YUE DA MINING HOLDINGS LIMITED
悅達礦業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2007

ANNUAL RESULTS

The board of directors of Yue Da Mining Holdings Limited (the "Company") announces the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2007 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2007

	NOTES	**2007** *RMB'000*	2006 *RMB'000*
Revenue	4	**293,960**	184,628
Cost of sales		**(102,508)**	(32,049)
Direct operating costs		**(33,392)**	(53,997)
Gross profit		**158,060**	98,582
Other income		**28,966**	2,349
Gain on redemption of convertible bonds		**30,104**	—
Discount on acquisition of additional interests in mining subsidiaries		**17,942**	56,532
Impairment loss recognised in respect of property, plant and equipment		**—**	(44,679)
Impairment loss recognised in respect of goodwill		**(3,235)**	—
Loss from fair value changes of convertible bonds' embedded derivatives		**(101,608)**	(39,873)
Loss on disposal of a subsidiary		**—**	(6,337)
Administrative expenses		**(56,554)**	(18,574)
Interest expense	6	**(20,628)**	(7,866)
Profit before tax		**53,047**	40,134
Income tax expense	7	**(54,404)**	(4,852)
(Loss) profit for the year	8	**(1,357)**	35,282
Attributable to:			
— Equity holders of the Company		**7,571**	10,332
— Minority interests		**(8,928)**	24,950
		(1,357)	35,282
Earnings per share	9		
— Basic		**2.8 cents**	4.9 cents
— Diluted		**2.8 cents**	4.7 cents

CONSOLIDATED BALANCE SHEET

At 31st December, 2007

	NOTES	**2007** *RMB'000*	2006 *RMB'000*
Non-current Assets			
Property, plant and equipment		**250,260**	198,957
Prepaid lease payments		**2,887**	773
Mining rights		**1,081,953**	953,114
Exploration and evaluation assets		**—**	9,248
Goodwill		**7,298**	5,474
Deposits paid for acquisition of property, plant and equipment		**1,922**	—
		1,344,320	1,167,566
Current Assets			
Prepaid lease payments		**229**	97
Inventories		**23,931**	7,858
Accounts and other receivables		**13,857**	6,418
Amounts due from related companies		**22,635**	4,598
Bank balances and cash		**128,952**	102,094
		189,604	121,065
Current Liabilities			
Accounts and other payables		**38,534**	15,844
Amounts due to related companies		**6,231**	8,643
Taxation payable		**1,908**	3,678
Convertible bonds' embedded derivatives		**—**	57,366
Promissory notes — due within one year		**68,716**	14,716
Bank borrowing — due within one year		**34,493**	18,750
		149,882	118,997
Net Current Assets		**39,722**	2,068
Total Assets Less Current Liabilities		**1,384,042**	1,169,634

	NOTES	**2007**	2006
		RMB'000	*RMB'000*
Capital and Reserves			
Share capital		**31,208**	25,976
Reserves		**648,606**	456,055
Equity attributable to equity holders of the Company		**679,814**	482,031
Minority interests		**113,014**	360,002
Total equity		**792,828**	842,033
Non-current Liabilities			
Convertible bonds' liabilities portion		**—**	66,844
Promissory notes — due after one year		**53,384**	57,236
Bank borrowing — due after one year		**302,251**	56,250
Deferred tax liabilities		**235,579**	147,271
		591,214	327,601
		1,384,042	1,169,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2007

1. GENERAL

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate holding company is Yue Da Group (H.K.) Co., Limited ("Yue Da HK"), a company incorporated in Hong Kong. The Company's ultimate holding company is Jiangsu Yue Da Group Company Limited ("Jiangsu Yue Da"), a state-owned enterprise established with limited liability in the People's Republic of China (the "PRC").

The Company is an investment holding company. The principal activities of its subsidiaries are (1) exploration, mining and processing of zinc, lead and iron; and (2) management and operation of a toll highway and bridge in the PRC.

As all of the Group's operations are in the PRC, the consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st January, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combination[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions[3]
HK(IFRIC) – Int 12	Service Concession Arranagements[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st July, 2009
[3] Effective for annual periods beginning on or after 1st March, 2007
[4] Effective for annual periods beginning on or after 1st January, 2008
[5] Effective for annual periods beginning on or after 1st July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

HK(IFRIC) - Int 12 gives guidance on the accounting by operators for public-to-private service concession arrangements and sets out the general principles on recognising and measuring the obligations and related rights in service concession arrangements. For arrangements falling within its scope, depending on the terms of the arrangement, the infrastructure assets will, instead of being recognised as property, plant and equipment, be recognised as either (i) a financial asset; (ii) an intangible asset; or (iii) both a financial asset and an intangible asset. The directors of the Company are in the process of assessing the impact of the application of HK(IFRIC) - Int 12 on the Group.

The directors of the Company anticipate that the application of the other new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

4. REVENUE

Revenue represents the aggregate of the net amounts received and receivable for toll revenue and the goods sold during the year and is analysed as follows:

	2007	2006
	RMB'000	*RMB'000*
Toll revenue	**57,560**	103,734
Sale of zinc, lead and iron ore concentrates	**236,400**	80,894
	293,960	184,628

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions:

— management and operation of toll highway and bridge ("Toll Road Operations"); and

— exploration, mining and processing of zinc, lead and iron ("Mining Operations").

These operating divisions are the basis on which the Group reports its primary segments as below:

Year ended 31st December, 2007

	Toll Road Operations	**Mining Operations**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***
REVENUE			
External sales	**57,560**	**236,400**	**293,960**
RESULTS			
Segment results	**15,527**	**102,678**	**118,205**
Unallocated corporate income			**27,734**
Gain on redemption of convertible bonds			**30,104**
Discount on acquisition of additional interests in mining subsidiaries			**17,942**
Loss from fair value changes of convertible bonds' embedded derivatives			**(101,608)**
Unallocated corporate expenses			**(18,702)**
Interest expense			**(20,628)**
Profit before tax			**53,047**
Income tax expense			**(54,404)**
Loss for the year			**(1,357)**

As at 31st December, 2007

	Toll Road Operations *RMB'000*	**Mining Operations** *RMB'000*	**Consolidated** *RMB'000*
ASSETS			
Segment assets	**127,536**	**1,269,948**	**1,397,484**
Unallocated corporate assets			**136,440**
Consolidated total assets			**1,533,924**
LIABILITIES			
Segment liabilities	**7,428**	**27,161**	**34,589**
Unallocated corporate liabilities			**706,507**
Consolidated total liabilities			**741,096**

As at 31st December, 2007

	Toll Road Operations *RMB'000*	**Mining Operations** *RMB'000*	**Unallocated** *RMB'000*	**Consolidated** *RMB'000*
OTHER INFORMATION				
Capital additions	**1,682**	**229,796**	**—**	**231,478**
Prepaid lease payments additions	**—**	**2,403**	**—**	**2,403**
Depreciation and amortisation	**17,272**	**36,253**	**21**	**53,546**
Impairment loss recognised in respect of goodwill	**—**	**3,235**	**—**	**3,235**

Year ended 31st December, 2006

	Toll Road Operations *RMB'000*	Mining Operations *RMB'000*	Consolidated *RMB'000*
REVENUE			
External sales	103,734	80,894	184,628
RESULTS			
Segment results	(6,644)	46,988	40,344
Unallocated corporate income			1,996
Discount on acquisition of additional interests in mining subsidiaries			56,532
Loss from fair value changes of convertible bonds' embedded derivatives			(39,873)
Loss on disposal of a subsidiary			(6,337)
Unallocated corporate expenses			(4,662)
Interest expense			(7,866)
Profit before tax			40,134
Income tax expense			(4,852)
Profit for the year			35,282

As at 31st December, 2006

	Toll Road Operations *RMB'000*	Mining Operations *RMB'000*	Consolidated *RMB'000*
ASSETS			
Segment assets	143,121	1,043,416	1,186,537
Unallocated corporate assets			102,094
Consolidated total assets			1,288,631
LIABILITIES			
Segment liabilities	7,367	17,120	24,487
Unallocated corporate liabilities			422,111
Consolidated total liabilities			446,598

As at 31st December, 2006

	Toll Road Operations *RMB'000*	Mining Operations *RMB'000*	Unallocated *RMB'000*	Consolidated *RMB'000*
OTHER INFORMATION				
Capital additions	1,558	1,046,633	—	1,048,191
Prepaid lease payments additions	—	881	—	881
Depreciation and amortisation	30,727	11,784	20	42,531
Impairment loss recognised in respect of property, plant and equipment	44,679	—	—	44,679

Geographical segments

The Group's revenues are solely generated in the PRC and all its identifiable assets are located in the PRC. Accordingly, no geographical segment data is presented.

6. INTEREST EXPENSE

	2007 ***RMB'000***	2006 *RMB'000*
Interest on:		
— bank borrowing wholly repayable within five years	**11,448**	—
— a loan from a minority shareholder wholly repayable within five years	**—**	507
— promissory notes	**6,153**	2,330
— convertible bonds	**3,027**	3,092
Imputed interest expense on a non-current loan from a minority shareholder	**—**	1,937
	20,628	7,866

7. INCOME TAX EXPENSE

	2007	2006
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
— current year	**3,708**	6,618
— underprovision in prior years	**152**	—
Deferred tax		
— current year	**(6,030)**	(1,766)
— increase in deferred tax liabilities resulting from a change in tax rate enacted in March 2007	**56,574**	—
	54,404	4,852

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Langfang Tongda Highway Co., Ltd. ("Langfang Tongda") is subject to PRC Enterprise Income Tax at the rate of 15%. In addition, Langfang Tongda is entitled to an exemption from local income tax of 3% during the five years ended 31st December, 2002, followed by a 50% tax relief for the next five years. The reduced local income tax rate for the relief period is 1.5%. The tax exemption expired in 2007. Accordingly, Langfang Tongda was subject to income tax at the reduced rate of 16.5% for the year.

Zhen'an County Daqian Mining Development Co., Ltd. ("Daqian Mining"), a subsidiary acquired by the Group on 28th December, 2007, was taxed at 33% for the year.

Pursuant to the relevant regulations applicable to enterprises situated in the western region of the PRC, all the Group's PRC mining subsidiaries, other than Daqian Mining, enjoy a preferential tax rate of 15%. In addition, these PRC mining subsidiaries are entitled to an exemption from PRC Enterprise Income Tax for the two years starting from their first profit-making year, followed by a 50% tax reduction in the three years thereafter. The first profit-making years of these PRC mining subsidiaries are 2006 and 2007 respectively. During the year, they were within the tax exemption period and not subject to tax.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate to 25% for certain subsidiaries from 1st January, 2008. For all those subsidiaries situated in the western region of the PRC will continue to enjoy the preferential tax rate of 15% until 2010, while tax rate of Langfang Tongda will gradually increase to 25% commencing from 1st January, 2008.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

	2007	2006
	RMB'000	*RMB'000*
Profit before tax	**53,047**	40,134
Tax at the domestic income tax rate of 15% *(Note)*	**7,957**	6,020
Tax effect of expenses not deductible for tax purpose	**12,720**	14,745
Effect of tax exemption granted to PRC subsidiaries	**(19,525)**	(9,084)
Tax effect of income not taxable for tax purpose	**(3,716)**	(7,132)
Underprovision in respect of prior years	**152**	—
Increase in opening deferred tax liability resulting from an increase in applicable tax rates	**56,574**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**242**	303
Income tax expense for the year	**54,404**	4,852

Note: The domestic income tax rate in the jurisdiction where a substantial portion of the Group's operation is based is used.

8. (LOSS) PROFIT FOR THE YEAR

	2007	2006
	RMB'000	*RMB'000*
(Loss) profit for the year has been arrived at after charging:		
Amortisation of mining rights	**22,217**	8,328
Release of prepaid lease payments	**157**	11
Auditors' remuneration	**2,500**	2,000
Cost of inventories sold	**102,508**	32,049
Depreciation of property, plant and equipment	**31,172**	34,192
Employee benefit expense, including directors' remuneration and share-based payment expense	**40,631**	23,515
Loss on disposal of property, plant and equipment	**1,778**	—
Net foreign exchange loss	**—**	1,403
and after crediting:		
Bank interest income	**790**	1,368
Gain on disposal of property, plant and equipment	**—**	353
Net foreign exchange gain	**25,948**	—

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	2007	2006
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to equity holders of the Company and earnings for the purposes of basic and diluted earnings per share	**7,571**	10,332

	2007	2006
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**268,371,954**	210,027,258
Effect of dilutive ordinary shares — share options	**2,893,866**	10,760,820
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**271,265,820**	220,788,078

The Company's convertible bonds are not included in the calculation of diluted earnings per share as they are anti-dilutive for both years.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

The Group recorded an operating revenue of RMB293,960,000 in the year ended 31st December, 2007 ("Period"), representing an increase of approximately 59% over RMB184,628,000 in the corresponding period of last year. Gross operating profit amounted to RMB158,060,000, representing an increase of approximately 60% as compared to RMB98,582,000 in the corresponding period of last year.

As a result of the one-off impact of accounting adjustments, the audited profit attributable to the equity holders of the Group for 2007 amounted to RMB7,571,000, representing an decrease of approximately 27% compared to the corresponding period of last year and basic earnings per share amounted to RMB2.8 cents.

Excluding the impact of the accounting adjustments set out below and relevant minority interests, the profit attributable to the equity holders should be RMB118,636,000, representing an increase of 1.36 times over RMB50,205,000, the profit attributable to equity holders in the corresponding period of last year without taking into account of the impact of the corresponding adjustments.

The Group made two significant accounting adjustments during the Period. Firstly, regarding the convertible bonds in the amount of HK$75,000,000 issued to Feilong Holdings Limited by the Company on 23rd June, 2006, due to the increase in the price of the shares of the Company and other factors, the fair value of such convertible bonds recorded a net increase of RMB71,504,000 (gain on redemption of convertible bonds amounted to RMB30,104,000 net-off with loss from fair value changes of convertible bonds' embedded derivatives amounted to RMB 101,608,000) according to the valuation carried out by a valuer. As required by the Hong Kong Accounting Standards, such change in fair value shall be recorded as losses for the current period. Secondly, in the valuation of the Company's mining rights, the income tax rate of 15% was originally applied in the calculation of the deferred tax. However, with the new enterprise income tax law in the PRC promulgated on 16th March, 2007, the income tax will be adjusted to the rate of 25% for certain subsidiaries from 1st January, 2008. Therefore, the Company made accounting adjustments for the amount of deferred tax, resulting in an increase in the Company's income tax expenses of RMB56,574,000 (before deducting minority interests RMB17,013,000). The directors of the Company (the "Directors") considered such accounting adjustments will not materially affect the normal production and operation of the Group, because the above accounting adjustment were recorded as a one-off accounting adjustments and all of the convertible bonds issued by the Company were redeemed and converted during the Period.

Dividends

The Board did not recommend the payment of a final dividend for the Period.

Business Review

Overview

The Group is principally engaged in the mining as well as cleansing and processing of metal minerals, and the operation of a toll road. During the Period, the mining operations of the Group ("Mining Operations") realised an operating revenue of RMB236,400,000 with an operating profit of RMB124,895,000, which represented a segment profit of RMB102,678,000 for the Mining Operations after deducting the amortisation charges of mining rights of RMB22,217,000. The toll road operations ("Toll Road Operations") recorded a net operating revenue of RMB57,560,000 and a segment profit of RMB15,527,000. During the corresponding period of last year, the Group was mainly engaged in the operation of two toll roads and Mining Operations commenced from June last year.

Mining Operations

During the Period, the Mining Operations recorded an operating revenue of RMB236,400,000 with a gross profit of RMB150,765,000 and gross profit margin of approximately 64%. The ores extracted during the Period amounted to 552,391 tons with a unit mining cost of approximately RMB75 per ton (the corresponding period of last year: RMB66 per ton) and a unit processing cost of approximately RMB67 per ton (the corresponding period of last year: RMB98 per ton). The Mining Operations included the processing of such metal ore concentrates as zinc ore concentrates of 9,645 metal tons, lead ore concentrates of 4,172 metal tons, silver of 3,162 kilograms and iron ore concentrates of 69,434 tons, as well as the direct sales of oxidized zinc ores of 3,263 tons. During the Period, the metal ore concentrates were sold at an average price of RMB16,786 per metal ton for zinc ore concentrates, RMB18,388 per metal ton for lead ore concentrates (with silver content), and RMB517 per ton for iron ore concentrates.

During the Period, both Baoshan Feilong Nonferrous Metal Co., Ltd. ("Baoshan Feilong") and Yaoan Feilong Mining Co., Ltd. ("Yaoan Feilong") expanded the production capacity of their plants. Yaoan Feilong built an additional processing plant with a daily processing capacity of 600 tons, which commenced production in March 2007; while Baoshan Feilong upgraded its processing plant with a daily processing capacity of 500 tons, which also commenced production in April 2007, and will steadily achieve the planned production capacity. On 10th May, 2007, Tengchong Ruitu Mining and Technology Limited ("Tengchong Ruitu") completed the acquisition of the Ruilong plant which originally processed ores for Tengchong Ruitu and made investment in upgrading the technology and enhancing the capacity of the plant. Currently, the project is still in progress and its completion will further enhance the self-operation of Tengchong Ruitu. The newly explored mine No.10 will soon commence production, which will substantially boost the daily ores production capacity.

However, the Mining Operations have also encountered certain challenges. On one hand, the daily production process was partly affected by the realization of improvements and acquisition of projects, which led to certain negative influences on the production volume of the Period. On the other hand, the production operations suffered certain unexpected difficulties. In particular, the production of the Tengchong Ruitu mines, which was successfully acquired only by the end of 2006, was not able to operate smoothly and failed to meet the expected production target in 2007 due to a number of factors. However, the Directors considered that such impacts were temporary and some of which are problems usually encountered during optimization of newly acquired projects, which have been resolved at present. As the production operations of mines are running normally at present, the future development of the Mining Operations shall not be adversely affected.

Toll Road Operations

The Wen An Section of the National Highway 106 in Hebei Province (the "Wen An Section"), located in Langfang, Hebei, and in the proximity to Beijing, has a toll collection station at Wen An. Annual average daily traffic (AADT) reached 16,045 during the Period while the operating revenue achieved RMB57,560,000, which represented an approximately 7% increase over RMB53,896,000 in the corresponding period of last year. Steady vehicle flows and toll revenues were recorded and it is expected that the Toll Road Operations will continue to develop steadily in the future.

The Wen An Section has also implemented a computer-aided toll fee and control system to effectively uphold the standard of the Toll Road Operations. No adjustment was made to the toll fee for the Wen An Section during the Period. Regular maintenance and repair works were carried out on the Wen An Section to maintain the quality of the road during the Period. However, no large-scale maintenance works have been carried out.

Acquisition of Additional Equity Interests in the Feilong Mining Project

On 28th June, 2007, the Company completed the acquisition of the additional equity interests in three subsidiaries, namely Baoshan Feilong, Yaoan Feilong and Puer Feilong Mining Co., Ltd. (the "Feilong Mining Project"). The consideration for such acquisition was HK$250,000,000, which was mainly funded by a 5 years' term loan from a licensed bank in Hong Kong. Such acquisition recorded a gain on discount of RMB17,942,000. Accordingly, except for the 8.5% equity interests in Baoshan Feilong that remained to be held by a minority shareholder, the Group owned the remaining 91.5% in Baoshan Feilong and 100% equity interests in each of Yaoan Feilong, Puer Feilong Mining Co., Ltd. and Tengchong Ruitu, the five mines of which are under production operation.

Acquisition of Shaanxi Daqian Mining Project

On 28th December, 2007, the Company completed the acquisition of 100% equity interest in Zhen'an County Daqian Mining Development Co., Ltd. in Shaanxi ("Daqian Mining"). Daqian Mining holds interest in the mining rights in Dagou Lead and Zinc Mine of Zhen'an County. The ore body of such mining site is expected to comprise an ore reserve of 3,914,300 tons. Contained lead and zinc resource is approximately 154,386 tons. Acquisition consideration of HK$120,000,000 was settled by cash in full, which was mainly funded by the Group's internal resources and proceeds from placing of shares of the Company. Due to the fact that the period between the completion date of such acquisition to the year end date is very short, this project has no significant impact on the operating revenue and operating profit of the Group.

Inner Mongolia Acquisitions

In addition, the Group has also carried out Weng Qi acquisition and Hong Ling transactions for the acquisition of exploration and/or mining rights of mines located in Inner Mongolia during the Period (details set out in the announcement and circular of the Group dated 30th November, 2007 and 5th February, 2008 respectively). The above acquisitions have been approved in general meeting of the shareholders of the Company. Weng Qi acquisition has been completed on 31st March, 2008 and completion of the Hong Ling transactions is being arranged and has not taken place.

Prospect

The Group is committed to raising production capacity of its existing mines and enhancing its mining and exploration efforts in its mining sites. Processing plants of Baoshan Feilong and Yaoan Feilong completed expansion on schedule during the Period, which will effectively increase the production capacity of its existing mines. Tengchong Ruitu is actively exploring new mines and carrying out its construction works as scheduled so as to increase the mining capacity of the Tengchong site. The project on the technical reconstruction and expansion of the production capacity of the newly acquired processing plant is in progress, and the processing capacity and recovery rate of the plant will be boosted significantly upon completion. Daqian Mining's mines possess rich mineral resources, but the daily processing capacity of its original plant is only 200 tons per day. The new processing plant of the Company is under construction with a view to enhance the production scale in near future.

Weng Qi acquisition and Hong Ling transactions will further increase the Group's metal ore reserve, enhance its metal ore production capacity and strengthen its competitiveness in the mining and exploration industry. Weng Qi Mines, of which the Company acquired the exploration and mining rights through Weng Qi acquisition, are equipped with abundant lead and zinc ore resources and also a satisfactory production environment and are thus qualified for a large scale production. At present, the companies acquired under the Weng Qi acquisition (being the subsidiaries of the Company) have two processing factories of production scale of 2,500 tons and 500 tons per day respectively. Further, since operation has commenced a few years ago, the companies acquired under the Weng Qi acquisition have accumulated considerable experience particularly in handling largescale processing and extraction of metal ores. Hong Ling Mine is equipped with multi-metal ores of a relatively high quality. The Hong Ling Mine is regarded as rare both in terms of its relatively large size and the quality of metal ores located therein. As mining activities have been carried out for a considerably long time at the Hong Ling Mine, it is already equipped with an experienced management and technical team for the extraction and processing of metal ores therein. At present, the facilities to cater for the expansion plan to increase the production scale to 1,500 tons per day have been implemented. After the completion of the Hong Ling transactions (which is currently being arranged), the Hong Ling Mine shall be the major mining site of the Group. The Directors expected that the Weng Qi acquisition and Hong Ling transactions would bring desirable returns to the Group.

The Directors believe that the demand for lead, zinc and iron will be considerable in view of the rapid growth of the PRC economy and the expected growth in the consumption of lead, zinc and iron in the PRC. As the production capacity of metal smelting has been increasing, the demands for metal ore concentrates are expected to increase rapidly. In light of fact that the gross margin for ore concentrates of lead, zinc and iron are relatively high, the Directors believe that the Mining Operations will yield promising returns for the Group. The Group will continue to look for opportunities to acquire metal mines with abundant ore resources, high returns and competitive prices so as to further diversify its investment portfolio and to secure higher returns for its shareholders. On the other hand, the pace of Toll Road Operations' growth is relatively slow, and the cost of repair and maintenance works may also increase gradually as a result of prolonged hours of highway usage, thus affecting the investment returns for the Toll Road Operations.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 31st December, 2007, the Group's current assets were RMB189,604,000 (2006: RMB121,065,000), of which RMB128,952,000 (2006: 102,094,000) were cash at hand. As at 31st December, 2007, the net asset value of the Group amounted to RMB792,828,000, representing approximately 6% decrease as compared with RMB842,033,000 in 2006. The gearing ratio (total liabilities/total assets) of the Group was approximately 48% (2006:35%). The increase in liabilities is mainly due to new bank borrowings of HK$285,000,000 for funding acquisitions and operation requirements, the issue of promissory notes of HK$69,330,000 for the redemption of the convertible bonds, and an increase in deferred taxation liabilities of RMB88,308,000 over the corresponding period of last year.

As at 31st December, 2007, the share capital of the Company was RMB31,208,000 (2006: RMB25,976,000). The increase in share capital is mainly due to the issue of 22,450,000 new shares and 33,333,333 convertible bonds shares. The Company's reserve was RMB648,606,000 (2006: RMB456,055,000). The minority interests decreased by RMB246,988,000 subsequent to the Group's acquisition of additional equity interests in Feilong Mining Project as compared to last year. As at 31st December, 2007, the Group had total current liabilities of RMB149,882,000 (2006: RMB118,997,000), mainly comprising bank borrowing, the promissory notes and other payables. The total non-current liabilities of the Group amounted to RMB591,214,000 (2006: RMB327,601,000), mainly including bank borrowing and such promissory notes having maturity over one year, as well as deferred tax liabilities.

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollars and US dollars. During the Period, most of the transactions were denominated and settled in Renminbi. The Group believes that its exposure to exchange rate risk is minimal. The Group recorded an exchange gain amounting to RMB25,948,000 during the Period due to the appreciation of Renminbi.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

As at 31st December, 2007, except for the guarantees and charges in the amount of HK$360,000,000 provided to Industrial and Commercial Bank of China (Asia) Limited by the Group, the Company did not have any guarantees and charges nor any other material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31st December, 2007, the Group had a total of approximately 1,975 employees in Hong Kong and the PRC, engaged in management, administration, toll collection functions and mining. The management reviewed the remuneration policy regularly on the basis of performance and experience of the employees as well as the prevailing industry practice. Social insurance contributions were made by the Group for its PRC employees in accordance with the relevant PRC regulations. Insurance and mandatory provident fund schemes are also maintained for its Hong Kong staff. During the Period, the Group provided various training courses on relevant business or skills for its management and staff at different levels. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

On 5th January, 2007, the Company repurchased 1,314,000 ordinary shares of the Company at an average price of approximately HK$3.52 per share, and the aggregate amount that shall be paid was HK$4,620,840. These shares were all repurchased through the Stock Exchange. Apart from that, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the shares of the Company during the Period.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Group complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Period, except that the Chairman of the Board was unable to attend the annual general meeting of the Company held in 2007 which deviates from code provision E.1.2, but one of the executive Directors of the Company was present to chair such meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of the Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. All the Directors of the Company, in response to specific enquiries made by the Company, confirmed that they complied with the requirements set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Company's audit committee currently comprises Mr. Cai Chuan Bing, Ms. Leung Mei Han (both being independent non-executive Directors) and Mr. Qi Guang Ya (being a non-executive Director). Its duties include reviewing all matters relating to the scope of audit, such as the financial statements and internal control, with an aim to safeguard the interest of the shareholders of the Company. At a meeting held on 18th April, 2008, the audit committee reviewed the accounting principles and practices adopted by the Group, the annual results of the Group for the Period, the 2007 audited annual financial report and the connected transactions carried out by the Group during the Period, and discussed matters relating to audit, internal control and financial reporting with the management.

REMUNERATION COMMITTEE

The Company has set up with written terms of reference a remuneration committee, whose members are currently Mr. Cui Shu Ming, Mr. Cai Chuan Bing (both being independent non-executive directors) and Mr. Dong Li Yong (being an executive director). Regular meetings were held by the committee, which reviewed and discussed on the related matters of the remuneration policy, remuneration levels and the remuneration of executive.

PUBLICATION OF THE 2007 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2007 will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.yueda.com.hk in due course.

As at the date of this announcement, the board of Directors comprises the following members:

Executive Directors	*Non-executive Directors*	*Independent non-executive Directors*
Hu You Lin	Liu Xiao Guang	Cai Chuan Bing
Dong Li Yong	Qi Guang Ya	Leung Mei Han
Chen Gang		Cui Shu Ming
		Han Run Sheng

By order of the Board
Yue Da Mining Holdings Limited
Hu You Lin
Chairman

Hong Kong, 18th April, 2008