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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

INTERIM RESULTS

The board of directors of Yue Da Mining Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2008 (the "Period") as follows:

Condensed Consolidated Income Statement
For the six months ended 30th June, 2008

	NOTES	**Six months ended 30.6.2008 *RMB'000* (unaudited)**	30.6.2007 *RMB'000* (unaudited)
Revenue	3	**140,766**	134,881
Cost of sales		**(53,039)**	(54,533)
Direct operating costs		**(16,760)**	(14,924)
Gross profit		**70,967**	65,424
Other income		**28,725**	9,809
Discount on acquisition of additional interests in mining subsidiaries		**—**	17,942
Loss from fair value changes of convertible bonds' embedded derivatives		**—**	(71,504)
Administrative expenses		**(38,984)**	(18,336)
Interest expenses	4	**(14,055)**	(7,365)
Profit (loss) before tax		**46,653**	(4,030)
Income tax expense	5	**(8,565)**	(53,752)
Profit (loss) for the period	6	**38,088**	(57,782)
Attributable to			
— Equity holders of the Company		**32,494**	(51,649)
— Minority interests		**5,594**	(6,133)
		38,088	(57,782)
Dividend	7	**—**	—
Earnings (loss) per share	8		
— Basic		**10.3 RMB cents**	(20.6) RMB cents
— Diluted		**10.3 RMB cents**	N/A

Condensed Consolidated Balance Sheet
At 30th June, 2008

	NOTES	**30.6.2008**	31.12.2007
		RMB'000	*RMB'000*
		(unaudited)	(audited)
			(restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**212,280**	132,844
Prepaid lease payments		**2,912**	2,887
Mining rights		**1,353,065**	1,081,953
Goodwill		**7,298**	7,298
Other intangible assets		**108,135**	117,416
Deposits paid for acquisition of property, plant and equipment		**—**	1,922
		1,683,690	1,344,320
CURRENT ASSETS			
Prepaid lease payments		**232**	229
Inventories		**36,936**	23,931
Trade and other receivables	9	**24,284**	13,857
Amounts due from related parties		**13,566**	22,635
Bank balances and cash		**131,529**	128,952
		206,547	189,604
CURRENT LIABILITIES			
Trade and other payables	10	**52,594**	38,534
Amounts due to related parties		**14,253**	6,231
Taxation payable		**3,174**	1,908
Promissory notes — due within one year		**68,271**	68,716
Bank borrowing — due within one year		**64,841**	34,493
		203,133	149,882
NET CURRENT ASSETS		**3,414**	39,722
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,687,104**	1,384,042
CAPITAL AND RESERVES			
Share capital		**33,122**	31,208
Reserves		**791,955**	648,606
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**825,077**	679,814
MINORITY INTERESTS		**131,583**	113,014
TOTAL EQUITY		**956,660**	792,828
NON-CURRENT LIABILITIES			
Promissory notes — due after one year		**23,145**	53,384
Bank borrowing — due after one year		**251,671**	302,251
Loan from immediate holding company		**79,094**	—
Consideration payable for acquisition of subsidiaries		**70,375**	—
Deferred tax liabilities		**306,159**	235,579
		730,444	591,214
		1,687,104	1,384,042

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th June, 2008

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than the adoption of the new Interpretations as discussed below, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new Interpretations") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January, 2008.

HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Except for HK(IFRIC)-Int 12, the adoption of the new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The effects of adoption by the Group of HK(IFRIC)-Int 12 "Service Concession Arrangements", which is effective for annual periods beginning on or after 1st January, 2008, are described below.

HK(IFRIC)-Int 12 provides guidance on the accounting by an operator of a service concession arrangement which involves the provision of public sector services. As a toll highway and bridge operator, the Group has access to operate the infrastructure to provide public service on behalf of the grantor in accordance with the terms specified in a service concession arrangement contract.

In prior periods, the Group's toll highway and bridge infrastructure, which included construction costs incurred on toll highway and bridge infrastructure work which entitled the Group the operating rights of the toll highway and bridge for the specified concession period, were recorded as property, plant and equipment and were stated at cost less accumulated depreciation and impairment losses. Depreciation of the toll highway and bridge infrastructure was calculated to write off their cost, over their expected useful lives or the remaining concession period, whichever was shorter, commencing from the date of commencement of commercial operation based on the ratio of actual traffic volume for a particular period over the projected total traffic volume throughout the periods for which the Group is entitled to operate the toll highway and bridge.

In accordance with HK(IFRIC)-Int 12, infrastructure within the scope of this interpretation is not recognised as property, plant and equipment of the operator as the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. If the operator provides construction and upgrade services of the infrastructure, this interpretation requires the operator to account for its revenue and costs in accordance with HKAS 11 "Construction Contracts" for the construction and upgrade services of the infrastructure and to account for the fair value of the consideration received and receivable for the construction and upgrade services as an intangible asset in accordance with HKAS 38 "Intangible Assets" to the extent that the operator receives a right to charge users of the public service, which amounts are contingent on the extent that the public uses the service. In addition, the operator accounts for the revenue from provision of services in relation to the operation of the infrastructure in accordance with HKAS 18 "Revenue".

For the period beginning 1st January, 2008, as it is impracticable to apply this interpretation retrospectively, the Group has applied the transitional provisions given in the interpretation, and the financial impact on application of this interpretation is summarised below.

The effect of the changes in accounting policies described above on the results for the current and prior period by line items presented according to their function are as follows:

	Six months ended	
	30.6.2008	30.6.2007
	RMB'000	*RMB'000*
Decrease in depreciation expense (included in direct operating costs)	**(9,281)**	(7,302)
Increase in amortisation expense (included in direct operating costs)	**9,281**	7,302
Increase/decrease in profit (loss) for the period	**—**	—

The effects of the application of the new Interpretation to the Group's balance sheet items as at 31st December, 2007 are summarised below:

	As at 31.12.2007 (originally stated)	Adjustments	As at 31.12.2007 (restated)
	RMB'000	*RMB'000*	*RMB'000*
Balance sheet items			
Property, plant and equipment	250,260	(117,416)	132,844
Other intangible assets	—	117,416	117,416
Total effects on assets	250,260	—	250,260
Accumulated profits, total effects on equity	—	—	—

The Group has not early applied the following new 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]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[3]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[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 July, 2008
4 Effective for annual periods beginning on or after 1st October, 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. The directors of the Company anticipate that the application of the other new or revised standards or interpretation will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

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:

Six months ended 30th June, 2008

	Toll Road Operations *RMB'000*	**Mining Operations** *RMB'000*	**Consolidated** *RMB'000*
REVENUE			
External sales	**31,483**	**109,283**	**140,766**
RESULTS			
Segment results	**12,780**	**46,792**	**59,572**
Unallocated corporate income			**26,042**
Unallocated corporate expenses			**(24,906)**
Interest expenses			**(14,055)**
Profit before tax			**46,653**
Income tax expense			**(8,565)**
Profit for the period			**38,088**

Six months ended 30th June, 2007

	Toll Road Operations *RMB'000*	Mining Operations *RMB'000*	Consolidated *RMB'000*
REVENUE			
External sales	26,283	108,598	134,881
RESULTS			
Segment results	8,770	45,324	54,094
Unallocated corporate income			9,717
Discount on acquisition of additional interests in mining subsidiaries			17,942
Loss from fair value changes of convertible bonds' embedded derivates			(71,504)
Unallocated corporate expenses			(6,914)
Interest expenses			(7,365)
Loss before tax			(4,030)
Income tax expense			(53,752)
Loss for the period			(57,782)

4. INTEREST EXPENSES

	Six months ended	
	30.6.2008	30.6.2007
	RMB'000	*RMB'000*
Interest on:		
— bank borrowing wholly repayable within five years	**5,116**	2,115
— a loan from a minority shareholder wholly repayable within five years	**—**	95
Effective interest on:		
— promissory notes	**5,212**	2,128
— convertible bonds	**—**	3,027
Imputed interest on:		
— non-current loan from immediate holding company	**2,229**	—
— non-current consideration payable for acquisition of subsidiaries	**1,498**	—
	14,055	7,365

5. INCOME TAX EXPENSE

	Six months ended	
	30.6.2008	30.6.2007
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
— current year	**3,750**	229
— underprovision in prior year	**13**	—
Deferred tax		
— current year	**4,802**	(2,893)
— increase in deferred tax liabilities resulting from a change in tax rate enacted in March 2007	**—**	56,416
	8,565	53,752

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

Zhen'an Country Daqian Mining Development Co., Ltd., Weng Niu Te Qi San Xiang Mining Co., Ltd., Weng Niu Te Qi Xiang Da Mining Co., Ltd. and Chi Feng Yi Da Mining Co., Ltd. were subject to PRC Enterprise Income Tax at a rate of 25% during the six months ended 30th June, 2008.

Langfang Tongda Highway Co., Ltd. ("Langfang Tongda") was subject to PRC Enterprise Income Tax at a preferential rate of 18% for the period as it was qualified as an enterprise investing in public infrastructure projects in the PRC.

Pursuant to the relevant regulations applicable to enterprises situated in the western region of the PRC, the Company's other PRC subsidiaries enjoy a preferential tax rate of 15%. In addition, these PRC 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 year of these PRC subsidiaries, other than Baoshan Feilong Nonferrous Metal Co., Ltd. ("Baoshan Feilong"), was 2007 and accordingly, they were within the tax exemption period and not subject to tax during the six months ended 30th June, 2008. The first profit-making year of Baoshao Feilong was 2006 and accordingly, it was within the tax reduction period and was subject to PRC Enterprise Income Tax at a rate of 7.5% during the six months ended 30th June, 2008.

The newly promulgated Enterprise Income Tax Law ("Tax Law") of the PRC are effective on 1st January, 2008. In February 2008, the Ministry of Finance and the State Administration of Taxation issued several important tax circulars which clarify the implementation of the Tax Law and have an impact on certain of the Company's PRC subsidiaries. For those PRC subsidiaries situated in the western region of the PRC, which previously enjoyed fixed-term preferential enterprise income tax treatment in the form of a tax reductions and exemptions, will continue to enjoy the preferential tax rate of 15% until 2010. For Langfang Tongda, which previously enjoyed the preferential tax policies in the form of a reduced tax rate, will have a five-year period from the time when the Tax Law took effect to transition progressively to the legally prescribed tax rate. Langfang Tongda was subject to the 18% tax rate from 1st January, 2008, and will be subject to the 20% tax rate for the financial year 2009, 22% tax rate for the financial year 2010, 24% tax rate for the financial year 2011 and 25% tax rate for the financial year 2012.

6. PROFIT (LOSS) FOR THE PERIOD

	Six months ended	
	30.6.2008	30.6.2007
	RMB'000	*RMB'000*
Profit (loss) for the period has been arrived at after charging:		
Amortisation of mining rights (included in cost of sales)	**11,876**	10,404
Amortisation of other intangible assets (included in direct operating costs)	**9,281**	7,302
Cost of inventories sold	**53,039**	54,533
Depreciation of property, plant and equipment	**11,367**	7,526
Loss on disposal of property, plant and equipment	**28**	15
Release of prepaid lease payments	**106**	46
Share-based payments	**15,096**	644
And after crediting (in other income):		
Net exchange gain	**25,757**	9,403
Interest income	**285**	314

7. DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for both periods.

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended	
	30.6.2008	30.6.2007
	RMB'000	*RMB'000*
Earnings (loss)		
Profit (loss) for the period attributable to equity holders of the Company and earnings (loss) for the purposes of basic and diluted earnings (loss) per share	**32,494**	(51,649)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**314,171,002**	251,183,967
Effect of dilutive potential ordinary shares — share options	**1,236,042**	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**315,407,044**	

The exercise of the Company's share options and the conversion of the Company's convertible bonds would result in a decrease in loss per share for the six months ended 30th June, 2007. Accordingly, the relevant diluted loss per share is not presented.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

	30.6.2008	31.12.2007
	RMB'000	*RMB'000*
0 – 30 days	**2,304**	—
31 – 180 days	**—**	—
181 – 360 days	**—**	200
	2,304	200

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	30.6.2008	31.12.2007
	RMB'000	*RMB'000*
0 – 60 days	**1,152**	476
61 – 180 days	**310**	—
181 – 360 days	**32**	—
	1,494	476

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

Turnover of the Group for the Period amounted to RMB140,766,000, which represented an increase of approximately 4% over RMB134,881,000 in the corresponding period of last year. Gross operating profit amounted to RMB70,967,000, representing an approximate 8% increase as compared to RMB65,424,000 in the corresponding period of last year. The profit attributable to the equity holders of the Company was RMB32,494,000 and basic earnings per share amounted to RMB10.3 cents.

Share-based payments of RMB15,096,000 (non-cash expense) was incurred due to the grant of 12,300,000 employee share options during the Period. Excluding such one-off non-cash expense, the profit attributable to the equity holders of the Company would have been RMB47,590,000 during the Period.

In addition, pursuant to the new tax law, some members of the Group became liable to additional 10% dividend withholding income tax of RMB5,358,000, which resulted in a reduction of the profit attributable to the equity holders of the Company of RMB5,358,000 during the Period.

During the corresponding period of last year, the loss attributable to the equity holders of the Company was RMB51,649,000 and the basic loss per share was RMB20.6 cents.

Interim Dividend

The Board does not recommend the payment of any interim 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 Group experienced a very difficult macroeconomic environment ever since its transition to engage principally in mining business. Zinc ore concentrates, one of the major products of the Group, saw relatively large degree of drop in prices during the Period. However, the Group still managed to achieve certain growth in the revenue of its mining operations as compared to the corresponding period of last year, which was mainly attributable to the increase in production volume. During the Period, the mining operations realised an operating revenue of RMB109,283,000 with an operating profit of RMB58,668,000, which represented a segment profit of RMB46,792,000 for the mining operations after deducting the amortisation charges of mining rights of RMB11,876,000.

During the Period, the toll road operations of the Group recorded an operating revenue of RMB31,483,000 and a segment profit of RMB12,780,000, representing a significant growth from those in the corresponding period of last year.

Mining Business

During the Period, the mining business of the Group recorded an operating revenue of RMB109,283,000 (corresponding period of last year: RMB108,598,000) with a gross profit of RMB57,263,000 (corresponding period of last year: RMB64,372,000) and gross profit margin of approximately 52% (corresponding period of last year: 59%). As described above, the decreases in gross profit and gross profit margin were mainly attributable to the decline in selling prices of certain mineral products.

The ores extracted during the Period amounted to 342,579 tons, representing an increase of 27% over 270,524 tons in the corresponding period of last year, with a unit mining cost of approximately RMB92 per ton (corresponding period of last year: RMB66) and a unit processing cost of approximately RMB101 per ton (corresponding period of last year: RMB98). The mining and processing cost increased as compared to the corresponding period of last year.

During the Period, processing volume of zinc ore concentrates amounted to 4,894 metal tons (corresponding period of last year: 3,822 metal tons), lead ore concentrates to 2,071 metal tons (corresponding period of last year: 1,437 metal tons), silver to 2,624 kilograms (corresponding period of last year: 951 kilograms) and iron ore concentrates to 61,543 tons (corresponding period of last year: 52,290 tons). Each product experienced an increase in production volume.

During the Period, metal ore concentrates were sold at an average price of RMB9,743 per metal ton for zinc ore concentrates (corresponding period of last year: RMB20,348), RMB19,575 per metal ton for lead ore concentrates (with silver content) (corresponding period of last year: RMB14,398), and RMB714 per ton for iron ore concentrates (corresponding period of last year: RMB532). During the Period, the price of zinc ore concentrates dropped significantly while the prices of the other products rose.

During the Period, in response to the rapid drop in prices of lead and zinc metals from the highs against the significant rise in the price of iron ores, the Group adjusted its production mix by enhancing the production management and capacity expansion and renovation of Tengchong Iron Mine. The capacity expansion and renovation project in relation to the addition of daily ore processing capacity of 1,000 tons for Tengchong processing plant was basically completed in September 2008 while normal production was maintained. The newly explored mine No.10 has commenced production and the production scale of its stope is gradually expanding.

Mine exploration and technical innovation works were carried out in the lead and zinc mines in Baoshan and Yaoan to further enhance their production and profitability potentials while maintaining their stable production. During the exploration and production process in the Hetaoping mine in Baoshan, a large high-grade ore body and other ore bodies including copper and iron were recently discovered, which would boost to a large extent the future profitability of the Company.

Following the taking up by our Group of the management of the newly acquired lead and zinc mines in Weng Qi, Inner Mongolia and Daqian, Shaanxi, efforts were placed on the optimization and renovation of the original processing works and the construction of new processing plants. Currently, production and construction works are actively in progress. In light of the changes in the lead and zinc markets, timely adjustments were made to the construction plan for the new processing plant of the lead and zinc mines in Daqian, Shaanxi. The design and construction work of the first phase is currently in progress. Weng Qi acquisition was completed on 31st March, 2008. For the delay in completion of the Hong Ling transactions due to reasons of the vendor as well as the current changes in the metals market, the Company has been negotiating with the vendor in respect of the consideration for the acquisition so as to strive for a reduction in the cost of acquisition as compared to the original price. As at the date of this announcement, the Company has not signed any supplementary agreements in this regard. If such negotiations lead to the signing of a supplementary agreement, the Company will make timely disclosure in accordance with the requirements of the Listing Rules (if applicable).

Toll Road Operations

Wen An Section of the National Highway 106 in Hebei Province (the "Wen An Section") is located in Langfang, Hebei, which is in the proximity to Beijing. It has a toll collection station at Wen An. Annual average daily traffic (AADT) reached 18,850 during the Period (corresponding period of last year: 15,233) while the operating revenue achieved RMB31,483,000, which represented an approximately 20% increase over RMB26,283,000 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.

Business Prospects

Despite the decline seen in the current overall economy and the downturn in the non-ferrous metals industry, the Group is still confident in continuously creating value for shareholders. Looking ahead, the Group will seek opportunities to further increase its mineral reserves, to flexibly adjust its product portfolio (such as iron, lead, zinc, silver and copper) in response to market changes and to appropriately expand its production scale. The Group expects larger improvement in the operational performance in the second half and in future periods, mainly because:

1. The mines owned by the Group possess abundant mineral resources. After more than two years of efforts, each company has established a professional team of talents experienced in the operation management of metal mines and perfected various production organisation and management systems and regulatory systems, resulting in a significant improvement of the production operations level.

2. The Group is committed to raising production capacity of its existing mines and enhancing its exploration and mining efforts in its mining sites. The rich high-grade mines discovered in Baoshan mining site this year further enhanced the development potential of the relevant mine.

3. In light of the current changes in the metals market, the Group is also strengthening the comprehensive recovery of mineral resources. Certain progress has been achieved in trial processes such as the separation of copper and iron, and analysis and pilot processing of some newly discovered high value rare metals are in progress.

4. The capacity expansion and renovation of Tengchong mine of the Group is near the completion stage (construction of the processing plant has been completed). With the expectation that the production capacity will double as compared to the original levels, coupled with the iron ore price hike since the beginning of this year, it is forecast that Tengchong Company will bring more profit contributions to the Group.

5. Although the Company did not expect Hong Ling transactions to be completed by the end of September 2008, the Group is endeavouring to complete the acquisition of the project as soon as possible. Due to the large scale and high grade nature of the project, it is expected that completion of its acquisition is greatly beneficial to the Group.

6. By capitalising on the opportunities of lower expectations on the market assessment of mining projects created by the recent downturn in the base metals market, the Group will proactively identify attractive investment projects. In the future, the Group will continue to look for opportunities to invest in suitably priced metals mining projects with rich reserves and high yields in order to expand its own investment portfolio.

Liquidity and Financial Resources

As at 30th June, 2008, the Group's non-current assets were RMB1,683,690,000. Its current assets amounted to RMB206,547,000, of which bank deposits and cash accounted for RMB131,529,000. The Group's total current liabilities were RMB203,133,000 and its total non-current liabilities were RMB730,444,000, which included deferred tax liabilities of RMB306,159,000. The Group's total shareholders' equity amounted to RMB825,077,000 and its minority interests were RMB131,583,000, with a gearing ratio (total liabilities over total assets) of approximately 49%. This ratio was lowered when compared to 54% in the corresponding period of last year.

As at 30th June, 2008, except for the guarantees and charges in the amount of HK$360,000,000 given to Industrial and Commercial Bank of China (Asia) Limited, the Group did not have any guarantees and charges nor any other material contingent liabilities.

The Group's monetary assets, liabilities and transactions are mainly denominated in Hong Kong dollars, Renminbi 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 also recorded some exchange gains during the Period due to the appreciation of Renminbi.

EMPLOYEE AND REMUNERATION POLICY

As at 30th June, 2008, the Group had a total of approximately 2,467 employees in Hong Kong and the PRC, who were engaged in management, administration, mining and toll collection functions. 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 were 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

In January 2008, the Company repurchased 862,000 ordinary shares of the Company at an average price of approximately HK$5.68 per share, and the aggregate amount paid was HK$4,894,470. These shares were all repurchased through The Stock Exchange of Hong Kong Limited (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 Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the Period, except that the Chairman of the Board was unable to attend the annual general meeting of the Company due to other engagement, which constitutes deviation from code provision E.1.2 of the Code on Corporate Governance Practices, 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. The audit committee reviewed the accounting principles and practices adopted by the Group and the unaudited interim results, 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 the related matters of the remuneration policy, remuneration levels and the remuneration of executive directors.

PUBLICATION OF THE INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's interim report for 2008 will be published on the website of the Stock Exchange at www.hkexnews.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 of the Company 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
		Cui Shu Ming
		Han Run Sheng

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

Hong Kong, 19th September, 2008