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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 – ASSIGNMENT OF LOAN

THE LOAN ASSIGNMENT

The Board is pleased to announce that, after trading hours on 11 December 2018, YDM, Mineral Land, I3PB and Daiichi entered into the Loan Assignment, pursuant to which YDM has conditionally agreed to sell and Daiichi has conditionally agreed to purchase the Debts at a consideration of US\$4.8 million.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratio in respect of the Assignment is more than 5% but is less than 25%, the Assignment constitutes a disclosable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under the Listing Rules.

Reference is made to (a) the announcement of 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**”); (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**”); (c) the announcement of the Company dated 22 December 2017 in relation to the Settlement Agreement (“**2017 Announcement**”); (d) the Management Discussion and Analysis sections of the announcement of results for the year ended 31 December 2017, dated 20 March 2018 and the interim result announcement for the six months ended 30 June 2018, dated 20 July 2018 (the “**MD&A Sections**”), and (e) the announcement of the Company dated 13 September 2018 (“**2018 Announcement**”) respectively. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the 2013 Announcement, 2014 Announcement, 2017 Announcement, the MD&A Sections and 2018 Announcement.

On 11 December 2018, YDM, Daiichi, Mineral Land and I3PB have entered into the Loan Assignment pursuant to which YDM is to assign to Daiichi the Debt at a consideration of US\$4.8 million on the terms and conditions in the Loan Assignment. The Completion of the Loan Assignment is subject to the satisfaction of a number of conditions.

THE LOAN ASSIGNMENT

Date: 11 December 2018

Parties

Assignor: Yue Da Mining Limited

Assignee: Daiichi Kigenso Kagaku Kogyo Co Limited

To the best knowledge of the Directors' knowledge, information and belief having made all reasonable enquiries, Daiichi and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be assigned

Pursuant to the Loan Assignment, YDM has conditionally agreed to transfer, Daiichi has conditionally agreed to accept the rights, title, interest and benefits in and to the Debt. The amount of the Debt subject to assignment is US\$4.8 million.

Consideration

The amount of Debt, being US\$4.8 million, is the total outstanding amount pursuant to the Loan Agreement and Settlement Agreement previously entered into between YDM, Mineral Land and I3PB. The Consideration is payable by Daiichi to the YDM on the Completion Date.

The Consideration of the Assignment was determined after arm's length negotiation and with reference to the amount outstanding under the Loan Agreement and the Settlement Agreement.

CONDITIONS TO COMPLETION

Completion of the Assignment is subject to the satisfaction of the following conditions:

- (a) amendment of the Loan Agreement to the satisfaction of Daiichi;
- (b) delivery and execution by YDM of all documents necessary for Daiichi to be registered with the National Registration Agency for Secured Transaction of Vietnam as the secured party under the Guarantee and Pledge Agreement;
- (c) notice of Assignment being sent to all the obligors and secured parties of the Loan Agreement, the Settlement Agreement and the security documents within three business days prior to the Completion Date;
- (d) the SPA being duly executed by parties thereto;
- (e) the conditions set out in the SPA having been satisfied or waived by Daiichi in accordance with the SPA;
- (f) YDM having procure any updates, revisions or ratifications or otherwise to be made to the security documents in favour of Daiichi for purpose of the Assignment; and
- (g) YDM having furnished all the original copies of invoices, vouchers or receipts in relation to expenses paid under Duong Lam as contribution of charter capital to Duong Lam.

If the conditions set out above are not satisfied or waived by Daiichi by the Long Stop Date, Daiichi is entitled to terminate the Loan Assignment in which case none of YDM or Daiichi shall have any claim against the other for costs, damages, compensation or otherwise.

If Daiichi fails to be registered with the National Registration Agency for Secured Transaction of Vietnam as a secured party under the Guarantee and Pledge Agreement within 30 calendar days after the Completion Date, YDM shall return to Daiichi the US\$4.8 million paid to it by Daiichi upon return of all the documents under condition (b) above to YDM, whereupon Mineral Land shall pay to YDM US\$1.6 million without prejudice to Mineral Land's obligations under the Settlement Agreement. Completion shall take place on the third business day upon satisfaction or waiver (as the case may be) of all the conditions above.

UNDERTAKING BY DAIICHI

Pursuant to the Loan Assignment, Daiichi has undertaken to YDM that Daiichi will only arrange for the release of registration of YDM as a secured party to the Guarantee and Pledge Agreement after the successful registration of Daiichi as a secured party of the Guarantee and Pledge Agreement.

INFORMATION OF THE PARTIES

Daiichi is a limited liability company incorporated in Japan and is principally engaged in the manufacture, sale, and research and development of zirconium compounds and other inorganic compounds including cesium compounds and rare earth compounds.

Mineral Land is a limited liability company incorporated in the British Virgin Islands and was the borrower under the Loan Agreement, and is principally engaged in the business of investment holding.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

Since 2013, the Group has been in various discussions with Mineral Land and other relevant parties as to the settlement of the Debt. Despite various supplemental agreement and settlement agreements being entered into, Mineral Land and other obligors under the Loan Agreement and the Settlement Agreement have failed on a number of occasions to fulfill their payment obligations. The Loan Assignment, which is to be entered into with a party not originally involved in the Loan Agreement, provides for an one-off solution to the Group to recover the long outstanding amount of the Debt.

In view of this, the Directors are of the view that the terms and conditions of the Loan Assignment and the transactions contemplated thereunder are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratio in respect of the Assignment is more than 5% but is less than 25%, the Assignment constitutes a disclosable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Assignment”	assignment of the Debt
“Board”	the board of Directors
“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 Date”	the third business day after satisfaction of all the conditions, or any other date as mutually agreed by the parties to the Loan Assignment
“Completion”	completion of the Assignment
“Consideration”	US\$4.8 million, being the total outstanding amount pursuant to the Loan Agreement and Settlement Agreement previously entered into between YDM, Mineral Land and I3PB, and payable by Daiichi to the YDM on the Completion Date pursuant to the Loan Assignment
“Daiichi”	Daiichi Kigenso Kagaku Kogyo Co Limited, a limited liability company incorporated in Japan
“Debt”	all the legal and beneficial right, title and interest in any present or future liability (actual or contingent) payable or owing by Mineral Land to YDM under or in connection with the Loan Agreement and the Settlement Agreement and the security in relation thereto
“Guarantee and Pledge Agreement”	the guarantee and share pledge agreement dated 21 January 2013 entered into between YDM, Mr. Tran Van Quan, Ms. Ngo Thi Yen and Mr. Do Xuan Tien in relation to the share pledge over 60% of the share capital of Duong Lam in favour of YDM
“I3PB”	an obligor under the Loan Agreement and relevant security documents

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignment”	the loan assignment agreement dated 11 December 2018 entered into between YDM, Daiichi, Mineral Land and I3PB in relation to the Assignment
“Long Stop Date”	the earlier of (i) 31 March 2019, or (ii) termination of the SPA; or (iii) any other date as agreed between the parties to the Loan Assignment
“Mineral Land”	Mineral Land Holdings Limited, a limited liability company incorporated in the British Virgin Islands
“SPA”	A contemplated share purchase agreement to be entered into between Daiichi as the purchaser and the ultimate shareholder of Mineral Land, who is third party independent of the Company and its connected person to the best of the Directors’ knowledge as the seller in relation to the sale and purchase of shares in a fellow subsidiary of Mineral Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	Has the meaning ascribed thereto in the Listing Rules
“YDM”	Yue Da Mining Limited, a BVI subsidiary of the Company

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

Hong Kong, 11 December 2018

Since the transaction is subject to the fulfilment of certain conditions, the shareholders and potential shareholders should exercise cautious when dealing with the shares of the Company.

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. Wen Songmao, Mr. Mao Naihe, Mr. Hu Huaimin and Mr. Cai Baoxiang; and (c) as independent non-executive Directors, Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee.

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