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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)

BUSINESS UPDATE

THE ENTERING INTO SHAREHOLDER'S LOAN AGREEMENT IN RESPECT OF THE DEVELOPMENT OF NEW BUSINESS SEGMENT

This announcement is made by Yue Da Mining Holdings Limited (the “**Company**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the latest business development of the Company.

Reference is made to the Management Discussion and Analysis section of the 2017 Interim Report, the Company decided to develop a new factoring business segment in offering trade finance, sales ledger management, customer credit investigation and rating, accounts receivable management and collection, credit risk guarantee service, supply chain management and other related supporting services in the People's Republic of China. The Group registered successfully Yueda (Shenzhen) Commercial Factoring Co., Ltd. (“**Yueda Shenzhen**”), a wholly owned subsidiary of the Company, on 15 August 2017. The registered share capital of Yueda Shenzhen is RMB400,000,000 and required to be injected by 31 December 2046.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 26 September 2017 (after trading hours), the Company entered into a shareholder's loan agreement (the “**YDHK Loan Agreement**”) with Yue Da Group (H.K.) Group Limited (“**YDHK**”), the direct controlling shareholder holding 61.21% equity interest of the Company. Pursuant to the YDHK Loan Agreement, YDHK shall make available a revolving working capital loan facility to the Company with maximum limit of RMB400,000,000 for capital injection into Yueda Shenzhen. The interest rate will be charged based on the actual outstanding principle amount and it will be not higher than market interest rate. The Company will drawdown the principle under the YDHK Loan Agreement for injection into Yueda Shenzhen according to the progress of its business development.

The YDHK Loan Agreement is made on normal commercial terms or better terms, and no assets of the Company are pledged hereunder, so such connected transaction is exempt from the disclosure requirements under Rule 14A.90 of the Listing Rules.

The Board believes that the YDHK Loan Agreement provides a solid source of fund and lower cost of capital for development of the new factoring business and it is in the best interest of the Company and shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 September 2017

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.