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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)

VOLUNTARY ANNOUNCEMENT: SETTLEMENT AGREEMENT

Reference is made to (a) the announcement of Yue Da Mining Holdings Limited (the “**Company**”) dated 22 January 2013 regarding, among other matters, a major transaction of the Company in relation to a proposed investment in a Vietnam joint venture company by advance of Loan (“**2013 Announcement**”); and (b) the announcement of the Company dated 23 January 2014 in relation to the extension of the Maturity Date of the Loan Agreement to 23 January 2015 (the “**Extended Date**”) (“**2014 Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the 2013 Announcement and 2014 Announcement.

As disclosed in the 2013 Announcement, YDM has agreed to grant to Mineral Land a term loan facility up to US\$16 million for a term of one year, which carries a fixed-sum interest of US\$1 million. Pursuant to the Loan Agreement, (i) TVQ, amongst others, executed a pledge of 60% charter capital in Duong Lam in favour of YDM (“**Share Pledge**”); (ii) New Aims executed a share charge over the entire issued share capital of Everwise in favour of YDM (“**Everwise Share Charge**”) and (iii) I3PB executed a personal guarantee in favour of YDM (“**First Personal Guarantee**”) as securities.

As disclosed in the 2014 Announcement, the Maturity Date of the Loan Agreement has been extended to the Extended Date. As at the date of this announcement, a sum of US\$6 million is due and owing by Mineral Land to YDM.

The Board of Directors of the Company wishes to announce that on 22 December 2017, a settlement agreement (“**Settlement Agreement**”) was entered into between YDM, Mineral Land and I3PB. The principal terms of the Settlement Agreement are summarized below:

THE SETTLEMENT AGREEMENT

- (a) Mineral Land agrees to pay YDM a sum of US\$300,000 as immediate available fund on or before 31 December 2017 in partial satisfaction for the repayment of the Loan (the “**Payment**”).
- (b) YDM agrees to give Mineral Land concessions in that Mineral Land may defer repayment of the remaining outstanding amount of the Loan, by four (4) instalments (the “**Instalments**”) in accordance with the following timetable:

Amount (US\$)	Due Date (dd/mm/yyyy)
900,000	30/06/2018
1,600,000	31/12/2018
1,600,000	30/06/2019
1,600,000	31/12/2019

- (c) Within 90 days of the date of execution of the Settlement Agreement:
 - (i) Mineral Land shall execute a deed of share charge charging entire issued share capital of the BVI Subsidiary, a company established under the laws of the British Virgin Islands, which its entire issued share capital is legally and beneficially owned by Mineral Land directly, to the satisfaction of YDM (the “**BVI Subsidiary**”), in favour of YDM, as security for repayment in whole of the Loan (the “**BVI Share Charge**”);
 - (ii) After due execution and registration of the BVI Share Charge in accordance with the applicable laws and regulations, YDM, BVI Subsidiary, and TVQ, Duong Lam and/or any other parties as may be required shall execute a deed of assignment (the “**Deed of Assignment**”), whereby among others, YDM shall assign its rights and benefit under the Share Pledge to the BVI Subsidiary, and TVQ shall acknowledge such assignment and shall provide all the ancillary documents and other deliverables under the Share Pledge to the BVI Subsidiary for among others, the due enforcement of the Share Pledge, pursuant to the Deed of Assignment.
- (d) I3PB unconditionally, absolutely and irrevocably guarantees the punctual repayment of the outstanding Loan and the due and punctual observance and performance of Mineral Land, BVI Subsidiary and TVQ of all their respective obligations under the BVI Share Charge and Deed of Assignment (the “**Additional Personal Guarantee**”).
- (e) YDM agrees that it shall use its best endeavour to enforce its rights, i.e. having first recourse and exhausted for the Loan under the BVI Share Charge prior to the enforcement of its rights under the Additional Personal Guarantee to recover the unpaid/outstanding balance of the Loan (if any).

- (f) Upon due execution and registration (where applicable) of the Deed of Assignment and the BVI Share Charge, the First Personal Guarantee shall be fully discharged and released.
- (g) Upon the signing of the Settlement Agreement, the Everwise Share Charge shall be fully discharged and released.
- (h) The Share Pledge, BVI Share Charge and the Additional Personal Guarantee shall remain fully effective until the full payment of the Payment and final Instalment.
- (i) In the event that Mineral Land (or any other parties acting for and on behalf of Mineral Land) fails to pay any amount payable by Mineral Land on its due date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment (both before and after judgment) at a rate of 3.5% per annum. Any interest accruing under this clause shall be immediately payable by Mineral Land on demand by YDM.

The Company will make further announcement(s) 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 and Chief Executive

Hong Kong, 22 December 2017

As at the date of this announcement, the Board comprises Mr. Mao Naihe, Mr. Hu Huaimin and Mr. Bai Zhaoxiang as executive Directors; Mr. Wang Lian Chun and Mr. Qi Guangya as non-executive Directors; and Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee as independent non-executive Directors.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.