company or the Subscriber. In the event that any of the conditions of the Subscription is not fulfilled on or before 28 February 2017 (or such later date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement will terminate and all obligations of the Company and the Subscriber under the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other in respect of any matter arising out of or in connection with the Subscription Agreement, except for any antecedent breach of any obligation and any liabilities under the Subscription Agreement.

Completion

Completion will take place on the tenth Business Day after the date on which all the conditions of the Subscription are fulfilled (or such other date as may be agreed between the Company and the Subscriber in writing).

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Rankings

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all the Shares in issue at the date of allotment and issue of the Subscription Shares, including the right to any dividends or distributions made or declared on or after the date of allotment and issue of the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The gross proceeds from the Subscription are expected to be HK\$95 million in aggregate. After deducting related professional fees and all related expenses which will be borne by the Company in relation to the Subscription, the net proceeds of the Subscription will amount to approximately HK\$93.7 million. The net Subscription Price is approximately HK\$0.3748 per Subscription Share. The aggregate nominal value of share capital for the Subscription Shares is approximately HK\$25 million.

As at 30 September 2016, the unaudited cash balance of the Group is amounted to approximately RMB16.3 million (equivalent to approximately HK\$18.9 million). It is expected that the net proceeds from the Subscription will be applied to the general working capital of the Group. As disclosed in the annual report of the Company for the year ended 31 December 2015, it recorded that the administrative expenses and finance costs were amounted to approximately RMB78.7 million (equivalent to approximately HK\$91.3 million) and RMB78.5 million (equivalent to approximately HK\$91.1 million) for the years ended 31 December 2014 and 2015, respectively, with an average of RMB78.6 million (equivalent to approximately HK\$91.2 million).

The Directors consider that the Subscription represents an opportunity to raise capital for the Company in order to maintain a sufficient cash position of the Group and to enhance the capital base of the Company. The Board (excluding the Independent Board Committee whose opinion will be provided after taking into consideration of the advice from the Independent Financial Adviser) consider the terms of the Subscription Agreement to be normal commercial terms and is fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

CHANGES IN THE SHAREHOLDING OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon Completion (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares) and (iii) immediately upon Completion (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares and full exercise of the Outstanding Options).

	As at the date of this announcement		Immediately upon Completion (assuming no Outstanding Options are exercised)		Immediately upon Completion (assuming all Outstanding Options are exercised)	
	No. of Shares	Approximately	No. of Shares	Approximately	No. of Shares	Approximately
		%		%		%
The Subscriber	407,241,333	44.33	657,241,333	56.24	657,241,333	54.40
Mr. Qi Guangya (“Mr. Qi”) (Note 1)	–	–	–	–	2,018,116	0.17
Sub-total of the Subscriber and its parties acting in concert	407,241,333	44.33	657,241,333	56.24	659,259,449	54.57
Mr. Hu Huaimin (“Mr. Hu”) (Note 2)	1,130,666	0.12	1,130,666	0.10	3,901,536	0.32
Mr. Bai Zhaoxiang (“Mr. Bai”) (Note 3)	–	–	–	–	2,213,281	0.18
Holders of Outstanding Options (Other than Mr. Qi, Mr. Hu and Mr. Bai)	–	–	–	–	32,463,792	2.69
Other public Shareholders	510,254,517	55.55	510,254,517	43.66	510,254,517	42.24
TOTAL	918,626,516	100.00	1,168,626,516	100.00	1,208,092,575	100.00

Notes:

1. Mr. Qi is a non-executive Director and is also a director of Jiangsu Yue Da.
2. Mr. Hu is an executive Director.
3. Mr. Bai is an executive Director.

IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES

As at the date of this announcement, the Subscriber is a Shareholder which holds 407,241,333 Shares, representing approximately 44.33% of the issued share capital of the Company as at the date of this announcement. Since the Subscriber is a controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Subscription Agreement at the EGM.

Upon Completion, the shareholding of the Subscriber will increase from approximately 44.33% to approximately 56.24% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares), hereby triggering a general offer obligation under the Takeovers Code.

APPLICATION FOR WHITEWASH WAIVER

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among others, the approval of the Independent Shareholders taken on a poll at the EGM. As the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement and such condition is not waivable, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

As at the date of this announcement, the Company does not believe that the Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular to be issued in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Subscription does not comply with other applicable rules and regulations.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

Save for the Outstanding Options, as at the date of this announcement, the Company does not have any options, warrants or convertible securities in issue.

The Subscriber has confirmed that as at the date of this announcement, neither the Subscriber nor any parties acting in concert with it:

- (i) has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of or otherwise deal in any voting rights in the Company within the six months prior to the date of the Subscription Agreement and up to the date of this announcement, other than 250,000,000 new Shares under the Subscription Agreement;

- (ii) owns, controls or has direction over any voting rights or rights over the Shares or any warrants, options, or convertible securities or derivatives of the Company, nor has entered into any outstanding derivative in respect of securities in the Company, other than 407,241,333 Shares held by the Subscriber and any parties acting in concert with it and 2,018,116 Outstanding Options held by Mr. Qi Guangya, a non-executive Director;
- (iii) has made any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber and which might be material to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;
- (iv) has any agreements or arrangements to which the Subscriber or parties acting in concert with it is a party which relate to the circumstances in which the Subscriber or parties acting in concert with it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;
- (v) has received any irrevocable commitment to vote for the resolution approving the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver; and
- (vi) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

If the Whitewash Waiver is approved by the Independent Shareholders, the potential holding of voting rights of the Company held by the Subscriber and parties acting in concert with it resulting from the Subscription will exceed 50% of the voting rights of the Company. The Subscriber may further increase its holdings of voting rights of the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer. Further, the Subscriber does not intend to exercise or apply any right which may be available to it to acquire compulsorily any Shares outstanding after Completion.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors (excluding all the non-executive Directors), has been formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The non-executive Directors, namely, Mr. Wang Lian Chun and Mr. Qi Guangya, are directors of the Subscriber and parties acting in concert with it. Accordingly, the non-executive Directors are considered to have a material interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver, and therefore, will not be members of the Independent Board Committee.

The Independent Board Committee has approved the appointment of Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate, and the Whitewash Waiver.

In accordance with the Listing Rules and the Takeovers Code, (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; (iii) each of Mr. Hu Huaimin, Mr. Qi Guangya and Mr. Bai Zhaoxiang, details of their shareholding in the Company are set out in the paragraph headed “Changes in the Shareholding of the Company”; and (iv) the Shareholders involved or interested in the Subscription Agreement, the Specific Mandate or the Whitewash Waiver will be required to abstain from voting on the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM. Accordingly, (i) the Subscriber and parties acting in concert with it (holding in aggregate of 407,241,333 Shares, representing approximately 44.33% of the issued share capital of the Company as at the date of this announcement), having a material interest in the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver; and (ii) Mr. Hu Huaimin (holding in 1,130,666 Shares, representing 0.12% of the issued share capital of the Company as at the date of this announcement), will abstain from voting on the relevant resolution(s) at the EGM. Save as disclosed, no other Shareholder has a material interest in the transactions contemplated under the Subscription Agreement, the Specific Mandate or the Whitewash Waiver and will be required to abstain from voting on the relevant resolution(s) at the EGM.

As at the date of this announcement, (i) Mr. Wang Lian Chun, a non-executive Director, is a director of the Subscriber and is also the chairman and director of Jiangsu Yue Da, an associate and a party acting in concert with the Subscriber; (ii) Mr. Qi Guangya, a non-executive Director, is a director of Jiangsu Yue Da; (iii) Mr. Mao Naihe, an executive Director, is the vice chairman of the Subscriber. Accordingly, each of Mr. Wang Lian Chun, Mr. Qi Guangya and Mr. Mao Naihe is considered to have a material interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver and have abstained from voting on the board resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver. Mr. Hu Huaimin, Mr. Bai Zhaoxiang, Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee have voted for the board resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver.

A circular containing, among other things, (i) further details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 2:34 p.m. on 11 November 2016, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 14 November 2016.

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business (other than a Saturday, Sunday or Hong Kong public holiday, or a day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon, or on which a black rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon)
“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the grant of the Specific Mandate, the Subscription, the Whitewash Waiver and the respective transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent Board committee, comprising all the independent non-executive Directors (excluding all the non-executive Directors due to their interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver), which has been formed to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the Whitewash Waiver
“Independent Third Party(ies)”	independent third party who is not connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the connected persons of the Company
“Independent Shareholders”	Shareholders other than (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; and (iii) each of Mr. Hu Huaimin, Mr. Qi Guangya and Mr. Bai Zhaoxiang; (iv) parties involved in or interested in the Subscription Agreement, the Specific Mandate or the Whitewash Waiver
“Jiangsu Yue Da”	Jiangsu Yue Da Group Company Limited, a state-owned enterprise established with limited liability in the PRC and interested in 100% interests in Yue Da HK as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Outstanding Options”	the outstanding, vested and unvested, options granted by the Company to subscribe for an aggregate of 39,466,059 Shares under the share option schemes of the Company adopted by the Company on 29 November 2001 and 9 June 2011

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Yue Da HK”	Yue Da Group (H.K.) Co., Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Jiangsu Yue Da which is established and controlled by Yancheng Municipal People’s Government. Yue Da HK is a Shareholder which holds approximately 44.33% of the issued share capital of the Company as at the date of this announcement
“Subscription”	the conditional allotment and issue of the Subscription Shares by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the formal legally-binding agreement dated 11 November 2016 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.38 per Subscription Share
“Subscription Share(s)”	250,000,000 new Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement

“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Whitewash Waiver”	the waiver by the Executive under Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber to make a general offer to the Shareholders for all issued shares of the Company not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it as a result of the allotment and issue of the Subscription Shares to the Subscriber
“%”	per cent

Unless specified otherwise, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.16. The exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 11 November 2016

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 Guangya; (b) as executive Directors, Mr. Mao Naihe, Mr. Hu Huaimin and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable inquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.