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, 2009

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 (collectively referred to as the "Group") for the year ended 31st December, 2009 together with the comparative figures for the previous year as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31st December, 2009

	NOTES	2009 RMB'000	2008 RMB'000
Revenue	4	**209,713**	268,263
Cost of sales		**(128,567)**	(153,165)
Direct operating costs		**(31,790)**	(32,132)
Gross profit		**49,356**	82,966
Other income		**12,553**	146
Other gains and losses	6	**(2,435)**	20,911
Impairment losses on assets		**—**	(261,296)
Administrative expenses		**(67,704)**	(69,635)
Finance costs		**(32,055)**	(25,431)
Other expenses		**—**	(18,443)
Loss before tax		**(40,285)**	(270,782)
Income tax (expense) credit	7	**(6,895)**	31,032
Loss and total comprehensive expense for the year	8	**(47,180)**	(239,750)

	NOTE	2009 RMB'000	2008 RMB'000
Loss and total comprehensive expense for the year attributable to:			
— Owners of the Company		**(52,881)**	(240,200)
— Minority interests		**5,701**	450
		(47,180)	(239,750)
Loss per share	10		
— Basic		**(16.2) cents**	(75.1) cents
— Diluted		**(16.2) cents**	(75.1) cents

Consolidated Statement of Financial Position
At 31st December, 2009

	NOTES	2009 RMB'000	2008 RMB'000
Non-current Assets			
Property, plant and equipment		**193,748**	179,880
Prepaid lease payments		**2,633**	2,884
Mining rights		**1,140,244**	1,158,096
Goodwill		**482**	482
Other intangible assets		**84,235**	100,824
Long term deposits		**2,848**	3,525
Other financial asset		**22,449**	26,921
		1,446,639	1,472,612
Current Assets			
Prepaid lease payments		**208**	232
Inventories		**18,184**	20,720
Trade and other receivables	11	**18,038**	18,196
Amounts due from related companies		**26,864**	17,053
Bank balances and cash		**34,481**	128,856
		97,775	185,057
Current Liabilities			
Trade and other payables	12	**25,542**	42,101
Amounts due to related companies		—	5,168
Amounts due to directors		**352**	352
Taxation payable		**3,047**	1,539
Promissory notes — due within one year		**2,733**	8,320
Bank borrowings — due within one year		**61,460**	53,465
Consideration payable for acquisition of subsidiaries		—	73,774
		93,134	184,719
Net Current Assets		**4,641**	338
Total Assets Less Current Liabilities		**1,451,280**	1,472,950

	2009	2008
	RMB'000	*RMB'000*
Capital and Reserves		
Share capital	**33,122**	33,122
Reserves	**493,802**	530,928
Equity attributable to owners of the Company	**526,924**	564,050
Minority interests	**126,184**	127,005
Total equity	**653,108**	691,055
Non-current Liabilities		
Other payables	**21,970**	21,266
Amounts due to related companies	**60,155**	62,961
Promissory notes — due after one year	**68,820**	74,554
Bank borrowings — due after one year	**274,620**	319,924
Consideration payable for acquisition of subsidiaries	**69,121**	—
Provisions	**2,037**	1,862
Deferred tax liabilities	**267,880**	265,946
Deferred income	**33,569**	35,382
	798,172	781,895
	1,451,280	1,472,950

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's recurring losses, approximately RMB47 million loss reported for the current year and accumulated losses of approximately RMB165 million as at 31st December, 2009. The directors of the Company are also taking active steps to improve the liquidity position of the Group. These steps include (i) implementing stringent cost control measures; and (ii) raising gross cash proceeds of approximately HKD391 million (equivalent to approximately RMB344 million) through an open offer of 325,869,333 new shares at HK$1.2 per new share. The directors of the Company are satisfied that the Group will have sufficient working capital to meet in full its financial obligations as they fall due for the foreseeable future and be able to continue to operate with no significant financial difficulties. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) — Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as disclosed below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statement of the Group for the current and prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is disclosure standard that has resulted in changes in the basis of measurement of segment profit or loss of the Company (see Note 5).

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 HKFRSs 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 of Hong Kong Limited (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:

	2009	2008
	RMB'000	*RMB'000*
Toll revenue	**55,597**	54,473
Sale of zinc, lead and iron ore concentrates	**154,116**	213,790
	209,713	268,263

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. The executive directors of the Company are identified as the CODM and the internal reports that they regularly review for the purpose of assessing performance and allocation of resources are the revenue and segment results derived from the Group's different business activities.

In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. However, the adoption of HKFRS 8 has changed the basis of measurement of segment profit or loss. Certain expenses are included in the measurement of segment results after the adoption of HKFRS 8, since they are regularly reviewed by CODM. In the past, these expenses were excluded from the measurement of segment results under HKAS 14. The Group's reportable segments under HKFRS 8 are therefore identical to the business segments under HKAS 14, namely:

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

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

Information regarding the above segments is reported below. Amounts reported for prior year have been restated to conform to the requirement of HKFRS 8.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31st December, 2009

	Toll Road Operations *RMB'000*	**Mining Operations** *RMB'000*	**Consolidated** *RMB'000*
REVENUE			
External sales	**55,597**	**154,116**	**209,713**
Segment profit (loss)	**16,899**	**(16,770)**	**129**
Other income			**12,553**
Other gains and losses			
— Net foreign exchange gains			**1,995**
— Gain on disposal of subsidiaries			**1,358**
— Loss from change in fair value of financial asset designated as at fair value throught profit or loss ("FVTPL")			**(4,472)**
Central administration costs			**(19,793)**
Finance costs			**(32,055)**
Loss before tax			**(40,285)**

For the year ended 31st December, 2008

	Toll Road Operations *RMB'000*	Mining Operations *RMB'000*	Consolidated *RMB'000*
REVENUE			
External sales	54,473	213,790	268,263
Segment profit (loss)	14,882	(235,431)	(220,549)
Other income			146
Other gains and losses			
— Net foreign exchange gains			23,910
— Loss from change in fair value of financial asset designated as at FVTPL			(2,936)
Central administration costs			(27,479)
Finance costs			(25,431)
Other expenses			(18,443)
Loss before tax			(270,782)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) resulted in each segment without allocation of other income, other gains and losses, central administration costs, finance costs and other expenses. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Geographical information

All of external revenues of the Group in both years are attributable to customers established in the PRC, the place of domicile of the Group's major operating entities. More than 98% (2008: 98%) of the Group's non-current assets excluding other financial assets are located in the PRC.

6. OTHER GAINS AND LOSSES

	2009	2008
	RMB'000	*RMB'000*
Net foreign exchange gains	**1,995**	23,910
Gain on disposal of subsidiaries	**1,358**	—
Loss from change in fair value of financial asset designated as at FVTPL	**(4,472)**	(2,936)
Loss on disposal of property, plant and equipment	**(1,316)**	(63)
	(2,435)	20,911

7. INCOME TAX EXPENSE (CREDIT)

	2009	2008
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
— current year	**5,559**	4,379
— underprovision in prior years	**203**	—
	5,762	4,379
Deferred tax		
— current year	**1,133**	(35,411)
	6,895	(31,032)

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

Under the Law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of Zhen'an County Daqian Mining Development Co., Ltd. ("Daqian Mining"), Weng Niu Te Qi San Xiang Mining Co., Ltd. ("San Xiang"), Weng Niu Te Qi Xiang Da Mining Co., Ltd. ("Xiang Da") and Chi Feng Yi Da Mining Co., Ltd. ("Yi Da") is 25% from 1st January, 2008 onwards.

Pursuant to the relevant regulations applicable to enterprises situated in the western region of the PRC, the Company's other PRC mining subsidiaries, except for those stated above, 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 year of these PRC subsidiaries is 2007 except that the first profit-making year for Baoshan Feilong Nonferrous Metal Co., Ltd. ("Baoshan Feilong") is 2006. Accordingly, they were all within the tax reduction period and subject to 7.5% tax rate during the year ended 31st December, 2009.

Langfang Tongda Highway Co., Ltd. ("Langfang Tongda") was subject to PRC Enterprise Income Tax at a preferential rate of 18% for the year ended 31st December, 2008 as it was qualified as an enterprise investing in public infrastructure projects in the PRC. It was subject to the 20% tax rate during the year ended 31st December, 2009.

According to the EIT Law and relevant regulation, the Company's PRC subsidiaries situated in the western region of the PRC will continue to enjoy the preferential tax rate of 15% until 2010. All of them which previously enjoyed fixed-term preferential enterprise income tax treatment in the form of tax reductions will continue until 2011, except that in the case of Baoshan Feilong, it is 2010. Langfang Tongda, which previously enjoyed the preferential tax policies in the form of a reduced tax rate, is having a 5-year transition period to progressively increase its tax rate to the statutory tax rate of 25%. Langfang Tongda will be subject to 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.

8. LOSS FOR THE YEAR

	2009	2008
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Cost of inventories sold	**128,567**	151,449
Employee benefit expense, including directors' remuneration and share-based payment expense	**56,813**	78,871
Depreciation of property, plant and equipment	**23,589**	23,129
Amortisation of mining rights (included in cost of sales)	**22,111**	28,323
Amortisation of other intangible assets (included in direct operating costs)	**16,589**	16,592
Auditors' remuneration	**2,000**	2,000
Release of prepaid lease payments	**140**	134
Write-down of inventories	**—**	1,716
and after crediting:		
Income arising on extension of consideration payable for acquisition of subsidiaries	**10,626**	—
Imputed interest income on deferred income	**1,813**	—
Interest income from bank deposits	**114**	146

9. DIVIDEND

No dividend was paid or proposed during 2009, nor has any dividend been proposed for the year ended 31st December, 2009 (2008: nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2009	2008
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(52,881)**	(240,200)

	2009	2008
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**325,569,333**	319,917,010

The calculation of diluted loss per share for both years has not assumed the exercise of the Group's outstanding share options as these potential ordinary shares are anti-dilutive during both years.

11. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of RMB6,156,000 (2008: RMB7,940,000). The Group allows its trade customers an average credit period of 60 days. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2009	2008
	RMB'000	*RMB'000*
0–60 days	**6,156**	7,940

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy history. Credit limits attributed to customers are reviewed regularly. As at 31st December, 2009, the entire trade receivable balance was neither past due nor impaired and had no default record based on historical information.

12. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of RMB3,880,000 (2008: RMB2,395,000). The average credit period on purchases of goods is 30 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	RMB'000	*RMB'000*
0–30 days	**3,880**	2,395

FINANCIAL HIGHLIGHTS

The Group recorded an operating revenue of RMB209,713,000 in the year ended 31st December, 2009 (the "Year"), representing a decrease of approximately 21.83% over RMB268,263,000 in 2008. Gross operating profit amounted to RMB49,356,000, representing a decrease of approximately 40.51% as compared to RMB82,966,000 in 2008. As a result of the negative impact of the global financial turmoil that surfaced in the third quarter of 2008, the overall market prices of zinc, lead and iron ore concentrates were maintained at relatively low levels in the Year. The audited loss attributable to the equity holders of the Group for the Year amounted to RMB52,881,000, compared with the audited loss attributable to shareholders amounted to RMB240,200,000 for the year ended 31st December, 2008 and basic loss per share amounted to RMB16.2 cents for the Year.

DIVIDENDS

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

BUSINESS REVIEW

Overview

The Group is principally engaged in Mining Operations and Toll Road Operations. During the Year, the Mining Operations realized an operating revenue of RMB154,116,000 with a segment loss of RMB16,770,000, which represented a segment profit of RMB5,341,000 for the Mining Operations after deducting the amortisation charges of mining rights of RMB22,111,000. The Toll Road Operations recorded a net operating revenue of RMB55,597,000 and a segment profit of RMB16,899,000, respectively.

Mining Operations

During the Year, the Mining Operations recorded an operating revenue of RMB154,116,000 with a gross profit of RMB25,549,000 and gross profit margin of approximately 16.58%. The ores extracted during the Year amounted to 545,095 tons with a unit mining cost of approximately RMB84 per ton (2008: RMB94 per ton) and a unit processing cost of approximately RMB58 per ton (2008: RMB67 per ton). The Mining Operations included the processing of such metal ore concentrates as zinc ore concentrates of 7,047 metal tons, lead ore concentrates of 3,658 metal tons, silver of 3,472 kilograms and iron ore concentrates of 143,712 tons. During the Year, the metal ore concentrates were sold at an average price (after tax) of RMB6,901 per metal ton for zinc ore concentrates, RMB9,916 per metal ton for lead ore concentrates (with silver content), and RMB471 per ton for iron ore concentrates.

Tengchong Ruitu Mining and Technology Company Limited ("Tengchong Ruitu") has completed the project of upgrading the technology and enhancing the production capacity of its plant and its operations have commenced as planned. The production of the mine No. 10 and 11 has commenced as planned, thus providing a strong guarantee for a daily ores processing volume of 2,000 tons.

Baoshan Feilong has made smooth progress in its exploration activities as planned, and fruits were reaped in exploration phases as expected. The processing plant has completed its technology improvements, and plays a catalytic part in improving grade and recovery of ore concentrates. From the second half of the Year, Baoshan Feilong has resumed to operate in a normal scale of production under a tighter cost control measure.

Yaoan Feilong Mining Co., Ltd. ("Yaoan Feilong") is carrying out the mining activities of mine No. 8 on schedule, in order to supply ores required by the processing plant for its normal production. Notable results are achieved in optimizing production processes and technology improvements of the processing plant as expected, thereby bringing about improvements in grade and recovery of ore concentrates. In the second half of the Year, Yaoan Feilong has fully resumed the normal scale of production.

Zhen'an County Daqian Mining Development Co., Ltd. in Shaanxi ("Daqian Mining") has expanded its exploration activities as planned by speeding up the construction of a new processing plant with a daily processing volume of 600 tons.

During the Year, the production of the mining project located in Wengniute Banner of Inner Mongolia ("Wengniute Banner Mining") has partially resumed, while the technology improvements of the processing plant have been completed.

To maintain a recurring sales and cashflow to the Group, two additional strategic co-operation agreements with a term of 10 years were entered with Zhuzhou Smelter Group Co. Ltd. ("Zhuzhou Smelter") and Yunnan Yuntong Zinc Alloy Company Limited ("Yunnan Yuntong") details of which were included in the announcement of the Company dated 22 December 2009. In 2008, two strategic co-operation agreements were signed with Panzhihua Steel Group International Economic Trading Company Limited ("Panzhihua Steel Company") and Wugang Group Kunming Iron and Steel Company Limited ("Kunming Steel Company"), a subsidiary of Wuhan Iron and Steel (Group) Corp., details of which were included in the announcements of the Company dated 21st November, 2008 and 9th December, 2008, respectively. The said agreements with Panzhihua Steel Company and Kunming Steel Company continued to be in force during the Year and the agreements with Zhuzhou Smelter and Yunnan Yuntong is in force for 10 years from 1 January 2010.

Toll Road Operations

Wen An Section of the National Highway 106 in Hebei Province (the "Wen An Section") is located in Langfang, Hebei and is in the proximity to Beijing. It has a toll collection station at Wen An. Annual average daily traffic (AADT) reached 19,982 during the Year (2008: 19,150) while the operating revenue achieved RMB55,597,000, which represented an increase of approximately 2.06% over RMB54,473,000 in 2008. 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 Year. Regular maintenance and repair works were carried out on the Wen An Section to maintain the quality of the road during the Year. However, no large-scale maintenance works have been carried out.

Possible co-operation with Pingchuan Iron Mining Company ("Pingchuan Iron")

On 14th January, 2010 and 10th March, 2010, the Company and Pingchuan Iron entered into a memorandum of understanding and a framework agreement (the "Agreements"), respectively. Pursuant to the Agreements, it is proposed that the Group and Pingchuan Iron to establish a sino-foreign enterprise with respective equity interests of 49% and 51%. The board of the sino-foreign enterprise shall consist of five directors, two to be nominated by Pingchuan Iron and three to be nominated by the Company. The sino-foreign enterprise is expected to embark on the development of Pingchuan Iron Reserve Mine (Lanzhichang lot), a mine situated at Yanyuan County, Sichuan Province, the PRC ("Pingchuan Iron Mine") which includes, without limitation:

(i) the exploitation, mining and processing of the reserves in Pingchuan Iron Mine which mainly comprise of iron;

(ii) the acquisition, restructuring and/or investment in other iron mining enterprises in Yanyuan County, Sichuan Province, the PRC, targeted to be implemented towards the end of 2010;

(iii) the in-depth exploration of other mining sites in Yanyuan County, Sichuan Province, the PRC, the reserves in which are mainly expected to be iron, copper and gold; and

(iv) the cleansing and processing of copper of other mining sites in Yanyuan County, Sichuan Province, the PRC.

As at the date of this announcement, the establishment of the sino-foreign enterprise is pending and the valuation on Pingchuan Iron Mine is under progress. Further announcement will be made by the Company in accordance with Listing Rules if there is any material development.

Other possible acquisition

On 27th January, 2010, the Company announced that the Company is in negotiation with an independent third party for the possible acquisition of a mine with gold deposits, which is at exploitation and mining stage, in Anhui Province, the PRC. The Company is still in the process of negotiation of the terms and structure of such acquisition and further announcement will be made by the Company in accordance with Listing Rules if there is any material development.

Open offer

The open offer of 325,869,333 offer shares at the subscription price of HK$1.2 per offer share on the basis of one offer share for every then existing share held became unconditional on 4th March, 2010 and the Company raised a net proceeds of approximately HK$382 million. The Company intends to use the net proceeds for financing the possible co-operation with Pingchuan Iron and the balance as general working capital or other potential investment of the Group.

Prospect

The Group has always sought to enhance its exploration and mining technologies by identifying reasonable exploration and mining methods, improve and enhance explosive and blasting technology by setting up reasonable explosive and blasting method in order to maximize explosive effects. As a result, the Group would raise production capacity of its existing mines as well as reducing its mining costs. To reduce cleansing and processing costs, the Group will further emphasise on technology improvements, optimize production processes of processing plant and maximize grade and recovery of ore concentrates.

The completion of the project of upgrading technology and enhancing production capacity of the processing plant operated by Tengchong Ruitu, commencement of production of mine No. 10 and 11 as planned, Baoshan Feilong has made smooth progress in its exploration activities as planned and the entering of the long-term strategic co-operation agreements with Zhuzhou Smelter, Yunnan Yuntong, Panzhihua Steel Company and Kunming Steel Company have built a concrete foundation for the Group to have steady cash flow and reasonable level of profit. In addition, Daqian Mining has expanded its exploration activities as planned by accelerating the construction of a new processing plant with a daily processing volume of 600 tons in order to increase the exploration of mineral assets. Yaoan Feilong is accelerating the mining activities of mine No. 8 for increasing recovery. Meanwhile, the optimization of its operation flow is in progress.

Looking forward, in 2010, the environment for the mining business is expected to be improved when compared with 2009. As market prices of non-ferrous metal have picked up, the Board plans to implement a number of strategies, including gradual resumption of the production of Wengniute Banner Mining with reinforced efforts, acceleration of the construction of the newly built processing plant of Daqian Mining, taking full advantage of favorable conditions of relatively low lead and zinc prices and consolidation of the peripheral mineral resources of the existing mining companies. The Company also introduces measures in attempt to reduce its gearing ratio.

On the other hand, the Toll Road Operation continues to provide stable recurring income to the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19th May, 2010 to 26th May, 2010, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting of the Company to be held on 26th May, 2010, all transfer of shares in the Company accompanied by the relevant share certificates must lodged with the Company's branch shares registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 18th May, 2010.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 31st December, 2009, the Group's current assets were RMB97,775,000 (2008: RMB185,057,000), of which RMB34,481,000 (2008: RMB128,856,000) were bank balances and cash. As at 31st December, 2009, the net asset value of the Group amounted to RMB653,108,000, representing approximately 5.49% decrease as compared with RMB691,055,000 in 2008. The gearing ratio (total liabilities/total assets) of the Group was approximately 57.7% (2008: 58.31%).

As at 31st December, 2009, the share capital of the Company was RMB33,122,000 (2008: RMB33,122,000). The Company's reserve and minority interests were RMB493,802,000 (2008: RMB530,928,000) and RMB126,184,000 (2008: RMB127,005,000), respectively. As at 31st December, 2009, the Group had total current liabilities of RMB93,134,000 (2008: RMB184,719,000), mainly comprising bank borrowings, the promissory notes, taxation payable and other payables. The total non-current liabilities of the Group amounted to RMB798,172,000 (2008: RMB781,895,000), mainly including bank borrowings, consideration payable for acquisition of subsidiaries 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 and Hong Kong dollars. During the Year, most of the transactions were denominated and settled in Renminbi. The Group believes that its exposure to exchange rate risk is minimal.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

As at 31st December, 2009, 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, 2009, the Group had a total of 1,547 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 practices. 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 Year, 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

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the shares of the Company during the Year.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Group has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Year, except that the then Chairman of the Board was unable to attend the annual general meeting of the Company held in 2009 which deviates from code provision E.1.2. However, one of the executive Directors was present to chair such meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Year, the Company has adopted the Model Code for Securities Transactions by the Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). 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 Year.

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 Guangya (being a non-executive Director). Its duties include reviewing all matters relating to the scope of audit, the financial statements and internal control, with an aim to safeguard the interest of the shareholders of the Company. At a meeting held on 9th April, 2010, the audit committee reviewed the accounting principles and practices adopted by the Group, the annual results of the Group for the Year, the 2009 audited annual financial report and the connected transactions carried out by the Group during the Year, 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 2009 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2009 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.

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

Hong Kong, 9th April, 2010

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