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, 2014

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**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, 2014 (the "**Year**") together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2014

	NOTES	**2014** *RMB'000*	2013 *RMB'000*
Continuing operation			
Revenue	4	**134,782**	191,133
Cost of sales		**(145,033)**	(167,652)
Gross (loss) profit		**(10,251)**	23,481
Other income		**4,978**	12,536
Other gains and losses	5	**949**	25,600
Impairment losses on assets	6	**(219,822)**	(135,983)
Impairment loss on available-for-sale investments	15	**(11,123)**	—
Administrative expenses		**(62,587)**	(76,890)
Finance costs	7	**(16,117)**	(14,368)
Loss before tax		**(313,973)**	(165,624)
Income tax credit	8	**68,177**	25,475
Loss for the year from continuing operation	9	**(245,796)**	(140,149)
Discontinued operation			
Profit (loss) for the year from discontinued operation	10	**9,356**	(5,306)
Loss and total comprehensive expense for the year		**(236,440)**	(145,455)
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company			
— from continuing operation		**(235,051)**	(138,645)
— from discontinued operation		**11,055**	(2,706)
		(223,996)	(141,351)
(Loss) profit and total comprehensive (expense) income for the year attributable to non-controlling interests			
— from continuing operation		**(10,745)**	(1,504)
— from discontinued operation		**(1,699)**	(2,600)
		(12,444)	(4,104)

	NOTE	2014 RMB'000	2013 RMB'000
Loss per share	11		
From continuing and discontinued operations			
— Basic		**RMB(24.46) cents**	RMB(15.44) cents
— Diluted		**RMB(24.46) cents**	RMB(15.44) cents
From continuing operation			
— Basic		**RMB(25.67) cents**	RMB(15.14) cents
— Diluted		**RMB(25.67) cents**	RMB(15.14) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2014

	NOTES	2014 RMB'000	2013 RMB'000
Non-current Assets			
Property, plant and equipment	13	**104,639**	138,048
Prepaid lease payments		**9,418**	9,789
Mining rights	14	**614,606**	802,903
Available-for-sale investments	15	**4,841**	15,964
Goodwill		**2,119**	2,119
Other intangible assets		**—**	—
Long term deposits		**7,352**	7,202
Deposits paid for acquisition of property, plant and equipment		**4,602**	11,544
Deposits paid for investments		**—**	55,930
Other receivables	16	**27,277**	45,641
		774,854	1,089,140
Current Assets			
Prepaid lease payments		**449**	449
Inventories		**41,334**	55,378
Trade and other receivables	16	**132,026**	176,450
Amounts due from related companies		**27,895**	27,895
Taxation receivable		**224**	421
Pledged bank deposit		**100,540**	73,750
Bank balances and cash			
— Cash at banks and on hand		**23,520**	75,974
— Short term bank deposit with maturity over three months		**—**	10,000
		325,988	420,317
Current Liabilities			
Trade and other payables	17	**54,760**	66,093
Amounts due to related companies		**91,250**	92,230
Amounts due to directors		**297**	120
Taxation payable		**4,409**	7,743
Bank borrowings — due within one year		**189,860**	207,286
		340,576	373,472
Net Current (Liabilities) Assets		**(14,588)**	46,845
Total Assets Less Current Liabilities		**760,266**	1,135,985

	2014	2013
	RMB'000	*RMB'000*
Capital and Reserves		
Share capital	**83,474**	83,474
Reserves	**446,078**	670,619
Equity attributable to owners of the Company	**529,552**	754,093
Non-controlling interests	**87,966**	165,347
Total equity	**617,518**	919,440
Non-current Liabilities		
Provisions	**2,246**	2,219
Deferred tax liabilities	**140,502**	214,326
	142,748	216,545
	760,266	1,135,985

1. BASIS OF PREPARATION

In the preparation of the consolidated financial statements, the directors of the Company have given due and careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by RMB14,588,000 and it incurred loss of RMB236,440,000 for the year ended 31st December, 2014. Subsequent to 31st December, 2014, the following events have been taken place:

(1) The Company's ultimate parent, Jiangsu Yue Da Group Company Limited ("Jiangsu Yue Da"), has agreed to provide adequate funds to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

(2) On 11th March, 2015, the Company entered into the subscription agreement with an independent third party (''Subscriber") pursuant to which the Subscriber has agreed to subscribe and the Company has agreed to issue 6% coupon unlisted corporate bonds in the aggregate maximum principal amount of up to HK$300,000,000, bearing interest rate at 6% per annum and with maturity date of forty-eighth months from the date of issue. On 13th March, 2015, the corporate bonds with aggregate principal amount of HK$78,000,000 (approximately to RMB61,831,000) were issued and the net proceeds of HK$74,724,000 (approximately to RMB59,234,000) were received by the Company.

The directors of the Company consider that taking into account of the above mentioned subsequent events and the cash requirements for the next twelve months from the end of the reporting period, the Group will have sufficient working capital to meet in full its financial obligations as and when they fall due in the foreseeable future. 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 current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) — INT 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[3]
HKFRS 9	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1st July, 2014
2 Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions
3 Effective for annual periods beginning on or after 1st January, 2016
4 Effective for annual periods beginning on or after 1st January, 2017
5 Effective for annual periods beginning on or after 1st January, 2018

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have impact on the classification and measurement in respect of the Group's available-for-sale investments but not on the Group's other financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's financial performance and positions and/or on the disclosures set out in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. REVENUE AND SEGMENT INFORMATION

Revenue

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

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Sale of zinc, lead and iron ore concentrates	**70,570**	132,830
Sale of compound gold and gold ore	**64,212**	58,303
	134,782	191,133

Segment information

The Group's reportable and operating segments under HKFRS 8, based on information reported to the chief operating decision maker ("CODM"), represented by the executive directors, for the purposes of resource allocation and performance assessment are as follows:

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

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

The Toll Road Operation was discontinued during the year ended 31st December, 2013.

Segment result

The operating segment revenue from the Mining Operations contributes the entire revenue of the continuing operation of the Group. The CODM reviewed the segment loss, other income, other gains and losses as described below, impairment loss on available-for-sale investments, central administration costs and finance costs for the purposes of resource allocation and performance assessment.

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Revenue from Mining Operations	**134,782**	191,133
Segment loss	**(266,459)**	(147,164)
Other income	**4,978**	12,536
Other gains and losses		
— Fair value gain on contingent consideration	**—**	24,394
— Adjustment on other receivables upon repayment	**3,906**	—
— Net foreign exchange gain	**47**	1,678
— Gain on disposal of a subsidiary	**8,532**	—
— Impairment loss on amount due from Disposal Group	**(11,384)**	—
Impairment loss on available-for-sale investments	**(11,123)**	—
Central administration costs	**(26,353)**	(42,700)
Finance costs	**(16,117)**	(14,368)
Loss before tax (continuing operation)	**(313,973)**	(165,624)

The accounting policies of the reportable and operating segment are the same as the Group's accounting policies.

5. OTHER GAINS AND LOSSES

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Fair value change in contingent consideration	**—**	24,394
Adjustment on other receivables upon repayment	**3,906**	—
Loss on disposal of property, plant and equipment	**(152)**	(472)
Impairment loss on amount due from Disposal Group	**(11,384)**	—
Gain on disposal of a subsidiary	**8,532**	—
Net foreign exchange gains	**47**	1,678
	949	25,600

Note: During the year ended 31st December, 2010, the Group completed the acquisition of the entire equity interest in Absolute Apex Limited, an investment holding company, from Bright Harvest Holdings Limited ("Bright Harvest"), an independent third party. Absolute Apex Limited owned the entire equity interest in Ample Source Investment Limited, which owned 70% equity interest in Tong Ling Guan Hua Mining Company Limited ("Tong Ling Guan Hua"), which are engaged in investment holding, and mining and processing of gold, respectively. Bright Harvest and the remaining non-controlling interest of Tong Ling Guan Hua agreed to, jointly and severally, compensate the Group in relation to the shortfall of performance by Tong Ling Guan Hua up to 30th June, 2013. The amount for the year ended 31st December, 2013 represented the change in fair value of the contingent consideration receivable as the compensation in relation to the shortfall of performance by Tong Ling Guan Hua. The shortfall was mainly due to the deferral of the production plan and the decline in market price of gold.

As a result, a fair value change in contingent consideration of RMB24,394,000 was recognised in profit or loss for the year ended 31st December, 2013.

As at 31st December, 2013, the contingent consideration receivable amounted to RMB43,525,000 was included in trade and other receivables as set out in Note 16. During the year ended 31st December, 2014, the non-controlling interests of Tong Ling Guan Hua repaid an amount of RMB29,849,000 in cash and the remaining balance of RMB13,676,000 was offset against dividend payable to non-controlling interests of Tong Ling Guan Hua.

6. IMPAIRMENT LOSSES ON ASSETS

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Impairment losses on:		
— mining rights *(Note 14)*	**170,027**	116,768
— property, plant and equipment *(Note 13)*	**49,795**	19,215
	219,822	135,983

7. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Interest on bank borrowings wholly repayable within five years	**10,358**	9,256
Effective interest on finance leases	**—**	18
Imputed interest on provisions	**27**	25
Interest on loan from a related party	**5,732**	4,645
Bank loan arrangement fees	**—**	424
	16,117	14,368

8. INCOME TAX CREDIT

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Current tax		
— The People's Republic of China ("PRC") Enterprise Income Tax	**799**	9,203
— withholding tax paid in respect of distribution of earning of PRC subsidiaries	**4,200**	4,700
Under-provision in prior years of PRC Enterprise Income Tax	**648**	571
	5,647	14,474
Deferred tax — current year	**(73,824)**	(39,949)
	(68,177)	(25,475)

9. LOSS FOR THE YEAR FROM CONTINUING OPERATION

	2014	2013
	RMB'000	*RMB'000*
Continuing operation		
Loss and total comprehensive expense for the year has been arrived at after charging (crediting) the following items:		
Allowance for inventories (included in cost of sales)	**892**	4,383
Amortisation of mining rights (included in cost of sales)	**27,917**	46,102
Depreciation of property, plant and equipment	**20,776**	24,717
Release of prepaid lease payments	**371**	262
Auditors' remuneration	**2,060**	2,000
Cost of inventories sold	**117,116**	121,550
Employee benefit expense, including directors' remuneration and share-based payment expense	**49,388**	57,597
Interest income from bank deposits	**(1,395)**	(5,691)
Interest income from deferred consideration receivable	**(413)**	—
Imputed interest income on amount due from Disposal Group	**(2,668)**	(3,899)

10. PROFIT (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATION

The Group ceased its Toll Road Operation upon the expiry of the operating rights of toll road highway and bridge in May 2013. This operating segment is classified as discontinued operation.

	2014	2013
	RMB'000	*RMB'000*
Revenue	—	8,042
Direct operating costs	—	(10,010)
Gross loss	—	(1,968)
Government compensation *(note)*	**14,248**	—
Other income	**17**	45
Administrative expenses	**(3,484)**	(6,417)
Profit (loss) before tax	**10,781**	(8,340)
Income tax (expense) credit	**(1,425)**	3,034
Profit (loss) for the year	**9,356**	(5,306)

Profit (loss) for the year from discontinued operation has been arrived at after charging (crediting) the following:

Amortisation of other intangible assets (included in direct operating costs)	—	345
Depreciation of property, plant and equipment	**140**	171
Interest income from bank deposits	**(17)**	(45)
Employee benefit expense (including severance payments to employees of RMB500,000 (2013: RMB5,038,000))	**2,435**	11,236
Current tax	**1,425**	—
Deferred tax	—	(3,034)

Note: Since April 2013, the Company has been taking steps to seek compensation for its loss from the local government in Langfang City, Hebei Province arising from a change in location of a toll station as requested by the government. In June 2014, the government approved a compensation of RMB14,248,000.

The net cash flows attributable to the operating, investing and financing activities of the Toll Road Operation was not significant in both years.

There was no significant assets and liabilities of the Toll Road Operation at the end of both reporting periods.

11. 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:

	Continuing and discontinued operations		Continuing operation	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***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	**(223,996)**	(141,351)	**(235,051)**	(138,645)
Number of shares	***Number***	*Number*	***Number***	*Number*
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**915,691,876**	915,691,876	**915,691,876**	915,691,876

Basic earnings per share for the discontinued operation is RMB1.21 cents (2013: basic loss per share of RMB0.30 cents), based on the profit for the year attributable to owners of the Company from the discontinued operation of RMB11,055,000 (2013: loss of RMB2,706,000) and the denominators detailed above for basic loss per share.

The computation of the diluted loss per share for the year ended 31st December, 2014 and 2013 does not assume the exercise of the share options because they would result in reduction in loss per share.

12. DIVIDEND

No dividend was paid or proposed by the directors for both years.

13. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31st December, 2014, an impairment loss amounting to RMB49,795,000 (2013: RMB19,215,000) for continuing operation was recognised.

14. MINING RIGHTS

During the year ended 31st December, 2014, the management conducted an impairment review on the related assets of certain subsidiaries which are engaged in mining and processing of gold, iron and lead located in the PRC, due to (i) a general decline in the price of gold, iron and lead in the international commodity market during the year ended 31st December, 2014 and the related price outlook; (ii) the tightening of safety and environmental requirements by government of the PRC on mining industry which increased the complexity of production processes and thus increased the direct production costs; and (iii) the general increase in raw materials and production costs during the year ended 31st December, 2014. Management considered each subsidiary represents a separate cash-generating unit ("CGU") for the purpose of impairment testing.

For the purpose of the impairment testing, the management found that there is no basis for making a reliable estimate of the fair value less costs to sell, recoverable amount is measured by reference to the value in use.

Value in use calculations are based on estimated cash flow projections prepared from financial forecasts approved by the directors of the Company that reflect the net cash flows to be generated from the CGUs which represented the cash flows from the sales of the mineral concentrates from the production of the estimated minerals as extracted from the mines of each CGU less the estimated cost of the production of the mineral concentrates, at discount rates with a range of 19.55% to 19.89% (2013: 18.73% to 22.73%). Other key assumptions for the value in use calculation relate production rate.

The value in use calculations of these CGUs that are engaged in mining and processing of zinc, lead, iron and gold are less than the carrying amounts of the respective CGUs. Hence, aggregate impairment losses of RMB170,027,000 and RMB49,795,000 (2013: RMB116,768,000 and RMB19,215,000) have been recognised on mining rights and production assets of Mining Operations included in the Group's property, plant and equipment respectively.

With the full impairment of the mining rights of a CGU, Yaoan Feilong Mining Co., Ltd. ("Yaoan Feilong"), during the year ended 31st December, 2014, the other reserve amounted to RMB13,201,000 arising from the acquisition conditional interests of Yaoan Feilong in 2007 was transferred to accumulated losses accordingly.

15. AVAILABLE-FOR-SALE INVESTMENTS

	2014	2013
	RMB'000	*RMB'000*
Unlisted equity securities:		
At cost	**70,457**	70,457
Less: Impairment	**(65,616)**	(54,493)
	4,841	15,964

On 16th August, 2011, the Group entered into a disposal agreement with Feng Hua Group Limited ("Feng Hua"), an independent third party, to dispose of the 41.1% of the issued capital of certain subsidiaries which held the entire equity interest in certain subsidiaries incorporated in PRC (collectively refer to as the "Disposal Group"), the principal activities of which are mining and processing of zinc and lead, at a cash consideration of RMB59,097,000. In addition, the Group's shareholders' loan to the Disposal Group amounted to RMB31,903,000 has been assigned to Feng Hua. Total consideration for the disposal of 41.1% of issued capital and the assignment of shareholders' loan amounted to RMB91,000,000. The disposal was completed on 30th December, 2011 on which date control of the Disposal Group was passed to the acquirer. Upon completion of the disposal, the Group has retained 49% of the equity interest in the Disposal Group and will not be entitled to appoint any director to the Disposal Group nor allowed to involve in the management, financial and operating decisions, and day to day operations of the Disposal Group. The future operations of the Disposal Group shall be funded solely by Feng Hua when necessary. Accordingly, the remaining 49% interest of the Disposal Group owned by the Group was classified as available-for-sale investments of the Group and measured at fair value at initial recognition. Since the Disposal Group does not have a quoted market price in an active market, in the opinion of the directors of the Company, the fair values of these unlisted equity securities cannot be measured reliably subsequent to initial recognition and are measured at cost less any identified impairment losses.

Certain group entities of the Disposal Group are the holders of certain exploration and mining licenses in respect of certain mines located at Wengniuteqi, Chifeng City, Inner Mongolia, the PRC. The predominant minerals in the mines are lead and zinc. The Disposal Group is principally engaged in the exploration, mining and processing of lead ore and zinc ore extracted from these mines. During the year ended 31st December, 2014, an objective evidence of impairment was considered to exist due to (i) a general decline in the price of lead in the international commodity market during the year ended 31st December, 2014 and the related price outlook; (ii) the tightening of safety and environmental requirements by government of the PRC on mining industry which increased the complexity of production processes and thus increased the direct production cost; (iii) the general increase in raw materials and production costs during the year ended 31st December, 2014; and (iv) adjustment to future production schedule due to the weak commodity market. The major assets and liabilities of the Disposal Group are certain mining rights and the shareholders' loan. The directors of the Company performed an impairment assessment during the year ended 31st December, 2014 and determined the impairment loss based on the present value of the estimated future cash flows expected to be generated by the investee which represented the net cash flows of (i) the revenue from the sales of the mineral concentrates from the production of the estimated minerals as extracted from the mines of the CGU and (ii) the estimated cost of the production of the mineral concentrates. Other key assumptions for the calculation related to the estimation of cash inflows/outflows which include production rate and gross margin.

In the opinion of the directors, with the decline in the estimated economic benefits to be generated from the Disposal Group, the Group recognised an impairment loss on the available-for-sale investments by RMB11,123,000 during the year ended 31st December, 2014 (2013: nil).

16. TRADE AND OTHER RECEIVABLES

	2014 *RMB'000*	2013 *RMB'000*
Current		
Trade receivables	**1,238**	9,539
Bills receivables	**2,100**	—
Advance payments to suppliers	**4,609**	4,439
Contingent consideration receivable	**—**	43,525
Deposits paid for investments	**61,204**	—
Loan receivables	**48,952**	48,775
Deferred consideration receivable	**—**	41,395
Other receivables and prepayments	**13,923**	28,777
	132,026	176,450
Non-current		
Deferred consideration receivable	**9,458**	—
Amount due from Disposal Group	**17,819**	45,641
	27,277	45,641
	159,303	222,091

The Group allows its trade customers an average credit period of 60–90 days. The following is an aged analysis of trade receivables and bills receivables, presented based on the invoice date at the end of the reporting period:

	2014 *RMB'000*	2013 *RMB'000*
0–60 days	**3,138**	6,955
61–120 days	**200**	—
121–180 days	**—**	2,584
	3,338	9,539

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.

17. TRADE AND OTHER PAYABLES

Included in the trade and other payables are trade payables of RMB10,738,000 (2013: RMB7,845,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2014 *RMB'000*	2013 *RMB'000*
0–60 days	**8,010**	5,348
61–120 days	**1,133**	1,153
over 120 days	**1,595**	1,344
	10,738	7,845

The average credit period on purchases of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit period.

18. EVENT AFTER THE REPORTING PERIOD

(1) On 11th March, 2015, the Company entered into the subscription agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe and the Company has agreed to issue of 6% coupon unlisted corporate bonds by the Company in the aggregate maximum principal amount of up to HK$300,000,000, bearing interest rate at 6% per annum and with maturity date of forty-eighth months from the date of issue. On 13th March, 2015, the corporate bonds with aggregate principal amount of HK$78,000,000 (approximately to RMB61,831,000) were issued and the net proceeds of HK$74,724,000 (approximately to RMB59,234,000) were received by the Company.

(2) On 27th March, 2015, YDM entered into the memorandum of understanding with the Vendor in which YDM and the Vendor shall aim at on or before 1st June, 2015, agree on the schedule of repayment as to the Deposits.

FINANCIAL HIGHLIGHTS

The Group recorded an operating revenue of RMB134,782,000 in the Year, representing a decrease of approximately 29.5% from RMB191,133,000 in 2013. Gross loss amounted to RMB10,251,000 in the Year as compared to gross profit of RMB23,481,000 in 2013. The commodity market was challenging during the Year due to the uncertainties of the global economy. The Group faced a general decline in the price of gold, iron and lead in the international commodity market during the Year. Affected by the impairment of mining rights and property, plant and equipment of the Group of RMB170,027,000 and RMB49,795,000 respectively, audited loss and total comprehensive expense attributable to the owners of the Company for the Year amounted to RMB223,996,000 (corresponding period of last year: RMB141,351,000) and basic loss per share amounted to RMB24.46 cents for the Year.

DIVIDENDS

The Board did not recommend the payment of any final dividend for the Year (2013: nil).

BUSINESS REVIEW

Overview

During the Period under review, the Group was principally engaged in exploration, mining and processing of metal minerals in the People's Republic of China ("PRC") (the "Mining Operations").

Mining Operations

During the Year, the Mining Operations recorded an operating revenue of RMB134,782,000 (corresponding period of 2013: RMB191,133,000) with a gross loss of RMB10,251,000 (corresponding period of 2013: gross profit of RMB23,481,000). The ores extracted during the Year amounted to 1,581,654 tons with a unit mining cost (excluding gold ores) of approximately RMB157.2 per ton (2013: RMB121.7 per ton) and a unit processing cost (excluding gold ores) of approximately RMB134.8 per ton (2013: RMB93.7 per ton). The Mining Operations included the processing of metal ore concentrates such as zinc ore concentrates of 3,881.98 metal tons, lead ore concentrates (including silver) of 792.93 metal tons, iron ore concentrates of 42,037.18 tons and gold of 36.36 kilograms. During the Year, the metal ore concentrates were sold at an average price (after tax) of RMB7,344.34 per metal ton for zinc ore concentrates, RMB11,300.19 per metal ton for lead ore concentrates (with silver content), RMB611.88 per ton for iron ore concentrates and RMB246.93 per gram of gold.

During the Year, production of Tengchong Ruitu Mining and Technology Company Limited ("Tengchong Ruitu"), a subsidiary of the Company, was temporary suspended from June 2014 to November 2014 in order to facilitate safety inspection. The production of Tengchong Ruitu has resumed to normal since 13th November, 2014.

Baoshan Feilong Nonferrous Metal Co., Ltd. ("Baoshan Feilong"), a subsidiary of the Company, has further strengthened its effort in exploration activities and has made a smooth progress as planned. The production of Baoshan Feilong has become normal before 30 June 2014.

Yaoan Feilong Mining Co., Ltd. ("Yaoan Feilong") and Zhen'an County Daqian Mining Development Co., Ltd. ("Daqian Mining"), subsidiaries of the Company, have been suspended due to the weak metal market.

During the Year, the performance of Tong Ling Guan Hua Mining Company Limited ("Tong Ling Guan Hua"), a subsidiary of the Company, was affected by its technology improvement and optimization of production process in the first half of the Year. The productions of Tong Ling Guan Hua have been back to normal before 30 June 2014.

The following table summaries the operating performance of each mining company during the Year:

Name of subsidiary	Products	Production figures	Turnover *RMB'000*	Proportion of the Group (%)	Gross Profit/ (Loss) *RMB'000*	Proportion of the Group (%)
Baoshan Feilong	Lead ore concentrates	792.93 metric tons	35,796	26.56	3,781	(36.89)
	Zinc ore concentrates	3,881.98 metric tons				
	Copper ore concentrates	86.94 metric tons				
Tengchong Ruitu	Metal ore concentrates	42,037.18 tons	32,347	24.00	(3,883)	37.88
Tong Ling Guan Hua	Gold	36.36 kilograms	64,212	47.64	(10,545)	102.87
	Other (Stone)	1,133,465.84 tons				
Daqian Mining	Production has been suspended		—	—	—	—
Yaoan Feilong	Production has been suspended		2,427	1.80	396	(3.86)
Total			134,782	100	(10,251)	100

To maintain recurring sales and cashflows to the Group, four strategic co-operation agreements, each with a term of 10 years, were entered into by the Group with Zhuzhou Smelter Group Co. Limited ("Zhuzhou Smelter"), Yunnan Yuntong Zinc Alloy Company Limited ("Yunnan Yuntong"), Panzhihua Steel Group International Economic Trading Company Limited ("Panzhihua Steel") and Wugang Group Kunming Iron and Steel Company Limited, a subsidiary of Wuhan Iron and Steel (Group) Corp. ("Wugang"), details of which were disclosed in the announcements of the Company dated 21st November, 2008, 9th December, 2008 and 22nd December, 2009 respectively. The above agreements continued to be in force during the Year.

Impairment Losses on Assets

During the Year, the Mining Operations segment recorded an impairment losses on mining rights and property, plant and equipment of RMB170,027,000 (2013: RMB116,768,000) and RMB49,795,000 (2013: RMB19,215,000) respectively, on the related assets of certain subsidiaries including Tengchong Ruitu, Baoshan Feilong, Yaoan Feilong, Daqian Mining and Tong Ling Guan Hua, principally due to (i) a general decline in the price of gold, iron and lead in the international commodity market during the Year and the related price outlook; (ii) the tightening of safety and environmental requirements by government of the People's Republic of China on mining industry which increased the complexity of production processes and thus increased the direct production costs; and (iii) the general increase in raw materials and production costs during the Year.

The Group currently holds 49% interests in 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., (collectively the "Weng Qi Group"), and recorded the investment costs and related shareholder's loans as available-for-sale investments and other receivables, respectively. The principal assets of Weng Qi Group include a zinc and lead mine and a processing factory in Wengniute Banner, Inner Mongolia. Principally due to (i) a general decline in the price of lead in the international commodity market during the Year and the related price outlook; (ii) the tightening of safety and environmental requirements by government of the People's Republic of China on mining industry which increased the complexity of production processes and thus increased the direct production costs; (iii) the general increase in raw materials and production costs during the Year; and (iv) adjustment to future production schedule due to the weak commodity market, impairment losses on (a) available-for-sale investments; and (b) other receivable for Weng Qi Group of approximately RMB11,123,000 and RMB11,384,000, respectively were recorded on the consolidated financial statement of the Group for the Year. No impairment losses on available-for-sale investments and other receivables were recorded in respect of the Weng Qi Group for the year ended 31st December, 2013.

IMPORTANT EVENTS DURING THE YEAR

INVESTMENT IN VIETNAM

Proposed investment in a Vietnam slag factory

On 21st January, 2013, the Company announced that Yue Da Mining Limited ("YDM"), a wholly owned subsidiary of the Company, entered into the following agreements:

(i) a conditional subscription agreement ("Subscription Agreement") for the subscription of 60% (as enlarged upon completion of the Subscription Agreement) of the issued share capital of Everwise Technology Limited ("Everwise") at US$6 million; and New Aims Holdings Limited ("New Aims") shall subscribe 40% (as enlarged upon completion of the Subscription Agreement) of the issued share capital of Everwise at US$4 million;

(ii) a conditional loan agreement ("Loan Agreement") to grant to Mineral Land Holdings Limited ("Mineral Land") a term loan facility up to US$16 million for a term of one year, which carries a fixed-sum of US$1 million interest; and

(iii) a call option deed ("Call Option Deed") pursuant to which Solid Success International Limited ("Solid Success") has granted an option to YDM to enter into a sale and purchase agreement to sell (a) the entire issued share capital of Mineral Land; and (b) the benefit of shareholder's loan from Solid Success to Mineral Land at not more than US$36 million (subject to adjustment). The Call Option Deed lapsed on 31st December, 2014.

As at the date of this announcement, YDM has paid a deposit of US$3 million ("Everwise Deposit") under the Subscription Agreement. The Subscription Agreement lapsed on 31st December, 2014 and the Everwise Deposit should be repaid to YDM on or before 12th January, 2015.

As at the date of this announcement, YDM has a sum of US9 million (comprising principal sum of US$8 million plus accrual interest of US$1 million) (the "Loan") advanced to Mineral Land, the Loan was due on 23rd January, 2015. As at the date of this announcement, the Loan has not been repaid.

The Group has recently received letters (the "**Letters**") from a law firm purporting to be representing (among other parties) Mineral Land, Everwise, and New Aims making allegations against the Group that the Group breached the terms of the Loan Agreement by failing to advance a further loan in the sum of US$8 million for the purchase of production equipment, payment of fees for acquiring mining rights and slag manufacturing rights, and also demanding the release by the Group of the relevant collaterals under the Loan Agreement ("Slag Factory Dispute"). Management of the Group believes that the allegations are groundless or unfounded.

Please refer to the circular of the Company dated 17th April, 2013 and the announcements of the Company dated 17th October, 2013, 23rd January, 2014, 30th June, 2014, 24th December, 2014 and 5th January 2015 for details of the above transactions.

Proposed acquisition of the entire equity interests in a Vietnam mining company

On 5th September, 2013, the Company announced that YDM entered into a conditional sale and purchase agreement with Ms. Truong Thi Kim Soan (the "Vendor") to acquire 100% equity interests and related shareholder's loan of Expert Union Investments Limited and Sky Modern Investments Limited ("Target Companies") at a consideration of US34 million (subject to adjustment) ("Acquisition Agreement"). The principal asset of the Target Companies is 100% equity interests in Sao Mai Joint Stock Company ("Sao Mai"), a Vietnam company principally engaged in the exploration of the mine which contain ilmenite, zircon, rutile and monazite ore deposits located in Hong Phong Ward and Hoa Thang Ward, Bac Binh District, Binh Thuan Province, Vietnam, which covers an aggregate site area of not less than 320 hectares, where the mining license in respect of which is to be held by Sao Mai.

As at the date of this announcement, YDM has paid US$7 million deposits ("Sao Mai Deposit") under the Acquisition Agreement. The Acquisition Agreement lapsed on 15th November, 2014 and the Sao Mai Deposit should be repaid to YDM on or before 14th December, 2014. As at the date of this announcement, the Sao Mai Deposit has not been repaid.

In addition, the Group has received Letters from the law firm purporting to be representing (among other parties) the Vendor, making allegations against the Group and asserting that the Group is not entitled to seek repayment of the Sao Mai Deposits ("Sao Mai Dispute"). Management of the Group believes that the allegations are groundless or unfounded.

Please refer to the announcements of the Company dated 5th September, 2013, 30th June, 2014 and 24th December, 2014 for details of the above transaction.

Slag Factory Dispute and Sao Mai Dispute

The Group is seeking legal advice on the Slag Factory Dispute and Sao Mai Dispute and planning to take all necessary and appropriate actions to protect the legitimate rights of the Group.

On 27th March, 2015, YDM and the Vendor have reached the following understandings (which were recorded on a memorandum of understanding) in respect of the followings:

(a) The Vendor owes YDM the Sao Mai Deposit under the Acquisition Agreement;

(b) Both party aim at on or before 1 June 2015, agree on the schedule and the manner of repayment of Sao Mai Deposit;

(c) If the Sao Mai Deposit cannot be repaid in accordance with (b) above, interest shall accrue thereon and be calculated in accordance with the terms of the Acquisition Agreement or at a rate or in an amount agreed by the parties in writing.

Strategy on available-for-sale investments

On 16th August, 2011, YDM entered into a disposal agreement with Feng Hua Group Limited to dispose 41.1% equity interests and related shareholder's loan of Weng Qi Group at a total consideration of RMB91,000,000. The disposal was completed on 30th December, 2011. The remaining 49% interests and related shareholder's loan of the Weng Qi Group is currently record by the Group as available-for-sale investments and other receivable. We are now under negotiation with third party for the possibility of disposal of the available-for-sale investments and related shareholder's loan ("Disposal") and will make further announcement when necessary.

As at the date of this announcement, there is no definite plan with respect to the Disposal so that it may or may not materialize.

Disposal of 49% equity interests in Liangshan Prefecture Yuechuan Mining Co., Limited ("Yuechuan Mining")

On 27th May, 2013, Yue Da Pingchuan Limited, a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement for the disposal of 49% equity interest in Yuechuan Mining for a consideration of RMB56.99 million. Upon completion of such disposal, Yuechuan Mining ceased to be a subsidiary of the Company. The disposal was completed during the Year.

Prospect

As mentioned in the 2014 interim report of the Company, the environment for the mining business in the second half of 2014 was as difficult as in the first half of 2014. Nevertheless, the Group has from time to time sought to enhance its exploration and mining activities by identifying suitable exploration and mining methods. Such measures aim at raising production capacity of the Group's existing mines as well as reducing its mining costs. To reduce cleansing and processing costs, the Group will further focus on technology improvements, optimize production processes of processing plant and maximize grade and recovery of ore concentrates so as to reduce the effect of increasing production costs due to higher safety and environmental standard in the People's Republic of China. Through completion of the project of technology improvement and optimization of production process of the processing plants operated by Baoshan Feilong and Tong Ling Guan Hua and the entering into of the long-term strategic co-operation agreements with Zhuzhou Smelter, Yunnan Yuntong, Panzhihua Steel and Wugang, the Group has built a concrete foundation of steady cash flow and reasonable level of profit.

Looking forward to 2015, the environment for the mining business is expected to be as difficult as in 2014. On the one hand, the Group's strategy is to realize its potential processing capacity as well as to further enhance its production processes and technology improvements for achieving cost efficiency. On the other hand, the Group targets to capture opportunities for acquisition of projects with rich reserves, high quality, immense value-added potentials and quick cashflow returns, in order to allow the Group to further expand its scale of production, diversify into new profit streams and deliver higher returns to our shareholders.

In light of the recent business environment and financial condition of the Group, the Directors endeavor to seek suitable business opportunities to diversify the Group's existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27th May, 2015 to 29th May, 2015, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to determine the identity of the shareholders of the Company who are entitled to attend and vote at the annual general meeting (the "AGM") of the Company to be held on 29th May, 2015, all transfer of shares in the Company accompanied by the relevant share certificates must be 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 26th May, 2015.

Notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") in due course.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 31st December, 2014, the Group's current assets were RMB325,988,000 (2013: RMB420,317,000), of which RMB23,520,000 (2013: RMB85,974,000) were bank balances and cash. As at 31st December, 2014, the net asset value of the Group amounted to RMB617,518,000, representing a decrease of approximately 32.8% as compared to RMB919,440,000 in 2013. The gearing ratio (total liabilities/ total assets) of the Group was approximately 43.9% (2013: 39.1%).

As at 31st December, 2014, the issued share capital of the Company was RMB83,474,000 (2013: RMB83,474,000). The Company's reserve and non-controlling interests were RMB446,078,000 (2013: RMB670,619,000) and RMB87,966,000 (2013: RMB165,347,000), respectively. As at 31st December, 2014, the Group had total current liabilities of RMB340,576,000 (2013: RMB373,472,000), mainly comprising bank borrowings, taxation payable, amount due to related companies and trade and other payables. The total non-current liabilities of the Group amounted to RMB142,748,000 (2013: RMB216,545,000), mainly comprising provisions and 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 and thus the Group did not have a hedging policy in this regard.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

As at 31st December, 2014, save as deposit amounting to RMB100,540,000 (2013: RMB73,750,000) is pledged to secure short term bank loan, the Group did not have any guarantees and charges nor any other material contingent liabilities.

CAPITAL STRUCTURE OF THE GROUP

The capital structure of the Group consists of debts, which include amount due to related companies, bank borrowings and equity reserves attributable to owners of the Company, comprising issued share capital and various reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share buy-backs.

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.

The Group recorded a net exchange gain amounting to RMB47,000 during the Year. The Group was not engaged in any hedging by financial instruments in relation to the exchange rate risk.

EMPLOYEE AND REMUNERATION POLICY

As at 31st December, 2014, the Group had a total of approximately 1,023 employees (where they were located in Hong Kong and the PRC), engaged in management, administration 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 are 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 LISTED SECURITIES

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

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the opinion of the Board, the Group has complied with all of the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the Year, except that (i) the Chairman of the Board was not able to attend the annual general meeting of the Company held on 12th June, 2014 (the "2013 AGM") (deviated from code provision E.1.2) due to other business commitment. Nevertheless, one of the independent non-executive Directors attended and acted as the chairman of the 2013 AGM; (ii) Mr. Chen Yunhua and Mr. Qi Guangya both being non-executive Directors, Mr. Han Run Sheng and Mr. Liu Yongping both being independent non-executive Directors were not able to attend the 2013 AGM (deviated from code provision A.6.7) due to their other business commitments. Nevertheless, each of these Directors has passed his opinion to the chairman of the 2013 AGM before its commencement; and (iii) the non-executive Directors are not appointed for a specific term (deviated from code provision A.4.1). However, all non-executive Directors are subject to retirement and rotation once every three years in accordance with the Company's Articles of Association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 Directors, 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 Ms. Leung Mei Han (Chairman of the audit committee, an independent non-executive Director), Mr. Qi Guangya (a non-executive Director) and Mr. Cui Shuming (an independent non-executive Director). Duties of the audit committee 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 30th March, 2015, the audit committee reviewed the accounting principles and practices adopted by the Group, the annual results of the Group for the Year and the continuing 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 a remuneration committee with written terms of reference, whose members are currently Mr. Cui Shuming (Chairman of the remuneration committee, an independent non-executive Director), Mr. Liu Yongping (an independent non-executive Director) and Mr. Hu Huaimin (an executive Director). Regular meetings are held by the committee to review and discuss matters relating to the remuneration policy, remuneration levels and the remuneration of executive Directors.

NOMINATION COMMITTEE

The Company has set up a nomination committee with written terms of reference, whose members are currently Mr. Cui Shuming (Chairman of the nomination committee, an independent non-executive Director), Ms. Leung Mei Han (an independent non-executive Director), Mr. Liu Yongping (an independent non-executive Director) and Mr. Hu Huaimin (an executive Director). Duties of the nomination committee include reviewing the Board composition and identifying and nominating candidates for appointment to the Board such that it has the relevant blend of skills, knowledge and experience.

PUBLICATION OF THE 2014 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's annual report for the Year 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
Hu Huaimin
Executive Director

Hong Kong, 30th March, 2015

As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Wang Lian Chun and Mr. Qi Guang Ya; (b) as executive Directors, Mr. Hu Huaimin and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Ms. Leung Mei Han, Mr. Cui Shu Ming and Dr. Liu Yongping.