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, 2015

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, 2015 (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, 2015

	NOTES	2015 RMB'000	2014 RMB'000
Continuing operations			
Revenue	3	**113,655**	134,782
Cost of sales		**(104,026)**	(145,033)
Gross profit (loss)		**9,629**	(10,251)
Other income		**8,296**	4,978
Other gains and losses	4	**15,615**	949
Impairment losses on assets	5	**(153,784)**	(219,822)
Impairment loss on available-for-sale investments		**—**	(11,123)
Administrative expenses		**(60,015)**	(62,587)
Finance costs	6	**(18,458)**	(16,117)
Loss before tax		**(198,717)**	(313,973)
Income tax credit	7	**34,327**	68,177
Loss for the year from continuing operations	8	**(164,390)**	(245,796)
Discontinued operation			
Profit for the year from discontinued operation	9	**3,590**	9,356
Loss and total comprehensive expense for the year		**(160,800)**	(236,440)

	NOTE	2015 RMB'000	2014 RMB'000
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company			
— from continuing operations		**(164,782)**	(235,051)
— from discontinued operation		**1,377**	11,055
		(163,405)	(223,996)
Profit (loss) and total comprehensive income (expense) for the year attributable to non-controlling interests			
— from continuing operations		**392**	(10,745)
— from discontinued operation		**2,213**	(1,699)
		2,605	(12,444)
Loss per share	10		
From continuing and discontinued operations			
— Basic		**RMB(17.81) cents**	RMB(24.46) cents
— Diluted		**RMB(17.81) cents**	RMB(24.46) cents
From continuing operations			
— Basic		**RMB(17.96) cents**	RMB(25.67) cents
— Diluted		**RMB(17.96) cents**	RMB(25.67) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2015

	NOTES	**2015** *RMB'000*	2014 *RMB'000*
Non-current Assets			
Property, plant and equipment	12	**77,725**	104,639
Prepaid lease payments		**9,125**	9,418
Mining rights	13	**491,880**	614,606
Available-for-sale investments	15	—	4,841
Goodwill		**2,119**	2,119
Long term deposits		**7,352**	7,352
Deposits paid for acquisition of property, plant and equipment		—	4,602
Other receivables	16	—	27,277
		588,201	774,854
Current Assets			
Prepaid lease payments		**371**	449
Inventories		**35,075**	41,334
Trade and other receivables	16	**109,210**	132,026
Amounts due from related companies		**129**	27,895
Taxation receivable		**224**	224
Pledged bank deposits		—	100,540
Bank balances and cash		**34,668**	23,520
		179,677	325,988
Current Liabilities			
Trade and other payables	17	**49,235**	54,760
Amounts due to related companies		**22,141**	91,250
Amounts due to directors		**314**	297
Taxation payable		**4,409**	4,409
Bank borrowings — due within one year		**20,000**	189,860
		96,099	340,576
Net Current Assets (Liabilities)		**83,578**	(14,588)
Total Assets Less Current Liabilities		**671,779**	760,266

	NOTE	2015 RMB'000	2014 RMB'000
Capital and Reserves			
Share capital		**83,706**	83,474
Reserves		**283,742**	446,078
Equity attributable to owners of the Company		**367,448**	529,552
Non-controlling interests		**62,491**	87,966
Total equity		**429,939**	617,518
Non-current Liabilities			
Corporate bonds	18	**133,390**	—
Provisions		**2,275**	2,246
Deferred tax liabilities		**106,175**	140,502
		241,840	142,748
		671,779	760,266

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the amendments to 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:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKAS 27	Equity method in separate financial statements[1]
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[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[1]

1 Effective for annual periods beginning on or after 1st January, 2016
2 Effective for annual periods beginning on or after 1st January, 2018
3 Effective for annual periods to be determined

HKFRS 15 Revenue from contracts with customers

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 do not anticipate that the application of other new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

2. 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 ("Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to certain requirements of the new CO and to streamline with HKFRSs and have become effective for the financial year ended 31st December 2015. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31st December, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31st December, 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. REVENUE AND SEGMENT INFORMATION

Revenue

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

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Sale of zinc, lead and iron ore concentrates	**51,097**	70,570
Sale of gold and stone for construction from gold mine	**62,558**	64,212
	113,655	134,782

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 operations 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.

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Revenue from Mining Operations	**113,655**	134,782
Segment loss	**(182,192)**	(266,459)
Other income	**8,296**	4,978
Other gains and losses		
— Adjustment on other receivables upon repayment	**—**	3,906
— Net foreign exchange gains	**202**	47
— Gain on disposal of a subsidiary	**—**	8,532
— Impairment loss on amount due from the Investees	**—**	(11,384)
— Gain on the disposal of some investments *(Note 15)*	**15,413**	—
Impairment loss on available-for-sale investments	**—**	(11,123)
Central administration costs	**(21,978)**	(26,353)
Finance costs	**(18,458)**	(16,117)
Loss before tax (continuing operations)	**(198,717)**	(313,973)

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

4. OTHER GAINS AND LOSSES

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Loss on disposal of property, plant and equipment	**—**	(152)
Gain on the disposal of some investments *(Note 15)*	**15,413**	—
Impairment loss on amount due from the Investees	**—**	(11,384)
Adjustment on other receivables upon repayment	**—**	3,906
Gain on disposal of a subsidiary	**—**	8,532
Net foreign exchange gains	**202**	47
	15,615	949

5. IMPAIRMENT LOSSES ON ASSETS

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Impairment losses on:		
— mining rights *(Note 13)*	**117,141**	170,027
— property, plant and equipment *(Note 12)*	**36,643**	49,795
	153,784	219,822

6. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Interest on bank borrowings wholly repayable within five years	**7,741**	10,358
Interest on corporate bonds	**7,460**	—
Imputed interest on provisions	**29**	27
Interest on loan from a related company	**3,228**	5,732
	18,458	16,117

7. INCOME TAX CREDIT

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Current tax		
— The People's Republic of China ("PRC") Enterprise Income Tax	**—**	799
— withholding tax paid in respect of distribution of earning of PRC subsidiaries	**—**	4,200
Underprovision in prior years of PRC Enterprise Income Tax	**—**	648
	—	5,647
Deferred tax		
— current year	**(34,327)**	(73,824)
	(34,327)	(68,177)

8. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
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)	**2,052**	892
Amortisation of mining rights (included in cost of sales)	**17,875**	27,917
Depreciation of property, plant and equipment	**10,267**	20,776
Release of prepaid lease payments	**371**	371
Auditors' remuneration	**2,082**	2,060
Cost of inventories sold	**84,099**	117,116
Employee benefit expenses, including directors' remuneration and share-based payment expense	**45,905**	49,388
Interest income from bank deposits	**(4,758)**	(1,395)
Interest income from deferred consideration receivable	**—**	(413)
Imputed interest income on amount due from the Investees	**(927)**	(2,668)

9. PROFIT 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.

	2015	2014
	RMB'000	*RMB'000*
Government compensation *(note)*	**—**	14,248
Other income	**10**	17
Gain on disposal of property, plant and equipment	**5,271**	—
Administrative expenses	**(1,691)**	(3,484)
Profit before tax	**3,590**	10,781
Income tax expense	**—**	(1,425)
Profit for the year	**3,590**	9,356
Profit for the year from discontinued operation has been arrived at after charging (crediting) the following:		
Depreciation of property, plant and equipment	**—**	140
Gain on disposal of property, plant and equipment	**(5,271)**	—
Interest income from bank deposits	**(10)**	(17)
Employee benefit expense (including severance payments to employees of nil (2014: RMB500,000))	**635**	2,435

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.

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:

	Continuing and discontinued operations		**Continuing operations**	
	2015	2014	**2015**	2014
	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	**(163,405)**	(223,996)	**(164,782)**	(235,051)
Number of shares	***Number***	*Number*	***Number***	*Number*
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**917,239,635**	915,691,876	**917,239,635**	915,691,876

Basic earnings per share for the discontinued operation is RMB0.15 cents (2014: RMB1.21 cents), based on the profit for the year attributable to owners of the Company from the discontinued operation of RMB1,377,000 (2014: RMB11,055,000) and the denominators detailed above for basic loss per share.

The computation of the diluted loss per share for the year ended 31st December, 2015 and 2014 does not assume the exercise of the share options because they would result in reduction in loss per share.

11. DIVIDEND

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

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31st December, 2015, an impairment loss amounting to RMB36,643,000 (2014: RMB49,795,000) for continuing operations was recognised. Impairment assessment is set out in Note 14.

13. MINING RIGHTS

During the year ended 31st December, 2015, an impairment loss amounting to RMB117,141,000 (2014: RMB170,027,000) for continuing operations was recognised. Impairment assessment is set out in Note 14.

14. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT AND MINING RIGHTS

During the year ended 31st December, 2015, the management conducted an impairment review on the related assets of certain subsidiaries which are engaged in mining and processing of iron, zinc and lead in the PRC, due to (i) further decline in market prices of metals during the year ended 31st December, 2015 and the related price outlook as compared to the situation as at 31st December, 2014; (ii) the tightening of safety and environmental requirements by government of the PRC on mining industry which further increased the complexity of production processes and thus further increased the direct production costs during the year ended 31st December, 2015; and (iii) the suspension of the mining operation of Tengchong Ruitu Mining and Technology Company Limited during the year ended 31st December, 2015 in view of the decline in market price of iron and the recurring loss making results and not expected by the directors of the Company to resume to operation in the foreseeable future. Management considered each subsidiary as a separate cash generating unit ("CGU") for the purposes of impairment testing.

Aggregate impairment losses of RMB117,141,000 and RMB36,643,000 (2014: RMB170,027,000 and RMB49,795,000) 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 of additional interests in Yaoan Feilong in 2007 was transferred to accumulated losses accordingly.

15. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	RMB'000	*RMB'000*
Unlisted equity securities:		
At cost	—	70,457
Less: Impairment	—	(65,616)
	—	4,841

Upon completion of the disposal of 41.1% of the equity interest in certain subsidiaries that are engaged in mining and processing of zinc and lead on prior years, the Group had retained 49% of the equity interest in those investees ("Investees") and would not be entitled to appoint any director to the Investees nor be allowed to involve in the management, financial and operating decisions, and day to day operations of the Investees. The future operations of the Investees shall be funded solely by other shareholder of the Investees. Accordingly, the Group has accounted for the retained interests in the Investees as available-for-sale investments since the disposal. Since the Investees did 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 could not be measured reliably subsequent to initial recognition and hence had been measured at cost less any identified impairment losses.

Certain group entities of the Investees were 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 were lead and zinc. During the year ended 31st December, 2014, an objective evidence of impairment was considered to exist due to (i) decline in market prices of lead during the year ended 31st December, 2014 and the related price outlook; (ii) the tightening of safety and environmental requirements by the government of the PRC on mining industry which increased the complexity of production processes and thus increased the direct production costs during the year ended 31st December, 2014; (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 these Investees were certain mining rights and the shareholders' loans. 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 these Investees 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 and (ii) the estimated costs of the production of the mineral concentrates.

The Group recognised an impairment loss on the available-for-sale investments by RMB11,123,000 during the year ended 31st December, 2014.

On 2nd June, 2015, the Group entered into a disposal agreement with an independent third party to dispose of the entire 49% interest of the Investees and the amount due from the Investees with carrying amount of RMB18,746,000 for an aggregate cash consideration of RMB39,000,000 (the "Disposal"). The Disposal was completed in August 2015 and a gain of RMB15,413,000 is recognised as other gains and losses in profit and losses during the year ended 31st December, 2015.

16. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Current		
Trade receivables	**9,210**	1,238
Bills receivables	**8,200**	2,100
Advance payments to suppliers	**3,821**	4,609
Deposits paid for investments	**45,567**	61,204
Loan receivables	**38,962**	48,952
Other receivables and prepayments	**3,450**	13,923
	109,210	132,026
Non-current		
Amount due from the Investees	**—**	17,819
Deferred consideration receivable	**—**	9,458
	—	27,277
	109,210	159,303

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:

	2015	2014
	RMB'000	*RMB'000*
0–60 days	**12,040**	3,138
61–120 days	**1,296**	200
121–180 days	**3,912**	—
Over 180 days	**162**	—
	17,410	3,338

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 RMB7,542,000 (2014: RMB10,738,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
0–60 days	**3,528**	8,010
61–120 days	**1,146**	1,133
over 120 days	**2,868**	1,595
	7,542	10,738

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. CORPORATE BONDS

On 11th March, 2015, the Company entered into a subscription agreement with an independent third party (the "Subscriber") pursuant to which the Subscriber has agreed to subscribe and the Company has agreed to issue 6% per annum coupon unlisted corporate bonds in an 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. During the year ended 31st December, 2015, the corporate bonds with aggregate principal amount of HK$169,000,000 (approximately to RMB133,611,000) were issued and the net proceeds of HK$157,170,000 (approximately to RMB124,257,000) were received by the Company. As at 31st December, 2015, the corporate bonds amounted HK$159,215,000 (approximately to RMB133,390,000) was recorded as non-current liabilities.

FINANCIAL HIGHLIGHTS

The Group recorded an operating revenue of RMB113,655,000 in the Year, representing a decrease of approximately 15.7% from RMB134,782,000 in 2014. Gross profit amounted to RMB9,629,000 in the Year as compared to gross loss of RMB10,251,000 in 2014. Affected by the impairment of mining rights and property, plant and equipment of the Group of RMB117,141,000 and RMB36,643,000 respectively, audited loss and total comprehensive expense attributable to the owners of the Company for the Year amounted to RMB163,405,000 (2014: RMB223,996,000) and basic loss per share amounted to RMB17.81 cents for the Year.

DIVIDENDS

The Board did not recommend the payment of any final dividend for the Year (2014: 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 RMB113,655,000 (2014: RMB134,782,000) with a gross profit of RMB9,629,000 (2014: gross loss of RMB10,251,000). The ores extracted during the Year amounted to 1,048,395 tons (2014: 1,581,654 tons) with a unit mining cost (excluding gold ores) of approximately RMB149.1 per ton (2014: RMB157.2 per ton) and a unit processing cost (excluding gold ores) of approximately RMB119.5 per ton (2014: RMB134.8 per ton).

The table below sets out the Mining Operation by products for the two years ended 31st December 2015 and 2014:

	Processing Volume			**Average price (net of tax)**		
	2015	2014	% change	**2015**	2014	% change
Zine ore concentrates (in metric tons)	**4,232.51**	3,881.98	+9.03	**7,480.14**	7,344.34	+1.85
Lead ore concentrates (including silver) (in metric tons)	**946.88**	792.93	+19.42	**10,530.50**	11,300.19	-6.81
Copper ore concentrates (in metric tons)	**94.65**	86.94	+8.87	**28,473.30**	33,779.13	-15.71
Iron ore concentrates (in tons)	**28,234.74**	42,037.18	-32.83	**280.48**	611.88	-54.16
Gold (in grams)	**62,473.00**	36,360.00	+71.82	**238.56**	246.93	-3.39
Stone for construction (in tons)	**1,522,120.05**	1,365,130.84	+11.50	**23.78**	28.90	-17.72

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

Name of subsidiary	**Products**	**Revenue**	**Proportion of the Group**	**Gross Profit/ (Loss)**	**Proportion of the Group**
		RMB'000	*(%)*	*RMB'000*	*(%)*
Baoshan Feilong	Lead, zine and copper ore concentrates	44,192	38.88	8,424	87.49
Tong Ling Guan Hua	Gold and stone for construction	62,558	55.04	9,100	94.51
Tengchong Ruitu	Iron ore concentrates (Production suspended since 25th April, 2015)	6,905	6.08	(7,895)	(82.00)
Daqian Mining	Production suspended since 21st November, 2008	—	—	—	—
Yaoan Feilong	Production suspended since 20th May, 2013	—	—	—	—
Total		113,655	100	9,629	100

Under Normal Operation

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. However, in light of continuing decline in prices of lead and copper in the international market and escalated production cost as a result of tightening of safety and environmental requirements by the PRC government on mining industry, impairment losses were charged to mining rights and property, plant and equipments respectively.

During the Year, the performance of Tong Ling Guan Hua Mining Company Limited ("Tong Ling Guan Hua"), a subsidiary of the Company, was benefitted by successful integration of operation of Tong Ling Guan Hua Renewable Energy Company Limited in 2014. The tailings and residues remained after the mining and processing of gold ores by Tong Ling Guan Hua would be used for further processing and sales of stones for construction was boosted by 12% during the Year which helped increase the gross profit.

Under Suspension

During the Year, production of Tengchong Ruitu Mining and Technology Company Limited ("Tengchong Ruitu"), a subsidiary of the Company, was suspended since 25th April, 2015 in light of (i) decline in market price of iron; (ii) escalated production cost as a result of tightening of safety and environmental requirements by the PRC government on mining industry; (iii) Tengchong Ruitu recorded gross loss in 2014 and (iv) continuous decline in the market price of iron in the first quarter of 2015. The suspension of operation prevented further gross loss of Tengchong Ruitu in the rest of the year and helped enhance the gross profit of the Group in the Year.

Yaoan Feilong Mining Co., Ltd. ("Yaoan Feilong") and Zhen'an County Daqian Mining Development Co., Ltd. ("Daqian Mining"), both are subsidiaries of the Company, have been suspended due to the weak metal market since 2013 and 2008 respectively.

Strategic Co-operation

To maintain recurring sales and cash flows 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 RMB117,141,000 (2014: RMB170,027,000) and RMB36,643,000 (2014: RMB49,795,000) respectively, on the related assets of certain subsidiaries including Tengchong Ruitu, Daqian Mining and Baoshan Feilong, principally due to (i) a decline in the price of metals 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 suspension of the operation of Tengchong Ruitu during the Year.

IMPORTANT EVENTS DURING THE YEAR

INVESTMENT IN VIETNAM

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.

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.

YDM has a sum of US$9 million (comprising principal sum of US$8 million plus accrual interest of US$1 million) (the "Loan") is due from to Mineral Land, the Loan was due on 23rd January, 2015.

A settlement agreement ("Settlement Agreement") was entered into between New Aims, Everwise, I-Treasure, Mineral Land and Yue Da Mining on 9th October, 2015. Pursuant to the Settlement Agreement, partial repayment of the principal amount of the Loan Agreement totaling US$2,000,000 was received by the Group and Everwise Deposit was settled on 23rd November, 2015.

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, 5th January, 2015 and 23rd November, 2015 for details of the above transactions.

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 US$34 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 31st December, 2015, 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. YDM is in process of negotiating with the Vendor for the settlement arrangement.

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.

Disposal of Available-for-Sale Investment

On 2nd June, 2015, YDM entered into a disposal agreement with an independent third party to the disposal of YDM's 49% interest in each of the British Virgin Islands (BVI) companies including Pleasure Resources Limited (愉悦資源有限公司), Joyous Field Investments Limited (悦田投資有限公司) and Joyful Well Investments Limited (悦偉投資有限公司). Completion to the agreement would take place upon fulfilling the conditions precedent under the transaction as set out in the announcement of the Company dated 2nd June, 2015. On 31st August, 2015, all conditions precedent have been fulfilled and the disposal agreement is completed.

Issuance of Corporate Bonds

On 11th March, 2015, the Company entered into a subscription agreement with an independent third party pursuant to which the third party subscriber agreed to subscribe and the Company agreed to issue 6% per annum coupon 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 issuance. As at 31st December, 2015, the aggregate principal amount of HK$169,000,000 (approximately to RMB133,611,000) were issued.

Prospect

As mentioned in the 2015 interim report of the Company, the environment for the mining business in the second half of 2015 was as difficult as in the first half of 2015. 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 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 2016, the environment for the mining business is expected to be as difficult as in 2015. 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 cash flow 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 18th May, 2016 to 20th May, 2016, 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 20th May, 2016, 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 17th May, 2016.

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, Financial Resources and Capital Structure

As at 31st December, 2015, the Group's current assets were RMB179,677,000 (2014: RMB325,988,000), of which RMB34,668,000 (2014: RMB23,520,000) were bank balances and cash. As at 31st December, 2015, the net asset value of the Group amounted to RMB429,939,000, representing a decrease of approximately 30.4% as compared to RMB617,518,000 in 2014. The gearing ratio (total liabilities/total assets) of the Group was approximately 44.0% (2014: 43.9%).

Borrowings

As at 31st December, 2015, bank borrowings and corporate bonds amounted to RMB20,000,000 (2014: RMB189,860,000) and RMB133,390,000 (2014: Nil), respectively. Bank borrowings are denominated in RMB, charging at floating rates and repayable within one year. Corporate bonds are denominated in Hong Kong dollars and charging at fixed rate and repayable in 2019.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi and Hong Kong dollars. During the Year, except the corporate bonds, most of the transactions were denominated and settled in Renminbi. The Group was not engaged in any hedging by financial instruments in relation to the exchange rate risk. However, the Group will closely monitor the fluctuation in exchange rate and will take necessary measures to minimise the impact arising from adverse currency fluctuation.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

As at 31st December, 2015, the Group did not have any guarantees and charges nor any other material contingent liabilities (2014: deposit amounting to RMB100,540,000 is pledged to secure short term bank loan).

EMPLOYEE AND REMUNERATION POLICY

As at 31st December, 2015, the Group had a total of approximately 587 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.

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 29th May, 2015 (the "2014 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 2014 AGM; (ii) Mr. Qi Guangya being a non-executive Director was not able to attend the 2014 AGM (deviated from code provision A.6.7) due to his other business commitments. Nevertheless, this Director has passed his opinion to the chairman of the 2014 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 Mr. Cheung Ting Kee (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 24th March, 2016, 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), Dr. Liu Yongping (an independent non-executive Director) and Mr. Mao Naihe (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. Wang Lianchun (Chairman of the nomination committee, a non-executive Director), Mr. Cui Shuming (an independent non-executive Director) and Dr. Liu Yongping (an independent non-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 2015 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
Wang Lianchun
Non-Executive Director and Chairman of the Board

Hong Kong, 24th March, 2016

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. Mao Naihe, Mr. Hu Huaimin and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee.