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## 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)**

## MAJOR TRANSACTION – SUPPLEMENTAL FACTORING AGREEMENTS

### SUPPLEMENTAL FACTORING AGREEMENTS

Reference is made to the announcements of Yue Da Mining Holdings Limited in relation to entering into factoring business contracts with (i) Guoben Development dated 17 April, 29 March 2018 and 13 October, 26 September 2017; (ii) Lunsun dated 22 March 2018; (iii) Shanghai Lineng dated 16 March 2018; (iv) Dafeng Hairong dated 8 March 2018; and (v) Dixun dated 11 January 2018 (the “**Announcements**”).

The Board hereby announces that on 23 May 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into supplemental factoring agreements separately with Guoben Development, Lunsun, Shanghai Lineng, Dafeng Hairong and Dixun (the “**Supplemental Factoring Agreements**” and “**Supplemental Factoring Agreement**” means any of them), pursuant to which Yueda Commercial Factoring agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services (the “**Accounts Receivable Services**”) and granted revolving factoring loan credit limits to Guoben Development, Lunsun, Shanghai Lineng, Dafeng Hairong and Dixun (the “**Parties**” and “**Party**” means any of them).

### LISTING RULES IMPLICATIONS

Apart from the Supplemental Factoring Agreement entered into between the Company and Dixun (the highest applicable percentage ratio (as defined under the Listing Rules) is less than 5%), each of the Supplemental Factoring Agreements itself was a discloseable transaction of the Company under the Listing Rules.

As each of the Parties has previously entered into business factoring contracts with Yueda Commercial Factoring as disclosed in the Announcements, therefore, the applicable percentage ratios for the Company as calculated under Rule 14.07 of the Listing Rules in relation to each of the Supplemental Agreements are to be aggregated with the applicable percentage ratios of the factoring business contracts entered into between the Company and the same party under Rule 14.23(1) of the Listing Rules.

As the ultimate beneficial owners of Lunsun, Dafeng Hairong and Dixun are parties associated with one another, therefore, the applicable percentage ratios for the Company in relation to the factoring transactions entered into between the Company and Lunsun, Dafeng Hairong and Dixun as calculated under Rule 14.07 of the Listing Rules are to be further aggregated under Rule 14.23(1) of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Supplemental Factoring Agreement and the Factoring Contracts entered into between the Company and the same Party or associated parties in aggregate are more than 25% but less than 100%, the entering into the Supplemental Factoring Agreement and the Factoring Contracts by the same Party or associated parties constitutes major transactions for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Supplemental Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Supplemental Factoring Agreements and the transactions contemplated thereunder; and (2) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Supplemental Factoring Agreements and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Supplemental Factoring Agreements and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Group (H.K.) Co., Limited, holding 808,971,333 Shares, representing 69.22% of the issued share capital of the Company, has provided written shareholder's approvals on the Supplemental Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular, containing among other things, details of the Factoring Agreements and other information as required under the Main Board Listing Rules, is expected to be despatched to the Shareholders on or before 13 June 2018.

## SUPPLEMENTAL FACTORING AGREEMENTS

The Board hereby announces that on 23 May 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Supplemental Agreements, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted revolving factoring loan credit limits to the Parties and the Parties are entitled to apply for accounts receivables transfer and factoring services. If the Party needs financing facility from Yueda Commercial Factoring, it will make an application for factoring services. If the credit assessment is to the satisfaction of Yueda Commercial Factoring, Yueda Commercial Factoring will grant the factoring loan within the revolving credit limit.

The principal terms of the Supplemental Factoring Agreements entered into between the Company and the Parties are set out below:

### A. Guoben Development Supplemental Agreement

Date	:	23 May 2018
Parties	:	(1) Guoben Development (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Guoben Development and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB150,000,000 (equivalent to approximately HK\$184,500,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Guarantor	:	Guoben Holdings Co., Ltd (“ <b>Guoben Holdings</b> ”)
Expiry date of the factoring facilities	:	22 May 2019

The interest rate of the Guoben Development Supplemental Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Guoben Development and the debtor of the accounts receivables provided by Guoben Development; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed by Guoben Holdings.

Guoben Holdings directly owns Guoben Development at the percentage of 100%.

## B. Lunsun Supplemental Agreement

Date	:	23 May 2018
Parties	:	(1) Lunsun (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Lunsun and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB100,000,000 (equivalent to approximately HK\$123,000,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Guarantor	:	Jiangsu Dafeng Harbour Holdings Group Limited (“ <b>Dafeng Harbour</b> ”)
Expiry date of the factoring facilities	:	22 May 2019

The interest rate and administration fee of Lunsun Supplemental Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Lunsun and the debtors of the accounts receivables provided by Lunsun; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed.

Dafeng Harbour indirectly owns Lunsun at the percentages of 51%.

### C. Shanghai Lineng Supplemental Agreement

Date	:	23 May 2018
Parties	:	(1) Shanghai Lineng (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Shanghai Lineng and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB100,000,000 (equivalent to approximately HK\$123,000,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Guarantor	:	Mr. Hu Ling Feng
Expiry date of the factoring facilities	:	22 May 2019

The interest rate of the Shanghai Lineng Supplemental Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Shanghai Lineng and the debtor of the accounts receivables provided by Shanghai Lineng; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed by Mr. Hu Ling Feng.

Mr. Hu Ling Feng indirectly owns Shanghai Lineng at the percentage of 90%.

#### **D. Dafeng Hairong Supplemental Agreement**

Date	:	23 May 2018
Parties	:	(1) Dafeng Hairong (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dafeng Hairong and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB140,000,000 (equivalent to approximately HK\$172,200,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.0% to 11.0%
Guarantor	:	Jiangsu Dafeng Harbour Holdings Group Limited (“ <b>Dafeng Harbour</b> ”)
Expiry date of the factoring facilities	:	22 May 2019

The interest rate of the Dafeng Hairong Supplemental Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Dafeng Hairong and the debtors of the accounts receivables provided by Dafeng Hairong; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed.

Dafeng Harbour directly owns Dafeng Hairong at the percentages of 100%.

## **E. Dixun Supplemental Agreement**

Date	:	23 May 2018
Parties	:	(1) Dixun (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dixun and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB20,000,000 (equivalent to approximately HK\$24,600,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Guarantor	:	Dafeng Harbour and Wang Jing Zhi and her spouse
Expiry date of the factoring facilities	:	22 May 2019

The interest rate of the Dixun Supplemental Agreement is determined by the parties through arm's length negotiation taking into account:(i) the credit rating of Dixun and the debtors of the accounts receivables provided by Dixun; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed.

Dafeng Harbour and Wang Jing Zhi directly owns Dixun at the percentages of 55% and 45%, respectively.

## **REASONS FOR THE SUPPLEMENTAL FACTORING AGREEMENTS**

The Group is principally engaged in exploration, mining and processing of metal ores in the PRC. On 15 August 2017, it successfully registered Yueda Commercial Factoring, a wholly owned subsidiary of the Company, to develop through it the commercial factoring business as the principal business of the Group in future. The Directors consider that the Factoring Contract was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Given that the Supplemental Factoring Agreements are being conducted in the ordinary and usual course of business of Yueda Commercial Factoring, which will contribute profit to the Company over the financing term, are under normal commercial terms, and are beneficial to the Group in its business expansion and establishment of long term business relationship with the Parties, the Directors are of the view that the terms of and the Supplemental Factoring Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Apart from the Supplemental Factoring Agreement entered into between the Company and Dixun (the highest applicable percentage ratio (as defined under the Listing Rules) is less than 5%), each of the Supplemental Factoring Agreements itself was a discloseable transaction of the Company under the Listing Rules.

As each of the Parties has previously entered into business factoring contracts with Yueda Commercial Factoring as disclosed in the Announcements, therefore, the applicable percentage ratios for the Company as calculated under Rule 14.07 of the Listing Rules in relation to each of the Supplemental Agreements are to be aggregated with the applicable percentage ratios of the factoring business contracts entered into between the Company and the same party under Rule 14.23(1) of the Listing Rules.

As the ultimate beneficial owners of Lunsun, Dafeng Hairong and Dixun are parties associated with one another, therefore, the applicable percentage ratios for the Company in relation to the factoring transactions entered into between the Company and Lunsun, Dafeng Hairong and Dixun as calculated under Rule 14.07 of the Listing Rules are to be further aggregated under Rule 14.23(1) of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Supplemental Factoring Agreement and the Factoring Contracts entered into between the Company and the same Party or associated parties in aggregate are more than 25% but less than 100%, the entering into the Supplemental Factoring Agreement and the Factoring Contracts by the same Party or associated parties constitutes major transactions for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.



Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Supplemental Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Supplemental Factoring Agreements and the transactions contemplated thereunder; and (2) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Supplemental Factoring Agreements and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Supplemental Factoring Agreements and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Group (H.K.) Co., Limited, holding 808,971,333 Shares, representing 69.22% of the issued share capital of the Company, has provided written shareholder's approvals on the Supplemental Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

## **GENERAL**

A circular, containing among other things, details of the Factoring Agreements and other information as required under the Main Board Listing Rules, is expected to be despatched to the Shareholders on or before 13 June 2018.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors of the Company
“Company”	Yue Da Mining Holdings Limited, a company incorporated with limited liability in the Cayman Islands, whose Shares are listed on the of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dafeng Hairong”	Dafeng Hairong International Trading Co., Ltd, a company established in the PRC, which is principally engaged in the trading, import and export of commodities including metal, non-metal, coal and agricultural products
“Director(s)”	the director(s) of the Company

“Dixun”	Dixun Technology (Changzhou) Co., Ltd, company established in the PRC, which is principally engaged in the research and development, manufacture and maintenance of satellite communication equipment; related software development; production and sales of audio-visual equipment, monitor and tablet
“Factoring Contracts”	Factoring business contracts entered into between the Company with (i) Guoben Development dated 17 April and 29 March 2018 and 26 September 2017; (ii) Lunsun dated 22 March 2018; (iii) Shanghai Lineng dated 16 March 2018; (iv) Dafeng Hairong dated 8 March 2018; and (v) Dixun dated 11 January 2018
“Group”	the Company and its subsidiaries
“Guoben Development”	Guoben (Shanghai) Enterprise Development Co., Ltd, a company established in the PRC, which is principally engaged in supply chain management, bulk commodity trading, financial assets investment and management etc.
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Lunsun”	Nanjing Lunsun Electronic Technology Co., Ltd, a company established in the PRC, which is principally engaged in the research and development and sales of TFT, LCD panel and backlight module, digital media player, tablet, monitor and LED lighting products
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Lineng”	Shanghai Lineng Enterprise Co., Ltd, a company established in the PRC, which is principally engaged in trading, import and export of products including construction materials, metals, electronic products and chemical products
“Shareholders”	the holders of Shares
“Shares”	ordinary share(s) having a par value of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yueda Commercial Factoring”	Yueda (Shenzhen) Commercial Factoring Co., Ltd., a company established in the PRC and a subsidiary of the Group, which principal business is, among other things, commercial factoring.
“%”	per cent

By order of the Board  
**Yue Da Mining Holdings Limited**  
**Hu Huaimin**  
*Executive Directors and Chief Executive*

Hong Kong, 23 May 2018

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

*Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.23 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*