

**IN THE MATTER OF THE
SECURITIES AND FUTURES ORDINANCE (CAP 571)
AND
IN THE MATTER OF THE LISTED SECURITIES
OF YUE DA MINING HOLDINGS LIMITED
(STOCK CODE: 629)**

**NOTICE TO THE MARKET MISCONDUCT TRIBUNAL
PURSUANT TO SECTION 252(2) AND SCHEDULE 9 OF
THE SECURITIES AND FUTURES ORDINANCE, CAP 571
("THE ORDINANCE")**

WHEREAS it appears to me that market misconduct within the meaning of Section 274 ("False Trading"), Section 275 ("Price Rigging") and/or Section 278 ("Stock Market Manipulation") of Part XIII of the Ordinance, has or may have taken place arising out of dealings in the securities of Yue Da Mining Holdings Limited (Stock Code 629) ("YDM"), the Market Misconduct Tribunal is hereby required to conduct proceedings and determine:-

- (a) whether any market misconduct has taken place;
- (b) the identity of every person who has engaged in market misconduct; and
- (c) the amount of any profit gained or loss avoided, if any, as a result of the market misconduct.

Persons and/or Corporate Bodies Specified

Mr Li Libin ("Li"), Mr Qian Jinbiao ("Qian"), Yue Da Group (HK) Company Limited ("YDG (HK)"), Yue Da Mining Holdings Limited ("YDM"), and Mr Dong Liyong ("Dong").

Statement for institution of proceedings

1. At all material times, Li was a director and responsible officer of YDG (HK) which was the controlling shareholder of YDM holding more than 5% of YDM shares. YDG (HK) and YDM shared the same registered address in Hong Kong.

2. Dong was at all material times the Chief Executive Officer of YDM whereas Qian was the Company Secretary and Financial Controller of YDM.
3. At all material times, Li was an authorized signatory of the bank accounts of YDG (HK) and YDM.
4. At all material times, Qian was the authorized person to place orders for the securities trading account of YDG (HK) and YDM at the Bank of China International Holdings Limited (“BOCI”).
5. In October and November 2007, YDM announced acquisitions of mining rights in the People’s Republic of China (“PRC”). Between December 2007 and March 2008, YDM launched three placements of 20 million odd shares each (with top-up arrangement on two occasions) (“the Placements”) to *inter alia* raise funds to finance the acquisitions. Dong and Li had prior knowledge of the Placements.
6. During the period on and between the 12th November 2007 and the 12th September 2008 (“relevant period”), YDG (HK), YDM, together with 4 accounts at the Hong Kong and Shanghai Banking Corporation Limited (“HSBC”) in the name of Zhang Hongyan (“ZH”), Su Linian (“Su”), Zhang Qing (“ZQ”), and Cai Handong (“Cai”) (“HSBC accounts”) had aggressively traded in YDM shares.

Trades via the HSBC accounts

7. During the relevant period, Li operated and was the person responsible for making decisions of buying and selling YDM shares via the HSBC accounts of ZH, Su, and ZQ (“the Nominee Accounts”).
8. Li operated and conducted trades of YDM shares during the relevant period via the Internet. The Internet Protocol (“IP”) addresses showed that the YDM share orders during the relevant period via the Nominee Accounts were placed at different locations including the office of YDM/YDM (HK), Li’s and Qian’s residence.

9. The funding of the trades in YDM shares via the Nominee Accounts during the relevant period ultimately came from YDM.
10. The trading of YDM shares via the Nominee Accounts created a false appearance of strong market demand of YDM shares resulting in artificial support and/or increase in the price of YDM shares.
11. The trading of YDM shares via the Nominee Accounts did not involve any actual change in beneficial ownership.
12. Cai was the elder cousin of Dong. During the relevant period, Dong operated Cai's HSBC account.
13. The trading of YDM shares by Dong via Cai's HSBC account created a false appearance of strong market demand of YDM shares resulting in artificial support and/or increase in the price of YDM shares.
14. The trading of YDM shares by Dong via Cai's trading account did not involve any actual change in beneficial ownership.

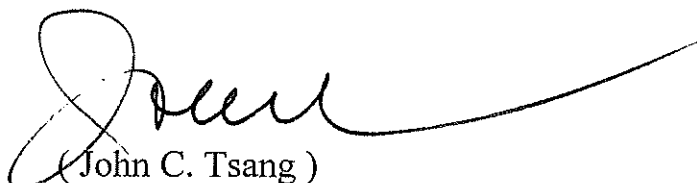
Trades via YDG (HK)

15. During the relevant period, the decision to place orders of YDM shares via YDG (HK)'s BOCI account was made by Li.
16. Li would instruct Qian to place YDG (HK)'s orders for YDM shares during the relevant period.
17. The funding for the trading in YDM shares by YDG (HK) at the relevant period came from YDM's bank account.
18. The trading of YDM shares by YDG (HK) created a false appearance of strong market demand of YDM shares resulting in artificial support and/or increase in the price of YDM shares.
19. The trading of YDM shares by YDG (HK) did not involve any actual change in beneficial ownership.

Trades via YDM

20. During the relevant period, it was Dong's instructions and decision to repurchase YDM shares. Dong would instruct Qian to execute YDM's repurchase orders of YDM shares.
21. The trading of YDM shares by YDM created a false appearance of strong market demand of YDM shares resulting in artificial support and/or increase in the price of YDM shares.
22. Accordingly, Li, Qian, YDG (HK), YDM, and Dong engaged or may have engaged jointly or severally in market misconduct contrary to Sections 274, 275 and/or 278 of the Ordinance.

Dated this 16th day of December, 2011


(John C. Tsang)
Financial Secretary