



# YUE DA MINING HOLDINGS LIMITED

## 悦達礦業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 629)

### PROFIT WARNING

This announcement is made in accordance with Rule 13.09(1) of the Listing Rules.

It is expected that the Group would make a consolidated loss (after tax) for the year ended 31 December 2008, notwithstanding the Group recorded an unaudited profit (after tax) of about RMB38 million for the six months ended 30 June 2008. For comparison purpose, the Group made a consolidated loss (after tax) of about RMB1.36 million for the year ended 31 December 2007. Based on the current preliminary information available, it is expected that the loss (after tax) for the year ended 31 December 2008 would be greater than that for the year ended 31 December 2007.

*Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.*

According to the preliminary calculations by the management of Yue Da Mining Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) during the course of reviewing the management accounts of the Company for the purpose of compiling the annual report of the Company for the year ended 31 December 2008 (“**FY2008**”), it is expected that the Group would make a consolidated loss (after tax) for FY2008, as compared with an unaudited profit (after tax) of about RMB38 million for the six months ended 30 June 2008. For comparison purpose, the Group made a consolidated loss (after tax) of about RMB1.36 million for the year ended 31 December 2007 (“**FY2007**”). Based on the current preliminary information available, it is expected that the consolidated loss (after tax) for FY2008 would be greater than that for FY2007.

The expected consolidated loss (after tax) of the Group for FY2008 is mainly due to the following reasons:

1. in line with the applicable Hong Kong Accounting Standards, the Company has engaged professional valuer in Hong Kong to compile a valuation report (“**Valuation Report**”) to determine whether any (and, if so, how much) impairment has to be provided for the value of the mining rights of the Group for FY2008. An advanced draft of the Valuation Report was made available to the Group recently. As a matter of prudence for accounting purposes and subject to the final Valuation Report, the board (“**Board**”) of directors (“**Directors**”) of the Company considered it necessary to have a provision for the Group’s mining rights for FY2008. Such provision will be recorded as an expense in the income statement of the Group for FY2008. Such provision is the major factor which brought the expected consolidated loss (after tax) of the Group for FY2008;

2. as disclosed in the announcements of the Company dated 21 November 2008 and 9 December 2008 (“**December 2008 Announcement**”) respectively, because of the deterioration in the zinc and lead commodity market and of the market prices of zinc and lead ore concentrates occasionally falling below the costs of extracting and processing those ore concentrates by most suppliers (including the Group), the Group has implemented costs-control measures to reduce or suspend operation at certain mining sites of the Group. The deteriorating commodity market and the said temporary measures reduced the revenue of the Group for FY2008; and
3. (terms used in this paragraph shall have the same meanings as defined in section (B) of the December 2008 Announcement) as set out in the December 2008 Announcement, the Hong Ling Acquisition was terminated on 9 December 2008. Despite the termination, certain fees to professional parties and interests arising from bank borrowings have already incurred under the Hong Ling Acquisition. Such expenses were recorded as the Group’s expenses in the income statement for FY2008 upon termination of the Hong Ling Acquisition.

This profit warning announcement is derived from the preliminary calculations of the Company’s management during the course of reviewing the management accounts of the Company for the purpose of compiling the annual report of the Company for FY2008. The information contained in this announcement is only a preliminary estimate of the Company and the above review thereon by the Company has not been completed. The annual results of the Group for FY2008 (“**2008 Annual Results**”) have not yet been finalised as at the date of this announcement. The Company will announce its results for FY2008 in due course. Investors are advised to read with care the 2008 Annual Results as and when it is published. Detailed financial information of the Company will be disclosed in the 2008 Annual Results.

*Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.*

This announcement is made in accordance with paragraph Rule 13.09 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

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

Hong Kong, 26 March 2009

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