

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



YUE DA HOLDINGS LIMITED

悦達控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 629)

High concentration of shareholding and increase in the trading volume of shares in the Company

This announcement is made at the request of the Stock Exchange. The Board has recently been informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a relative small number of shareholders as at 2 August 2006. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of the Shares traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

The Directors also noted the increase in the trading volume of shares in the Company on 5 September 2006. The Directors wish to state that otherwise than as stated in the main body of this announcement below, they are not aware of any reasons for such increase.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

SHAREHOLDINGS AND MOVEMENTS IN PRICES OF SHARES IN THE COMPANY

The board (the “Board”) of directors (the “Directors”) of Yue Da Holdings Limited (the “Company”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (the “SFC”), ten (10) shareholders held an aggregate of 41,351,000 shares in the Company (the “Shares”) (representing approximately 20.55% of the total issued share capital of the Company as at 2 August 2006). Such shareholdings, together with the Shares held by a substantial shareholder, namely Yue Da Group (HK) Co., Limited (“Yue Da HK”) which beneficially owned 140,000,000 Shares (representing approximately 69.57% of the total issued share capital of the Company as at 2 August 2006) represented approximately 90.12% of the total issued share capital of the Company as at 2 August 2006. As such, the Shares held by other shareholders only accounted for approximately 9.88% of the total issued share capital of the Company as at 2 August 2006.

According to the information provided by the SFC (which information is a matter of public record), during the period from 3 January 2006 to 28 August 2006, the average daily turnover of the Company’s shares was 701,519 Shares and the prices of the Shares hovered between HK\$0.56 and HK\$3.55. The closing price of

the Shares increased sharply by 115% from HK\$1.40 on 30 June 2006 to HK\$3.01 on 1 August 2006, and there was a substantial increase in turnover to 6.2 million shares (amounting to HK\$19 million) on 31 July 2006.

The Directors wish to clarify that as the above information is provided by the SFC, the Company is not in a position to verify or comment on the accuracy of such information.

ANNOUNCEMENTS MADE BY THE COMPANY REGARDING ACQUISITION AND POSSIBLE ACQUISITION

As disclosed by the Company in its various announcements and circular made between April and June 2006, in late March 2006, the Company entered into an agreement for acquiring interests in certain companies which held mining rights of certain zinc and lead mining sites situated in Yunnan Province, the PRC. An extraordinary general meeting was held on 21 June 2006, at which shareholders of the Company approved the acquisition. Following that, the acquisition was completed in late June 2006.

On 28 July 2006, the Company made an announcement as to the Company being invited to consider a possible investment in or acquisition of interest in the mining rights of zinc and iron ores in the People's Republic of China. It was also announced that the Company then considered to dispose of the equity interest in one of its subsidiaries, which carries on toll road business, in view of the possible traffic diversion which may be caused by the opening of new highways and by the use of other means of transportation, and also of the need to carry out major overhaul of the Group's toll roads in the near future. On 17 August 2006, the Company made a further announcement that it entered into a letter of intent in respect of the possible acquisition of interest in the above mining rights. As at the date of this announcement, the parties to the letter of intent are still in negotiation as to the terms of the possible acquisition. The letter of intent may or may not lead to any agreement and the transactions contemplated thereunder may or may not proceed.

PUBLIC FLOAT AND GENERAL MATTERS

The Company has also reviewed the list of the shareholders of the Company provided by the Company's registrar, Computershare Hong Kong Investor Services Limited, and the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited. The following table shows the registered shareholding structure of the Company as at 1 August 2006:

		No. of Shares	Approximate percentage of the Company's issued share capital
Controlling shareholder	Yue Da HK (<i>Note 1</i>)	131,000,000	65.10%
Other shareholders	HKSCC Nominees Limited (<i>Note 2</i>)	69,809,990	34.69%
	15 registered shareholders	420,010	0.21%
		<hr/>	
		<u>201,230,000</u>	<u>100.00%</u>

Notes:

1. Yue Da HK is a wholly owned subsidiary of Jiangsu Yue Da Group Company Limited. According to the last notifications received by the Company in respect of the disclosure of interests in Shares required under SFO (as defined below), Yue Da HK was interested in 140 million Shares. So as the Company is aware, as at 1 August 2006, (i) 131 million Shares were registered in Yue Da HK's own name and (ii) 9 million Shares were deposited with a broker house as CCASS participant and registered under the name of HKSCC Nominees Limited.
2. According to the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited as at 1 August 2006, an aggregate of 69,910,990 Shares were held by 70 CCASS participants. The difference of 101,000 Shares between the list of shareholders of the Company provided by the branch registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, and the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited is due to the different updating process handled by these two organisations.

Based on the above CCASS Participants Shareholding Report, the top 10 CCASS Participants accounted for 54,144,800 Shares (representing approximately 26.91% of the Company's issued share capital as at 1 August 2006). So far as the Company is aware, 9,000,000 Shares were attributable to Yue Da HK as mentioned above, and 10,914,000 Shares were attributable to 鍾山投資實業有限公司 (Zhongshan Industrial Development Ltd.).
3. Based on the information contained in the shareholders' register as at 1 August 2006 provided by the Company's share registrar, 0.21% of the issued share capital of the Company was held by 15 shareholders, the majority of whom held a small number of shares in the issued share capital of the Company.

According to the last notifications received by the Company in respect of the disclosure of interests in Shares required under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as at 1 August 2006:

- (a) Yue Da HK as a beneficial owner had a long position of 140 million Shares (representing approximately 69.57% of the Company's issued share capital). Yue Da HK is a wholly owned subsidiary of Jiangsu Yue Da Group Company Limited. As understood by the Company, as at 1 August 2006, of the 140 million Shares owned by Yue Da HK, (i) 131 million Shares were registered in Yue Da HK's own name and (ii) 9 million Shares were deposited with a broker house as CCASS participant and registered under the name of HKSCC Nominees Limited.
- (b) 鍾山投資實業有限公司 (Zhongshan Industrial Development Ltd.) as beneficial owner had a long position of 10,914,000 Shares (representing approximately 5.42% of the Company's issued share capital). As understood by the Company, as at 1 August 2006, the 10,914,000 Shares owned by such company were all deposited with a broker house as CCASS participant and registered under the name of HKSCC Nominees Limited.
- (c) Feilong Holdings Limited as beneficial owner had a long position of 54,999,999 Shares (representing about 27.33% of the Company's issued share capital). These Shares have not been issued and represent Shares which may be allotted and issued upon exercise of conversion rights attached to convertible bonds (as detailed in the Company's circular dated 5 June 2006). The entire issued share capital of Feilong Holdings Limited is held by Pure Talent Investments Limited, which is wholly and beneficially owned by Mr Yang Long.

Save as disclosed above, and having made all reasonable enquiries of the directors and the chief executive of each of the Company and its subsidiaries, the Company is not aware of any of its connected persons (as defined in the Listing Rules) having interests in 10% or more of the issued share capital of the Company. So far as the Company is aware, the said top 10 CCASS Participants are banks or brokers. The Company believes that otherwise as mentioned above, such banks and brokers held shares as custodians on behalf of their respective clients, and that save for Yue Da HK being a substantial shareholder (as defined under the Listing Rules) of the Company, the said top 10 CCASS Participants shareholders are not related to or connected with any of the connected persons of the Company as defined under the Listing Rules. The Company does not have knowledge as to whether such 10 shareholders are related to or connected with each other.

In any event, the Directors confirm that, based on the information made available, the Directors believe that to the best of their knowledge and belief on the information available to them, approximately 25% of the issued share capital of the Company is in public hands and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules").

The Directors confirm that, in their opinion, they are not aware of any other matter discloseable under Rules 13.09 or 13.23 of the Listing Rules save for the disclosures made by the Company in 2006 and that all the necessary and appropriate disclosures regarding the movements of the prices of the Shares in July and August 2006 and the above acquisition and possible acquisition have been made known to the public by the Company in compliance with the Listing Rules.

The Company makes this announcement to keep the market informed at the request of the Stock Exchange. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of the Shares traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

Increase in trading volume on 5 September 2006

The Directors noted the increase in the trading volume of shares in the Company on 5 September 2006. The Directors wish to state that otherwise than (i) the matters disclosed in the announcements mentioned in the second paragraph under the section headed "Announcements made by the Company regarding acquisition and possible acquisition" of this announcement, (ii) that the negotiations in respect of such matters are still undergoing, and (iii) that the current status of such matters are materially the same as that as mentioned in the Company's said announcements, they are not aware of any reasons for such increase.

The Directors also confirm that save as aforesaid, there are no negotiations or agreements relating to the intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules and that they are not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

Made by the order of the board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of the above statement.

LIST OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises the following members: (a) as executive directors, Mr Hu You Lin, Mr Gao Yi Shan, Mr Lu Wei Dong and Mr Dong Li Yong; (b) as non-executive directors, Mr Pan Wan Qu and Mr Shen Xiao Zhong; and (c) as independent non-executive directors, Mr Cai Chuan Bing, Ms Yu Chor Woon, Carol and Mr Yu Zheng Hua.

By order of the board of directors of
Yue Da Holdings Limited
Hu You Lin
Chairman

Hong Kong, 5 September 2006

*Please also refer to the published version of this announcement in **The Standard**.*