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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)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF PLEASURE RESOURCES LIMITED
AND OTHER TARGET BVI COMPANIES:
(1) SECOND SUPPLEMENTAL SP AGREEMENT AND
SUPPLEMENTAL SHAREHOLDERS AGREEMENT; AND
(2) PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the Company's announcements dated 16 August 2011 and 30 December 2011 respectively in relation to the Disposal of the Sale Shares and Sale Loan in the Target Companies.

The Disposal was completed on 30 December 2011. Under the original terms of the agreement (as amended and announced previously) for the Disposal, the remaining balance of the Disposal Consideration in the sum of about RMB66.6 million (i.e. the difference between RMB91 million and HK\$30 million) has been agreed to be paid by the Purchaser to the Vendor on or before 30 June 2012. Up to the date of this announcement, about RMB13.2 million was further paid by the Purchaser to the Vendor. In addition, a sum of RMB38,034,821.88 then owing by the Target BVI Companies to the Vendor has also been agreed to be repaid on or before 30 June 2012.

As at the date of this announcement, (i) the Outstanding Balance of the Disposal Consideration remained payable by the Purchaser to the Vendor is RMB53,406,000; and (ii) the total indebtedness owing by the Target BVI Companies to the Vendor is RMB38,034,821.88.

On 29 June 2012, the Vendor and the Purchaser entered into:

- (a) the Second Supplemental SP Agreement, pursuant to which the parties conditionally agreed to extend the last date of payment in full of the Outstanding Balance of the Disposal Consideration by the Purchaser to the Vendor from 30 June 2012 to 30 June 2014; and
- (b) the Supplemental Shareholders Agreement, pursuant to which the parties conditionally agreed to extend the last date of payment in full of the sum of RMB38,034,821.88 owing by the Target BVI Companies to the Vendor from 30 June 2012 to 30 June 2014.

In such connection, the Purchaser has agreed to charge all the issued shares held by the Purchaser in each of the Target BVI Companies in favour of the Vendor to secure (among others) the performance of payment obligations of the Purchaser and the Target BVI Companies as mentioned above. The entering into of the Second Supplemental SP Agreement and the Supplemental Shareholders Agreement between the Vendor and the Purchaser to extend the date of repayment of the Outstanding Balance and the Targetco Indebtedness (both interest free) being an aggregate sum of RMB91,440,821.88 which is secured by the Share Charge provided by the Purchaser in favour of the Vendor constitutes a financial assistance provided by the Vendor to the Purchaser and the Target BVI Companies.

As the applicable percentage ratios for the Financial Assistance is more than 5% but less than 25%, the Financial Assistance constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

Reference is made to the Company's announcements dated 16 August 2011 ("**August Announcement**") and 30 December 2011 ("**December Announcement**") in relation to the Disposal of the Sale Shares and Sale Loan in the Target BVI Companies (namely, Pleasure Resources Limited, Joyous Field Investments Limited and Joyful Well Investments Limited). Unless the context requires otherwise, terms defined in the August Announcement shall have the same meanings when used in this announcement.

The Purchaser and the Target BVI Companies are investment holding companies. The Target BVI Companies (before completion of the Disposal) held, and still hold, equity interest in certain PRC companies which are holders of exploration and mining licences in respect of certain lead and zinc mines located in Wengniuteqi, Chifeng City, Inner Mongolia, the PRC. The principal activities of these PRC companies are the exploration, mining and processing of lead ore and zinc ore extracted from the said mines.

The principal activities of the Group are exploration, mining, processing and sale of zinc, lead, iron and gold ores, and the management and operation of a toll highway.

As at the date of this announcement, to the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Target BVI Companies, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

Completion of the Disposal took place on 30 December 2011. Immediately after completion of the Disposal and up to the date of this announcement, each of the Target BVI Companies is owned as to 51% by the Purchaser and 49% by the Vendor. As disclosed in the August Announcement, the Target BVI Companies (after completion of the Disposal) have ceased to be subsidiaries of the Company.

Under the Disposal Agreement (as supplemented and amended by a Supplemental Agreement dated 30 December 2011 and as disclosed in the December Announcement), the Consideration for the Disposal ("**Disposal Consideration**") amounted to RMB91 million, of which HK\$30 million was received by the Vendor at completion of the Disposal. The remaining balance of about RMB66.6 million (i.e. the difference between RMB91 million and HK\$30 million) then outstanding has been agreed to be paid by the Purchaser to the Vendor on or before 30 June 2012. Up to the date of this announcement, about RMB13.2 million of the Disposal

Consideration was further paid by the Purchaser to the Vendor. As at the date of this announcement, the outstanding balance of the Disposal Consideration remained payable by the Purchaser to the Vendor is RMB53,406,000 (the “**Outstanding Balance**”).

In addition, as at the date of the original agreement for the Disposal and up to the date of completion of the Disposal and as at the date of this announcement, RMB38,034,821.88 (“**Targetco Indebtedness**”) was and is owing by the Target BVI Companies to the Vendor. The Targetco Indebtedness is unsecured and interest free.

In connection with the completion of the Disposal, the Vendor and the Purchaser entered into a shareholders’ agreement (“**Original Shareholders Agreement**”) in respect of the Target BVI Companies, which regulate, amongst others, shareholders’ rights and the management and operations of the Target BVI Companies. Under the Shareholders Agreement, it has been agreed by the parties that, among other matters, (i) repayment of any loan owing by the Target BVI Companies to its shareholders will, as priority, be paid to the Vendor first, and no repayment will be made to the Purchaser unless and until the full repayment of the entirety of the loans owing by the respective Target BVI Companies to the Vendor; and (ii) the Targetco Indebtedness shall be repaid to the Vendor in full on or before 30 June 2012.

In response to the Purchaser’s request for an extension of the date of repayment of the Outstanding Balance and the Targetco Indebtedness, the Vendor and the Purchaser entered into (i) the Second Supplemental SP Agreement and (ii) the Supplemental Shareholders Agreement (both as defined below), brief details are set out below.

SECOND SUPPLEMENTAL AGREEMENT TO THE DISPOSAL AGREEMENT

On 29 June 2012, the Vendor and the Purchaser entered into the second supplemental agreement (“**Second Supplemental SP Agreement**”) to the Disposal Agreement. Under the Second Supplemental SP Agreement, it has been agreed conditionally that the last date for payment in full of the remaining balance of the Disposal Consideration by the Purchaser to the Vendor (in cash or other form as mutually agreed by the parties) is extended from 30 June 2012 to 30 June 2014.

The said time extension shall become effective upon fulfillment of all the following conditions (“**Relevant Conditions**”):

- (a) the execution of a share charge (“**Share Charge**”) by the Purchaser in favour of the Vendor in such form and substance to the satisfaction of the Vendor with respect of all issued shares held by the Purchaser in each of the Target BVI Companies;
- (b) the entry of the relevant annotation regarding the Share Charge in the register of charges of the Purchaser and the register of members of each of the Target BVI Companies and thereafter the filing of the application for the registration of the register of charges of the Purchaser with the Registrar of Corporate Affairs of the British Virgin Islands (“**BVI**”); and
- (c) the receipt of a legal opinion issued by the BVI legal advisers approved by the Vendor confirming without limitation, the enforceability, due authorisation and due execution of the Share Charge in such form and substance to the satisfaction of the Vendor.

The purpose of the Share Charge is to secure (among others) the performance of obligations of payment to the Vendor of (i) the Outstanding Balance by the Purchaser, and (ii) the Targetco Indebtedness by the Target BVI Companies.

Save and except for the above time extension, all other terms of the Disposal Agreement remain unchanged and continue in full force and effect.

SUPPLEMENTAL AGREEMENT TO THE ORIGINAL SHAREHOLDERS AGREEMENT

On 29 June 2012, the Vendor and the Purchaser entered into the supplemental shareholders' agreement ("**Supplemental Shareholders Agreement**") to the Original Shareholders Agreement. Under the Supplemental Shareholders Agreement, it has been agreed conditionally that the last date for repayment in full of the Targetco Indebtedness by the Target BVI Companies to the Vendor is extended from 30 June 2012 to 30 June 2014.

The above time extension shall become effective on the same date upon all the Relevant Conditions are fulfilled.

Save and except for the above time extension, all other terms of the Shareholders Agreement remain unchanged and continue in full force and effect.

FULFILLMENT OF THE RELEVANT CONDITIONS

On 29 June 2012, all the Relevant Conditions were fulfilled, and hence the said time extension to 30 June 2014 for payment in full of the Outstanding Balance and the Targetco Indebtedness (as provided under the Second Supplemental SP Agreement and the Supplemental Shareholders Agreement) has become effective.

The Share Charge will be released upon the full payment and satisfaction of all indebtedness owed by the Purchaser and/or the Target BVI Companies to the Vendor and the due performance and discharge of the obligations and liabilities of the Purchaser and the Target BVI Companies under the Share Charge.

PROVISION OF FINANCIAL ASSISTANCE

The entering into of the Second Supplemental SP Agreement and the Supplemental Shareholders Agreement between the Vendor and the Purchaser to extend the date of repayment of the Outstanding Balance and the Targetco Indebtedness (both interest free) being an aggregate sum of RMB91,440,821.88 which is secured by the Share Charge provided by the Purchaser in favour of the Vendor constitutes a financial assistance provided by the Vendor to the Purchaser and the Target BVI Companies ("**Financial Assistance**").

The reason for entering into the Second Supplemental SP Agreement and the Supplemental Shareholders Agreement to extend the date of repayment of the Outstanding Balance and the Targetco Indebtedness by the Purchaser and the Target BVI Companies respectively is that, as the Company also indirectly holds 49% equity interests in each of the Target BVI Companies and thus each of the Target PRC Companies, the repayment of the Outstanding Balance and the Targetco Indebtedness on the original due date (i.e. 30 June 2012) will cause a significant financial burden to the Purchaser together with the Target BVI Companies and the Target PRC Companies, which will in turn adversely affect the operations and performance of the Target PRC Companies (through the management and capital support by the Purchaser) and thus the interest of the Group therein. Further, the Share Charge on all issued shares held by the Purchaser in each of the Target BVI Companies will provide a reasonable security to the Company regarding the repayment obligations of the Outstanding Balance and the Targetco Indebtedness by the Purchaser and the Target BVI Companies respectively.

Therefore, the Directors believe that the terms of the Second Supplemental SP Agreement and the Supplemental Shareholders Agreement are fair and reasonable and are in the interest of the Shareholders as a whole.

As the applicable percentage ratios for the Financial Assistance is more than 5% but less than 25%, the Financial Assistance constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

By order of the Board
Yue Da Mining Holdings Limited
Chen Yunhua
Chairman

Hong Kong, 29 June 2012

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr Dong Li Yong, Mr Liu Xiaoguang and Mr Hu Huaimin; (b) as non-executive Directors, Mr Chen Yunhua and Mr Qi Guang Ya; and (c) as independent non-executive Directors, Ms Leung Mei Han, Mr Cui Shu Ming, Mr Han Run Sheng and Dr Liu Yongping.