
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yue Da International Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s), or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or transferee(s).

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YUE DA INTERNATIONAL HOLDINGS LIMITED

悅達國際控股有限公司

(formerly known as 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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
THE DISPOSAL COMPANY**

Financial adviser to the Company



Independent Financial Adviser



Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the EGM to be held at office nos. 3321-3323 and 3325, 33/F., China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Hong Kong at 10:30 a.m. on Monday, 20 May 2019 is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for the EGM is enclosed herein.

Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, being Hong Kong Registrars Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

This circular will remain on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.yueda.com.hk.

12 April 2019

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DEFINITIONS

In the Circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 20 March 2019 in relation to the Disposal
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holidays or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“Circular”	this circular
“Company” or “Vendor”	Yue Da International Holdings Limited, an investment holding company incorporated in the Cayman Islands and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	within one Business Day after the date on which all the conditions precedent set out in the Disposal Agreement are satisfied or such other date as the Vendor and the Purchaser may agree in writing
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Disposal which is USD5.60 million (equivalent to approximately HK\$43.96 million)
“Director(s)”	the director(s) of the Company
“Disposal”	the potential disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions precedent of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement entered into between the Vendor and the Purchaser dated 20 March 2019 in relation to the Disposal

DEFINITIONS

“Disposal Company”	Yue Da Mining Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Disposal Group”	the Disposal Company and its subsidiaries
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Disposal
“Independent Financial Adviser” or “Crescendo Capital”	Crescendo Capital Limited, a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Shareholder(s)”	Shareholder(s) other than the Purchaser and its associates and any Shareholder with a material interest in the Disposal
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“Latest Practicable Date”	10 April 2019, being the latest practicable date prior to the printing of the Circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	20 September 2019 or such other date as the parties to the Disposal Agreement may agree in writing
“PRC”	the People’s Republic of China, which for the purpose of the Circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Yue Da Group (H.K.) Co., Limited, a company incorporated in Hong Kong and is wholly owned by Jiangsu Yue Da Group Company Limited
“Sale Share(s)”	100 share(s) of par value of USD1 each in the share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company, which are beneficially owned by the Vendor immediately prior to Completion
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

Unless the context requires otherwise, amounts denominated in (i) RMB have been converted into HK\$ at an exchange rate of RMB1: HK\$1.173; and (ii) USD have been converted into HK\$ at an exchange rate of USD1: HK\$7.85 are for illustration purposes only. No representation is made that any amount in USD, HK\$ and/or RMB could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



YUE DA INTERNATIONAL HOLDINGS LIMITED

悅達國際控股有限公司

(formerly known as 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)

Non-executive Directors:

Mr. Tang Rujun

Mr. Li Biao

Executive Directors:

Mr. Liu Debing

Mr. Hu Huaimin

Mr. Cai Baoxiang

Mr. Bai Zhaoxiang

Independent non-executive Directors:

Mr. Cui Shuming

Dr. Liu Yongping

Mr. Cheung Ting Kee

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Office nos. 3321-3323 and 3325

33/F, China Merchants Tower

Shun Tak Centre

No. 168-200 Connaught Road

Central

Sheung Wan

Hong Kong

12 April 2019

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
THE DISPOSAL COMPANY**

INTRODUCTION

Reference is made to the Announcement on 20 March 2019 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, being the entire equity interest of the Disposal Company, at an aggregate consideration of USD5.60 million (equivalent to approximately HK\$43.96 million).

LETTER FROM THE BOARD

The Disposal constitutes a discloseable transaction and a connected transaction for the Company subject to Independent Shareholders' approval under the Listing Rules. The EGM will be convened to seek Independent Shareholders' approval for the Disposal Agreement and the transactions contemplated thereunder.

The purpose of the Circular is to provide you with, among other things, (i) information in relation to the Disposal; (ii) the recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are set out below:

Date

20 March 2019 (after trading hours of the Stock Exchange)

Parties

- (i) Vendor : the Company
- (ii) Purchaser : Yue Da Group (H.K.) Co., Limited

Interest to be disposed of by the Group

Pursuant to the terms and conditions precedent of the Disposal Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the entire issued share capital of the Disposal Company. As at the Latest Practicable Date, the Disposal Company was a wholly-owned subsidiary of the Vendor.

Consideration

The Consideration is USD5.60 million (equivalent to approximately HK\$43.96 million). As at 28 February 2019, the shareholder's loan owing to the Purchaser by the Vendor amounted to approximately HK\$166.1 million. The Consideration shall be paid by the Purchaser to the Vendor by way of offsetting such amount due to the Purchaser.

The Consideration was agreed between the Purchaser and the Vendor after arm's length negotiation and was determined with reference to among others, the unaudited net asset value of the Disposal Group as at 28 February 2019 of approximately RMB37.24 million (equivalent to approximately HK\$43.68 million) (the "**NAV of the Disposal Group**"). The Directors (including the independent non-executive Directors who have taken into account the advice from the Independent Financial Adviser) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Conditions precedent

Completion shall be conditional upon the fulfilment of the following conditions:

- (i) the passing of the relevant ordinary resolution by the Independent Shareholders at the EGM to approve the entering into of the Disposal Agreement and the transactions contemplated thereunder;
- (ii) all the requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Disposal Agreement having been obtained by the Vendor and/or the Purchaser; and
- (iii) none of the warranties under the Disposal Agreement and other provisions of the Disposal Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the aforesaid warranties) is misleading or untrue in any material respect.

Save for condition (i), the Purchaser may waive any of the conditions precedent (in whole or in part) at any time by notice in writing to the Vendor. If the conditions precedents are not fulfilled or waived on or before the Long Stop Date, the Disposal Agreement shall be of no effect.

As at the Latest Practicable Date, none of the conditions had been fulfilled or waived.

Completion

Completion shall take place on the Completion Date. Upon Completion, the Company will cease to own any interests in the Disposal Group. The Disposal Company will cease to be a subsidiary of the Company and the Disposal Group's results, assets and liabilities will no longer be consolidated into the financial statements of the Company.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

As at the Latest Practicable Date, the Disposal Company held the entire issued share capital of each of Joy East Group Limited* (悅東集團有限公司), Moral Well Enterprises Limited* (德佳企業有限公司) and Yue Da Prosper Limited* (悅達川旺有限公司), each of which is inactive and a company incorporated in the British Virgin Islands with limited liabilities.

* For identification purpose only

LETTER FROM THE BOARD

As at the Latest Practicable Date, no audited financial statements had been prepared for the Disposal Company and its subsidiaries, which were all incorporated in the British Virgin Islands and were not subject to statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

Set out below is the summary of the unaudited financial information of the Disposal Group for the two years ended 31 December 2017 and 31 December 2018:

	For the year ended	
	31 December	
	2017	2018
	<i>RMB'million</i>	<i>RMB'million</i>
	(unaudited)	(unaudited)
Net profit/(loss) before taxation	(78.0)	2.8
Net profit/(loss) after taxation	(42.8)	2.8

The Disposal Group held the major part of the Group's mining operation before the year ended 31 December 2017. During the year ended 31 December 2017, the Group undertook (i) business transformation by disposing three (3) mining subsidiaries held by the Disposal Company; and (ii) group restructuring by transferring the remaining mining subsidiaries of the Group from the Disposal Company to the Company at the end of 2017.

The net loss before taxation of the Disposal Group was approximately RMB78.0 million (equivalent to approximately HK\$91.5 million) and the net loss after taxation of the Disposal Group was approximately RMB42.8 million (equivalent to approximately HK\$50.2 million) for the year ended 31 December 2017, which was mainly due to the substantial operating loss of approximately RMB136.7 million (equivalent to approximately HK\$160.3 million) as a result of a significant drop in production volume in its mines and production facilities and additional mining costs for fulfilling the requirements of environmental protection as required by applicable laws, rules and regulations, and partially offset by the disposal gains of approximately RMB54.1 million (equivalent to approximately HK\$63.5 million) for the disposal of the three (3) mining subsidiaries and certain fixed assets during the year ended 31 December 2017.

During the year ended 31 December 2018, the Disposal Group became an investment holding company with no business activities and did not record any revenue from operation. The net profit before and after taxation of the Disposal Group was approximately RMB2.8 million (equivalent to approximately HK\$3.3 million) for the year ended 31 December 2018, which was due to reversal of the impairment loss for assets.

LETTER FROM THE BOARD

According to its unaudited financial information, the NAV of the Disposal Group as at 28 February 2019 amounted to approximately RMB37.24 million (equivalent to approximately HK\$43.68 million), comprising current assets of approximately RMB37.5 million (equivalent to approximately HK\$44.0 million) and current liabilities of approximately RMB0.3 million (equivalent to approximately HK\$0.4 million). As at 28 February 2019, the Disposal Group did not have any non-current asset or non-current liability. The NAV of the Disposal Group consists of the book value of the Deposit as at 28 February 2019 (as defined under the section headed “Reasons for and benefits of the Disposal” below).

INFORMATION ON THE VENDOR, THE PURCHASER AND THE GROUP

The Company, being the Vendor, is an investment holding company incorporated in the Cayman Islands and the issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the exploration, mining, processing and sale of zinc, lead, iron, copper and gold ores in the PRC. It also provides factoring, accounts receivable management and collection and factoring consultancy services.

As disclosed in the annual result announcement of the Company for the year ended 31 December 2018, as the management of the Group considers the operating environment for the mining business is uncertain, the Group had shifted its business focus from mining operations to factoring business. It was also disclosed that the Directors endeavor to seek business opportunities in the financial industry to diversify the Group’s existing business stream to enhance long-term benefits of the Company and the Shareholders as a whole.

The Purchaser is a company incorporated in Hong Kong with limited liabilities. As at the Latest Practicable Date, the Purchaser held 208,979,333 Shares, representing approximately 17.9% of the total issued share capital of the Company, and Yueda Capital (HK) Limited held 600,000,000 Shares, representing approximately 51.3% of the total issued share capital of the Company. Both the Purchaser and Yueda Capital (HK) Limited were ultimately wholly-owned by Jiangsu Yue Da Group Company Limited, which was controlled by the Yancheng Municipal People’s Government of the PRC and was the Company’s ultimate holding company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Reference is made to the announcement of the Company dated 5 September 2013 in relation to the signing of an acquisition agreement (the “**Acquisition Agreement**”) between the Disposal Company, as the purchaser, and a Vietnamese individual (the “**Vietnamese Individual**”) as the vendor, pursuant to which the Disposal Company agreed to acquire, and the Vietnamese Individual agreed to sell, the entire issued share capital of two companies (the “**Two Companies**”) which were incorporated in the British Virgin Islands (the “**Acquisition**”) for a consideration of USD34.0 million (equivalent to approximately HK\$266.9 million), of which USD7.0 million (equivalent to approximately HK\$55.0 million) was paid by the Disposal Company to the Vietnamese Individual as the deposit (“**Deposit**”) as disclosed in the announcement of the Company dated 17 November 2014.

LETTER FROM THE BOARD

Pursuant to the Acquisition Agreement, the Deposit is secured by the charges over the entire issued share capital in the Two Companies and the mortgage over the shares of a Vietnamese company in favour of the Disposal Company. As certain conditions precedent to the Acquisition Agreement had not been fulfilled on 15 November 2014, the Acquisition was terminated on the same date. Pursuant to the Acquisition Agreement, if the Acquisition Agreement is terminated, the Vendor shall repay, within one (1) month after the long stop date, being 30 June 2014, which was subsequently extended to 15 November 2014, to the Purchaser an amount equivalent to the Deposit without interest. If the Vendor fails to repay the entirety of the said amount to the Purchaser before the prescribed date, interest shall accrue from the due date of payment until the date of full repayment at the rate equivalent to the higher of (i) 8% per annum; or (ii) the current USD best lending rate as quoted by The Hong Kong and Shanghai Banking Corporation Limited for the same USD amount.

The Deposit has remained outstanding despite the Group's repeated demands for repayment and the entering into of a settlement agreement dated 20 March 2017 entered into between, among others, the Vietnamese Individual and the Disposal Company (the "**Settlement Agreement**"). On 31 October 2018, the Disposal Company issued a writ of summons in High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Vietnamese Individual to claim for outstanding payments under the Settlement Agreement. No notice of intention to defend was given by the Vietnamese Individual and the High Court issued the final judgement on 7 December 2018, whereby the Vietnamese Individual was ordered to pay to the Disposal Company the outstanding Deposit in sum of approximately USD5.96 million (equivalent to approximately HK\$46.79 million), interest accrued on the outstanding Deposit in sum of approximately USD2.1 million (equivalent to approximately HK\$16.49 million) and fixed costs of approximately HK\$11,000. Notwithstanding the judgement by the High Court, no payments have been received from the Vietnamese Individual by the Disposal Company up to the Latest Practicable Date.

Taking into account that (i) the prolonged discussion in arriving at a repayment schedule of the Deposit; (ii) the uncertainty in the recoverability of the remaining of the Deposit; (iii) the Consideration being higher than the NAV of the Disposal Group; and (iv) the Disposal can reduce the liabilities of the Groups and improve its gearing ratio as the Consideration will be settled by way of offsetting against the shareholder's loan due from the Company to the Purchaser, the Directors (including all the independent non-executive Directors who have taken into account the advice from the Independent Financial Adviser) are of the view that the terms of the Disposal Agreement are fair and reasonable and the transactions contemplated under the Disposal Agreement are on normal commercial terms and in the interests of the Company and Shareholders as a whole although the Disposal is not conducted in the ordinary and usual course of business of the Company.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE DISPOSAL

It is expected that the Company will record a gain before income tax of approximately HK\$280,000 as a result of the Disposal, which represents the difference between the Consideration and the NAV of the Disposal Group. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit. The Disposal can reduce the liabilities of the Group and improve its gearing ratio as the Consideration will be settled by way of offsetting against the shareholder's loan due from the Company to the Purchaser.

Upon Completion, the Company will cease to own any interests in the Disposal Group. The Disposal Company will cease to be a subsidiary of the Company and the Disposal Group's results, assets and liabilities will no longer be consolidated into the financial statements of the Company.

USE OF PROCEEDS

The proceeds from the Disposal will be used to net-off against the shareholder's loan owing to the Purchaser by the Company, the principle amount of which stands at approximately HK\$166.1 million as at 28 February 2019.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Purchaser held 208,979,333 Shares, representing approximately 17.9% of the total issued share capital of the Company, and Yueda Capital (HK) Limited held 600,000,000 Shares, representing approximately 51.3% of the total issued share capital of the Company. Both the Purchaser and Yueda Capital (HK) Limited were ultimately wholly-owned by Jiangsu Yue Da Group Company Limited, which was controlled by the Yancheng Municipal People's Government of the PRC and was the Company's ultimate holding company.

Accordingly, the Purchaser was a connected person of the Company pursuant to Chapter 14A of the Listing Rules as at the Latest Practicable Date. Therefore, the Disposal constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Disposal is required to abstain from voting on the relevant resolution at the EGM. Accordingly, the Purchaser and its associates will be required to abstain from voting on the resolution approving the Disposal. Save as disclosed above, none of the other Shareholders are required to abstain from voting on the relevant resolution. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director has a material interest in the Disposal and was required to abstain from voting at the meeting of the Board approving the Disposal Agreement and the transactions contemplated thereunder.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders, among other things, whether the Disposal is fair and reasonable and are in the interests of the Company and its Shareholders as a whole. Crescendo Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matter.

Shareholders and potential investors should note that the Completion is subject to fulfilment and/or waiver (as the case may be) of the conditions precedent under the Disposal Agreement. As the Disposal may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and if there is any doubt about their positions, they should consult their professional advisers.

EGM

The EGM will be convened by the Company at office nos. 3321-3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Hong Kong on Monday, 20 May 2019, at 10:30 a.m. at which the ordinary resolution will be proposed to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. Notice convening the EGM has been despatched to the Independent Shareholders on 12 April 2019, a copy of which is set out on pages EGM-1 to EGM-2 of the Circular.

The proxy form for use at the EGM is enclosed with the notice of the EGM despatched to the Shareholders on 12 April 2019. Whether or not you are able to attend (if you are so entitled to) the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it as soon as possible to the Company's Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited, at shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including all the independent non-executive Directors who have taken into account the advice from the Independent Financial Adviser) consider that although the Disposal is not conducted in the ordinary and usual course of the business of the Company, the terms of the Disposal Agreement are fair and reasonable so far as the Group and the Independent Shareholders are concerned, the transactions contemplated under the Disposal Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

RESPONSIBILITY STATEMENT

The Circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or the Circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the other general information of the Company set out in the appendix to the Circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of the Independent Board Committee to the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder for inclusion in the Circular.



YUE DA INTERNATIONAL HOLDINGS LIMITED

悅達國際控股有限公司

(formerly known as 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)

12 April 2019

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE DISPOSAL COMPANY

INTRODUCTION

We refer to the circular of the Company dated 12 April 2019 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as the members of the Independent Board Committee to consider and to give recommendation to the Independent Shareholders on the Disposal Agreement and the transactions contemplated thereunder and to make recommendation as to whether the Independent Shareholders should vote in favour of the resolution to be proposed at the EGM to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

Crescendo Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Disposal Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board (as set out on pages 4 to 12 of the Circular), the letter of advice from the Independent Financial Adviser (as set out on pages 15 to 27 of the Circular) and the appendix to the Circular.

RECOMMENDATION

Having taken into account the advice and recommendation of the Independent Financial Adviser, we consider that the terms of the Disposal Agreement are fair and reasonable, the transactions contemplated under the Disposal Agreement are on normal commercial terms and in the interests of the Company and Shareholders as a whole although the Disposal is not conducted in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the

**Independent Board Committee of
Yue Da International Holdings Limited**

Cui Shuming

Liu Yongping

Cheung Ting Kee

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Crescendo Capital to the Independent Board Committee and the Independent Shareholders regarding its advice on the Disposal prepared for the purpose of incorporation into this circular.



1506 Tai Tung Building
8 Fleming Road
Wanchai, Hong Kong

12 April 2019

Yue Da International Holdings Ltd
Office Nos. 3321-3 & 3325, 33/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Disposal, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 12 April 2019 to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter have the same meanings as defined elsewhere in the Circular unless the context requires otherwise.

On 20 March 2019, the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire equity interest in the Disposal Company, at the Consideration of USD5.60 million (equivalent to approximately HK\$43.96 million), which shall be satisfied by offsetting against the amount due from the Company to the Purchaser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a disclosable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, the Purchaser held 208,979,333 Shares, representing approximately 17.9% of the total issued share capital of the Company, and Yueda Capital (HK) Limited held 600,000,000 Shares, representing approximately 51.3% of the total issued share capital of the Company. Both the Purchaser and Yueda Capital (HK) Limited are ultimately wholly-owned by Jiangsu Yue Da Group Company Limited, which is controlled by the Yancheng Municipal People's Government of the PRC and is the Company's ultimate holding company. Accordingly, the Purchaser is a connected person of the Company. Therefore, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened, at which the relevant resolution will be proposed to the Shareholders to consider and, if thought fit, to approve, by way of poll, the Disposal Agreement and the transactions contemplated thereunder. Pursuant to the Listing Rules, any Shareholder who has a material interest in the Disposal is required to abstain from voting on the relevant resolution at the EGM. Accordingly, the Purchaser and its associates will be required to abstain from voting on the resolution for approving the Disposal at the EGM. Save as disclosed above, none of the other Shareholders are required to abstain from voting on the relevant resolution.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee, has been established to advise the Independent Shareholders on the terms of the Disposal. We, Crescendo Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard, in particular as to whether the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We are not associated with the Group and its associates and do not have any shareholding in any member of the Group or right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of the Group. Save for acting as an independent financial adviser in this appointment, we have not acted as a financial adviser or an independent financial adviser to the Company and its associates in the past two years. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we will receive any fee or benefit from the Group and its associates. We were not aware of any relationship or interest between us and the Company or any other parties that would be reasonably considered to affect our independence to act as an independent financial adviser to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information and representations supplied, and the opinions expressed, by the Directors and management of the Company and have assumed that such information and statements, and representations made to us or referred to in the Circular are true, accurate and complete in all material respects as of the date hereof and will continue as such at the date of the EGM. The Directors have collectively and individually accepted full responsibility for the Circular, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group and having made all reasonable enquiries have confirmed that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have no reason to suspect that any material information has been withheld by the Directors or management of the Company, or is misleading, untrue or inaccurate, and consider that they may be relied upon in formulating our opinion. We have not, however, for the purposes of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group and the related subject of, and parties to, the Disposal Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change this opinion.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Disposal, we have considered the following principal factors and reasons:

1. Information on the Group

The Company, being the Vendor, is an investment holding company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange. Its subsidiaries are principally engaged in factoring business, including trade finance, sales ledger management, customer credit rating, accounts receivable management and collection, factoring consulting, credit risk guarantee, supply chain management and other factoring related services. The Group also engages in the exploration, mining and processing of metal minerals including zincs, leads, coppers, irons and golds through its mining subsidiaries.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The audited consolidated financial information of the Group for the two years ended 31 December 2017 and 2018 as extracted from the annual report of the Company for the year ended 31 December 2017 and the annual results announcement of the Company for the year ended 31 December 2018 (“**2018 Annual Results Announcement**”) respectively, is summarized as follows:

	For the year ended	
	31 December	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
– Factoring Related Business	45,069	6,579
– Mining Operations	<u>42,360</u>	<u>72,898</u>
	87,429	79,477
Loss for the year attributable to owners of the Company	<u><u>(46,515)</u></u>	<u><u>(25,736)</u></u>
	As at	As at
	31 December	31 December
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets	267,009	462,312
Current assets	<u>896,826</u>	<u>693,154</u>
Total assets	1,163,835	1,155,466
Non-current liabilities	399,092	223,893
Current liabilities	<u>427,906</u>	<u>517,450</u>
Total liabilities	826,998	741,343
Net assets	<u><u>336,837</u></u>	<u><u>414,123</u></u>
Net assets attributable to owners of the Company	<u><u>336,837</u></u>	<u><u>385,253</u></u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2018, the Group's revenue increased by approximately 10.0% from approximately RMB79.5 million for the year ended 31 December 2017 to approximately RMB87.4 million, of which approximately 51.5% (2017: 8.3%) was derived from its factoring related business while the remaining 48.5% (2017: 91.7%) was derived from the mining operations.

The Group started its factoring related business in the second half of 2017. As disclosed in the Company's annual report for the year ended 31 December 2017, in view of the uncertainties in the business environment of the mining industry, management of the Company determined to shift the Group's business development focus from mining to factoring related business. Since then, the Group experienced a substantial business growth in the factoring business segment. The loan portfolio increased from approximately RMB57 million as at 31 December 2017 to approximately RMB633 million as at 31 December 2018. The revenue from factoring related business for the year ended 31 December 2018 increased substantially by approximately 585.0% and reached approximately RMB45.1 million (2017: RMB6.6 million), of which approximately RMB10.5 million (2017: RMB0.7 million) was derived from management fee from accounts receivable management and collection services, approximately RMB2.1 million (2017: RMB4.9 million) was derived from fees of factoring consultancy services and approximately RMB32.4 million (2017: RMB1.0 million) was generated from interest income from factoring services.

On the other hand, the revenue from the mining operations decreased significantly by approximately 41.9% from approximately RMB72.9 million for the year ended 31 December 2017 to approximately RMB42.4 million for the year ended 31 December 2018. During the year ended 31 December 2018, the Group's mining operations in Baoshan City, Yunnan Province of the PRC with major products of lead, zinc and copper ore concentrates was in normal operation while another mining operations in Tongling City, Anhui Province of the PRC with major products of gold and stone for construction continued to be suspended as the costs of the Group's mining operations in Tongling City far outweighed its benefits after the implementation of several sets of new laws and regulations relating to the preservation of mines, which required stringent measures to be put in place to step up the standards of ecosystem and environmental protection and work safety in mines, by the local government in 2017.

For the year ended 31 December 2018, the revenue from the mining operations in Baoshan City decreased from approximately RMB64.8 million for the year ended 31 December 2017 to approximately RMB39.8 million as the processing volume for zinc, lead and copper ore concentrates of the operations in Baoshan City had dropped during the relevant period.

During the year ended 31 December 2018, the revenue contributed by the mining operations in Tongling City decreased by 60% from approximately RMB4.0 million for the year ended 31 December 2017 to approximately RMB2.5 million, which was solely generated from the sale of gold and stone for construction. In July 2018, the Company completed the disposal of the subsidiary holding the mining operations in Tongling City and a gain on disposal of subsidiary of approximately RMB3.7 million was recorded for the year ended 31 December 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The loss attributable to owners of the Company increased by approximately 21.1% from approximately RMB25.7 million for the year ended 31 December 2017 to approximately RMB46.5 million for the year ended 31 December 2018. There was an increase in loss for the year ended 31 December 2018 as a net foreign exchange loss of approximately RMB39.8 million was recognized in 2018 while a net foreign exchange gain of RMB6.1 million was recognized in 2017. Meanwhile, gain on disposals of subsidiaries also reduced from approximately RMB51.5 million for the year ended 31 December 2017 to approximately RMB3.7 million for the year ended 31 December 2018.

As disclosed in the 2018 Annual Results Announcement, the Directors are of the view that the environment for the mining business is still uncertain and the Group will focus on the factoring business in the future. In light of the recent business environment and financial condition of the Group, the Directors endeavor to seek business opportunities in the financial industry to further diversify the Group's existing business stream and to enhance the long-term benefits of the Company and its Shareholders as a whole.

As at 31 December 2018, the Group's current assets and current liabilities amounted to approximately RMB896.8 million and RMB427.9 million respectively. The current assets mainly comprised trade and other receivables of approximately RMB709.6 million and cash and cash equivalents of approximately RMB162.6 million. As compared to the balances in 31 December 2017, the balance of cash and cash equivalents as at 31 December 2018 decreased by more than RMB343.6 million, representing a decrease of approximately 67.9%. The substantial decrease in cash and cash equivalents was mainly attributable to the increase in loan portfolio for the factoring business. Due to the expansion of the factoring related business, the Group's factoring receivables and loan receivable increased substantially from approximately RMB57.0 million and RMB15.5 million respectively as at 31 December 2017 to approximately RMB630.4 million and RMB32.6 million respectively as at 31 December 2018. The Group's current liabilities mainly comprised amounts due to related companies of RMB188.3 million (2017: RMB460.3 million), corporate bonds of approximately RMB147.3 million (2017: nil) and trade and other payables of approximately RMB71.7 million (2017: 50.8 million). There was a substantial decrease in amounts due to related companies, as compared to the balance of approximately RMB460.3 million as at 31 December 2017, since the consideration of approximately RMB140 million for the disposal of the mining business in Tongling City completed in July 2018 was settled by the Purchaser by way of offsetting against the shareholder's loan due from the Company to the Purchaser. The corporate bond, which was classified as non-current liability as at 31 December 2017, will be due for repayment in 2019 and thus it was re-classified as current liability as at 31 December 2018. The increase of approximately 41.3% in trade and other payables as at 31 December 2018, as compared to the balance as at 31 December 2017, was mainly attributable to the consideration received for assignment of loan receivable of approximately RMB32.9 million recorded in 2018 which was absent in 2017. Meanwhile, the aggregate amount of other advance payments from customers and other tax payables decreased from approximately RMB17.7 million as at 31 December 2017 to approximately RMB4.7 million as at 31 December 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The non-current assets of the Group amounted to approximately RMB462.3 million and RMB267.0 million as at 31 December 2017 and 31 December 2018 respectively. The decrease in non-current assets was mainly due to decreases in property, plant and equipment and mining rights resulting from the disposal of the mining business in Tongling City during the financial year ended 31 December 2018. The Group's non-current liabilities increased from approximately RMB223.9 million as at 31 December 2017 to RMB399.1 million as at 31 December 2018 since the Group obtained a new bank borrowing amounting to approximately RMB348.6 million (as at 31 December 2018) during the first half of 2018 while the corporate bonds of approximately RMB138.0 million were reclassified as current liabilities as at 31 December 2018 and there were decreases in provisions and deferred tax liabilities in an aggregate amount of approximately RMB35.4 million during the year ended 31 December 2018.

As at 31 December 2018, the net assets attributable to owners of the Company was approximately RMB336.8 million and the gearing ratio, as expressed as total liabilities over total assets, was approximately 71.1%.

2. Information on the Disposal Group

The Disposal Company is a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

As at the Latest Practicable Date, the Disposal Company held the entire issued share capital of each of Joy East Group Limited* (悅東集團有限公司), Moral Well Enterprises Limited* (德佳企業有限公司) and Yue Da Prosper Limited* (悅達川旺有限公司), each of which is inactive and had no material business operations.

Set out below is the summary of the unaudited financial information of the Disposal Group for the two financial years ended 31 December 2017 and 31 December 2018 as extracted from the unaudited consolidated management accounts of the Disposal Company:

	For the year ended	
	31 December	
	2018	2017
	RMB'000	RMB'000
Net profit/(loss) before taxation	2.8	(78.0)
Net profit/(loss) after taxation	<u>2.8</u>	<u>(42.8)</u>

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Before the year ended 31 December 2017, the Disposal Group was mainly engaged in mining business and it held a major part of the Group's mining assets. The Disposal Group's products included zinc ore concentrates, lead ore concentrates, copper ore concentrates, gold as well as stone for construction. For the year ended 31 December 2017, the Disposal Group recorded a substantial operating loss of approximately RMB136.7 million as a result of a significant drop in production volume in its mines and production facilities and additional mining costs for fulfilling the requirements of environmental protection as required by applicable laws, rules and regulations. During the financial year ended 31 December 2017, the Disposal Group disposed of three mining subsidiaries, the operation of which had been suspended since 2015, 2013 and 2008 respectively due to the unfavourable market conditions at the relevant time. The Disposal Group recorded disposal gains of approximately RMB54.1 million for the disposals of the aforementioned subsidiaries and certain fixed assets for the year ended 31 December 2017. Meanwhile, the Disposal Group recorded impairment losses on other receivables of approximately RMB3.3 million. Netting off with the interest income of approximately RMB7.9 million, the Disposal Group recorded a net loss before taxation of approximately RMB78.0 million and a net loss after taxation of approximately RMB42.8 million for the year ended 31 December 2017.

To cope with the Group's strategy of shifting its business development focus from mining business to factoring business and to facilitate the group restructuring, the Disposal Group transferred the remaining mining subsidiaries to the Company in late 2017. Since then, the Disposal Group has become an investment holding company with no business activities. For the year ended 31 December 2018, the Disposal Group did not record any revenue from operation. However, the Disposal Group recorded a profit before taxation and profit after taxation of approximately RMB2.8 million for the year ended 31 December 2018 as there was a reversal of the impairment loss for assets.

According to the Disposal Group's unaudited consolidated management accounts, as at 28 February 2019, the Disposal Group had current assets of approximately RMB37.5 million, comprising other receivables of approximately RMB37.2 million and cash and bank balances of approximately RMB0.3 million. The current liabilities comprised only payables to related parties of approximately RMB0.3 million. As at 28 February 2019, the Disposal Group did not have any non-current asset or non-current liability and the consolidated net asset value of the Disposal Group amounted to approximately RMB37.2 million (equivalent to approximately HK\$43.6).

The major asset of the Disposal Group is its other receivable, which represents the amount payable by Ms. Truong Thi Kim Soan (the "**Debtor**"), being the vendor for the sale and purchase of the entire issued share capital of Expert Union Investments Limited and Sky Modern Investments Ltd. (the "**Target Companies**") pursuant to the sale and purchase agreement dated 5 September 2013 entered into between the Disposal Company and the Debtor (the "**Acquisition Agreement**").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Company's announcement dated 5 September 2013, the total consideration for the acquisition of the Target Companies by the Disposal Company (the "**Acquisition**") was USD34 million, subject to downward adjustments as set out in the Acquisition Agreement. The consideration was to be satisfied by (i) the payment of an initial deposit of USD6 million to the Debtor as to USD5.5 million by payment of cash and USD0.5 million by way of assignment to the Debtor of a loan due from a third party to the Disposal Company upon signing of the Acquisition Agreement; (ii) cash payment of a further deposit of USD2 million to the Debtor on the last day of the two months after the date of the Acquisition Agreement; and (iii) cash payment or assignment of loan receivable or other manner as might be agreed by the contracting parties for an amount equivalent to the remaining balance of the consideration upon completion of the Acquisition. The deposits paid were secured by the charges over the entire issued share capital of the Target Companies and the mortgage over the shares of Sao Mai Joint Stock Company ("**Sao Mai**"), which is incorporated in Vietnam and principally engaged in the exploration of certain mines with ilmenite, zircon, rutile and monazite ore resources in Vietnam, in favour of the Disposal Company.

On 17 November 2014, the Company announced that the Acquisition Agreement was terminated on 15 November 2014 as certain conditions precedent of the Acquisition Agreement had not been fulfilled or waived (as the case may be). As at 15 November 2014, the total amount of deposit paid by the Disposal Company amounted to USD7.0 million (equivalent to approximately HK\$55.0 million) (the "**Deposit**"). According to the terms of the Acquisition Agreement, if the Acquisition Agreement was terminated, the Debtor should repay within one month after the long stop date, originally being 30 June 2014 which was subsequently extended to 15 November 2014, to the Disposal Company an amount equivalent to the Deposit paid without interest. If the Debtor fails to repay the Deposit to the Disposal Company before the prescribed date, interest shall accrue from the due date of payment until the date of full repayment at the rate equivalent to the higher of (i) 8% per annum, or (ii) the current USD best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited for the same USD amount.

The Deposit was not repaid by the Debtor despite the Disposal Company's repeated demands for repayment. As disclosed in the Company's announcement dated 20 March 2017, a settlement agreement ("**Settlement Agreement**") was entered into among the Debtor, the Disposal Company and Sao Mai on 20 March 2017. Pursuant to the Settlement Agreement, the Debtor agreed to settle all outstanding balances by five installments before the end of 2018. However, the Debtor failed to settle the balances in accordance with the agreed schedule. As at 28 February 2019, the carrying amount of the Deposit was RMB37.2 million (equivalent to approximately HK\$43.6 million) with accumulated impairment loss of approximately RMB2.7 million (equivalent to approximately HK\$3.1 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Reasons for the Disposal

In the past few years, the Disposal Group devoted much management time and effort on recovery of the Deposit. Management of the Disposal Company kept contacting the Debtor and strongly demanded her for repayment of the Deposit. The Disposal Company also instructed its legal advisor to issue demand notices to the Debtor. However, all these efforts were in vain. Up till 19 January 2018, the Disposal Company received only approximately USD953,000 (equivalent to approximately HK\$7.48 million) from the Debtor as part of the partial refund. On 31 October 2018, the Disposal Company issued a writ of summons in High Court of the Hong Kong Special Administrative Region (the “**High Court**”) against the Debtor to claim for outstanding payments under the Settlement Agreement. No notice of intention to defend was given by the Debtor and the High Court issued the final judgement on 7 December 2018, whereby the Debtor was ordered to pay to the Disposal Company the outstanding Deposit in sum of approximately USD5.96 million (equivalent to approximately HK\$46.79 million), interest accrued on the outstanding Deposit in sum of approximately USD2.1 million (equivalent to approximately HK\$16.49 million) and fixed costs of approximately HK\$11,000. Notwithstanding the judgement by the High Court, no payments have been received from the Debtor by the Disposal Company up to the Latest Practicable Date.

Given that (i) the Debtor has not repaid the outstanding amount of the Deposit and the interest accrued thereof as at the Latest Practicable Date even the final judgement was issued by the High Court; (ii) the credibility of the Debtor is low, taking into account her default payment record and acts of breach of agreements; (iii) there are great uncertainties on whether and when the adjudged outstanding sums could be received; (iv) it may take a lot of management time and effort on claiming the outstanding amount; (v) the Disposal can reduce the liabilities and gearing of the Group immediately; (vi) there are practical difficulties for the Group to take possession of the equity interest in Sao Mai under the mortgage of the Deposit as Sao Mai is incorporated in Vietnam and it is uncertain whether it would bring in financial benefits to the Group even if the Group could take possession of the equity interest of Sao Mai successfully as the Group has limited knowledge about the current status of Sao Mai and its mining rights, and the Group has already shifted its business development focus from mining to factoring and planned to scale down or dispose of its remaining mining operations; and (vii) the Consideration being higher than the unaudited consolidated net asset value of the Disposal Group as at 28 February 2019, we concur with the Directors’ view that the Disposal is a reasonable decision made under the current circumstances and it is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Disposal Agreement

Pursuant to the Disposal Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, being the entire equity interest in the Disposal Company, at a total consideration of USD5.60 million (equivalent to approximately HK\$43.96 million), which shall be satisfied by offsetting against the shareholder’s loan due from the Company to the Purchaser on dollar-for-dollar basis.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter from the Board, the Consideration was agreed between the Purchaser and the Company after arm's length negotiation and was determined with reference to, among others, the unaudited net asset value of the Disposal Group as at 28 February 2019 of approximately RMB37.24 million (equivalent to approximately HK\$43.68 million).

Given that the Disposal Group does not have any material business operations and its major assets comprise only cash and cash equivalents and the receivable due from the Debtor, we consider that the commonly adopted comparable approaches in evaluation of a company, namely price-to-earnings approach, dividends approach and net assets approach, are not applicable for assessing the value of the Disposal Group. Furthermore, as all the assets (being receivables from the Debtor and cash and cash equivalents) and liabilities (being payables to related parties) of the Disposal Group are monetary items and the book value of monetary items should represent the fair value of the subject items, we consider that the value of the Disposal Group should be fairly represented by its consolidated net asset value. Having considered the above, we are of the view that it is reasonable to use the net asset value of the Disposal Group as a basis for assessing the Consideration. Based on the unaudited consolidated management accounts of the Disposal Company, the consolidated net asset value of the Disposal Company as at 28 February 2019 amounted to approximately RMB37.24 million (equivalent to approximately HK\$43.68 million), which is slightly lower than the Consideration for the Disposal.

As at 28 February 2019, the shareholder's loan due from the Company to the Purchaser amounted to approximately HK\$166.1 million, which is due on demand. Settling the Consideration by offsetting against the amount due from the Company to the Purchaser can reduce the Group's current liabilities and improve its gearing ratio.

We have also reviewed other terms of the Disposal Agreement and are not aware of any term of the Disposal Agreement which is substantially deviated from the normal market practice.

Having considered that (i) the Consideration is higher than the consolidated net asset value of the Disposal Company as at 28 February 2019, which represents the fair value of the Disposal Group; (ii) settling the Consideration by offsetting against the shareholder's loan due from the Company to the Purchaser on a dollar-for-dollar basis can reduce the Group's current liabilities and improve its gearing ratio; and (iii) we are not aware of any term of the Disposal Agreement which is substantially deviated from the normal market practice, we consider that the terms of the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal and the transactions contemplated thereunder are on normal commercial terms.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Financial effects of the Disposal

Upon Completion, the Company will cease to hold any equity interest in the Disposal Company and the financial results and assets and liabilities of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Company.

Earnings

As discussed previously, the consolidated net asset value of the Disposal Company as at 28 February 2019 is less than the Consideration. Therefore, a gain on disposal is expected as a result of the Disposal.

Cashflow

As the Consideration will be settled by offsetting against the shareholder's loan due from the Company to the Purchaser, it shall not have any material impact on the cashflow of the Group. However, as assets and liabilities of the Disposal Group will be de-consolidated from the financial statements of the Group, the Group's consolidated balance of cash and cash equivalents will reduce by an amount equivalent to the Disposal Group's balance of cash and cash equivalent.

Net asset value

Given a gain on disposal is expected to be recorded in the Group for the Disposal, the net asset value of the Group attributable to equity holders of the Company is expected to increase after Completion.

Gearing

As the Consideration will be settled by offsetting against the shareholder's loan due from the Company to the Purchaser, the Group's current liability and gearing ratio will decrease after Completion.

Based on the above analysis, we noted that the Disposal would have a positive effect on the Group's earnings, net assets value attributable to equity holders of the Company and gearing ratio.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons stated above, we consider that the terms of the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned, the transactions contemplated under the Disposal Agreement are on normal commercial terms and in the interests of the Company and Shareholders as a whole although the Disposal is not conducted in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, as well as the Independent Shareholders, to vote in favor of the resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Crescendo Capital Limited

Amilia Tsang **Helen Fan**
Managing Director *Associate Director*

Notes:

1. Ms. Amilia Tsang is a licensed person under the SFO permitted to engage in Type 6 (advising on corporate finance) regulated activity and has over 15 years of experience in corporate finance.
2. Ms. Helen Fan is a licensed person under the SFO permitted to engage in Type 6 (advising on corporate finance) regulated activity and has over 11 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

The Circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or the Circular misleading.

2. DISCLOSURE OF INTEREST

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of each Director and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of ordinary Shares	Approximate percentage of issued share capital of the Company (Note i)	Number of options granted and underlying Shares (Note ii)
Mr. Hu Huaimin	Beneficial owner	1,565,060	0.13%	434,394

Notes:

- i The percentage of issued share capital of the Company was calculated by reference to 1,168,626,516 Shares in issue as at the Latest Practicable Date.
- ii These represent Shares which would be allotted and issued upon the exercise in full of the options offered to the Directors on 27 May 2009 under the share option scheme of the Company. These options are exercisable at the subscription price of HK\$0.854 per Share during the period from 28 May 2009 to 26 May 2019.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or were deemed to have taken under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be recorded in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders and other person's interests and short position in the Shares, underlying shares and securities of the Company

As at the Latest Practicable Date, so far as is known to any Director, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of issued ordinary Share	Approximate percentage of issued share capital of the Company <i>(Note)</i>
The Purchaser	Beneficial owner	208,979,333	17.88%
Yueda Capital (HK) Limited	Beneficial owner	600,000,000	51.34%
Yueda Capital Company Limited	Interest of a controlled corporation	600,000,000	51.34%
Jiangsu Yue Da Group Company Limited	Interest of a controlled corporation	808,979,333	69.22%

Note:

The percentage of issued share capital of the Company was calculated by reference to 1,168,626,516 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Other Directors' interest

As at the Latest Practicable Date, the following Directors were also a director or an employee of the following companies, each of which had or was deemed to have an interest or short position in the Shares or underlying shares in respect of equity derivatives of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of substantial Shareholder of the Company	Position in substantial Shareholder of the Company
Tang Rujun	Jiangsu Yueda Group Company Limited	Director
	Yueda Capital Company Limited	Secretary and Managing Director
	Yueda Capital (HK) Limited	Director
Li Biao	The Purchaser	Director
Liu Debing	Yueda Capital Company Limited	Director
	Yueda Capital (HK) Limited	Director

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries which was not determinable by the Group within one (1) year without payment of compensation, other than statutory compensation.

The term of office of each of the non-executive Directors and the independent non-executive Directors is the period up to his retirement by rotation as required by the Company's articles of association.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (i) none of the Directors had any interests, direct or indirect, in any assets which have been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete either directly or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling Shareholder).

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the member of the Group within two years immediately preceding the date of the Circular and are or may be material:

- (i) a tenancy agreement dated 19 May 2017 entered into between the Company as tenant and Yue Da Enterprise Group (H.K.) Company Limited ("**Yue Da Enterprise**") as landlord of Flat C2 on 8th Floor of Pearl City Mansion, No. 22/36 Paterson Street, Hong Kong for a term of nineteen months commencing from 1 June 2017 with monthly rental of HK\$18,000;
- (ii) a shareholder's loan agreement with the Purchaser dated 26 September 2017, pursuant to which the Purchaser shall make available a revolving working capital loan facility to the Company with maximum limit of RMB400 million (equivalent to approximately HK\$469.2 million) for capital injection into Yueda (Shenzhen) Commercial Factoring Co., Limited, a subsidiary of the Group ("**Yueda Commercial Factoring**");

- (iii) a factoring business contract dated 26 September 2017 entered into between the Company and Guoben (Shanghai) Enterprise Development Co., Limited (“**Guoben Development**”), pursuant to which Yueda Commercial Factoring agreed to provide the account receivable financing, management and collection services (“**Account Receivable Services**”) to Guoben Development;
- (iv) an acquisition contract dated 6 December 2017 entered into between the Company and the purchaser for the sale and purchase of 100% of the issued share capital of Yuelong (Yaoan) Limited at a consideration of RMB25.8 million (equivalent to approximately HK\$30.3 million), a company established in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company;
- (v) a settlement agreement dated 22 December 2017 entered into among the Disposal Company, Mineral Land Holdings Limited and an Independent Third Party in relation to a sum of USD6.0 million (equivalent to approximately HK\$47.1 million) then due and owing by Mineral Land Holdings Limited to the Disposal Company;
- (vi) a sale and purchase agreement dated 30 December 2017 entered into between the Company and the purchaser, pursuant to which the purchaser acquires 100% of the issued share capital of Fly Ascent Group Limited at a consideration of RMB65.1 million (equivalent to approximately HK\$76.4 million), a company established in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company;
- (vii) a factoring business contract dated 11 January 2018 entered into between the Company and Dixun Technology (Changzhou) Co., Limited (“**Dixun**”), pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Dixun;
- (viii) a factoring business contract dated 8 March 2018 entered into between the Company and Dafeng Hairong International Trading Co., Limited (“**Dafeng Hairong**”), pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Dafeng Hairong;
- (ix) a factoring business contract dated 16 March 2018 entered into between the Company and Shanghai Lineng Enterprise Co., Limited (“**Shanghai Lineng**”), pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Shanghai Lineng;
- (x) a factoring business contract dated 22 March 2018 entered into between the Company and Nanjing Lunsun Electronic Technology Co., Ltd (“**Lunsun**”), pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Lunsun;

- (xi) a factoring business contract dated 29 March 2018 entered into between the Company and Guoben Development, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Guoben Development;
- (xii) a factoring business contract dated 17 April 2018 entered into between the Company and Guoben Development, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services to Guoben Development;
- (xiii) a supplemental factoring agreement dated 23 May 2018 entered into between the Company and Guoben Development, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to Guoben Development;
- (xiv) a supplemental factoring agreement dated 23 May 2018 entered into between the Company and Lunsun, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to Lunsun;
- (xv) a supplemental factoring agreement dated 23 May 2018 entered into between the Company and Shanghai Lineng, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to Shanghai Lineng;
- (xvi) a supplemental factoring agreement dated 23 May 2018 entered into between the Company and Dafeng Hairong, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to Dafeng Hairong;
- (xvii) a supplemental factoring agreement dated 23 May 2018 entered into between the Company and Dixun, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to Dixun;
- (xviii) a share purchase agreement dated 28 May 2018 entered into between the Company and the Purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser conditionally agreed to purchase all the issued shares of Absolute Apex Limited at a consideration of RMB140.0 million (equivalent to approximately HK\$164.2 million);
- (xix) a factoring agreement dated 28 June 2018 entered into between the Company and China National Forest Products Corporation, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring loan credit limits to China National Forest Products Corporation;

- (xx) a tenancy agreement dated 20 November 2018 entered into between the Company as tenant and the Purchaser as landlord of Office nos. 3321, 3322, 3323 and 3325 on 33rd Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong for a term of one year commencing from 1 January 2019 with monthly rental of HK\$260,000;
- (xxi) a tenancy agreement dated 20 November 2018 entered into between the Company as tenant and Yue Da Enterprise as landlord of Flat C2 on 9th Floor of Paterson Building, Block C and D, No. 37 Paterson Street, Hong Kong for a term of one year commencing from 1 January 2019 with monthly rental of HK\$20,000;
- (xxii) a tenancy agreement dated 20 November 2018 entered into between the Company as tenant and Yue Da Enterprise as landlord of Flat A on 14/F of Dragon Centre, 9-11 Pennington Street, Causeway Bay, Hong Kong for a term of one year commencing from 1 January 2019 with monthly rental of HK\$15,000;
- (xxiii) a tenancy agreement dated 20 November 2018 entered into between the Company as tenant and Yue Da Enterprise as landlord of Flat C2 on 8th Floor of Pearl City Mansion, No. 22/36 Paterson Street, Hong Kong for a term of one year commencing from 1 January 2019 with monthly rental of HK\$18,000;
- (xxiv) a loan assignment dated 11 December 2018 entered into among the Disposal Company, Mineral Land Holdings Limited, an Independent Third Party and Daiichi Kigenso Kagaku Kogyo Co Limited, pursuant to which the Disposal Company has conditionally agreed to sell and Daiichi Kigenso Kagaku Kogyo Co Limited has conditionally agreed to purchase the debts payable or owing by Mineral Land Holdings Limited to the Disposal Company at a consideration of USD4.8 million (equivalent to approximately HK\$37.7 million); and
- (xxv) the Disposal Agreement.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, there were no litigations or claims of material importance pending or threatened against any member of the Group which was known to the Directors.

8. QUALIFICATION AND CONSENT OF EXPERT

The followings are the qualifications of the experts who have given opinion or advice which is contained in the Circular:

Name	Qualification
Crescendo Capital	a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Crescendo Capital has given and has not withdrawn its written consent to the issue of the Circular with the inclusion of its letter dated 12 April 2019 and/or reference to its name or opinion in the form and context in which it respectively appear.

As at the Latest Practicable Date, Crescendo Capital was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Crescendo Capital did not, directly or indirectly, have any interest in any assets which had since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at office nos. 3321-3323 and 3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Sheung Wan, Hong Kong from the date of the Circular up to 14 days thereafter:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts referred to in the paragraph headed "Material contracts" in this appendix;
- (iii) the annual reports of the Company for each of the three years ended 31 December 2016, 2017 and 2018;
- (iv) the letter from the Independent Board Committee, the text of which is set out in the Circular;

- (v) the letter of advice from the Independent Financial Adviser, the text of which is set out in the Circular;
- (vi) the written consents from the experts referred to in the paragraph headed “Qualification and consent of expert” in this appendix; and
- (vii) the Circular.

10. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Shum Chi Chung who is a fellow member of Hong Kong Institute of Certified Public Accountants.
- (ii) The head office and principal place of business of the Company in Hong Kong is located at Office nos. 3321-3323 and 3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.
- (iii) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (iv) The Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited, is located at Shop 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (v) The English text of the Circular shall prevail over the Chinese text.

NOTICE OF EGM



YUE DA INTERNATIONAL HOLDINGS LIMITED

悅達國際控股有限公司

(formerly known as 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)

NOTICE IS HEREBY GIVEN that a extraordinary general meeting (“**Meeting**”) of Yue Da International Holdings Limited (the “**Company**”) will be held at office nos. 3321-3323 and 3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Hong Kong on at 10:30 a.m. on Monday, 20 May 2019 for the purpose of considering and, if thought fit, passing the following resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (i) the share disposal agreement dated 20 March 2019 entered into between the Company and Yue Da Group (H.K.) Co., Limited (the “**Disposal Agreement**”) in relation to the disposal of the entire equity interest in Yue Da Mining Limited (the “**Disposal**”) be and is hereby approved, confirmed and ratified;
- (ii) the Disposal be and is hereby approved, ratified and confirmed; and
- (iii) any one or more of the directors of the Company be and is hereby authorised to do all such acts and things, negotiate, approve, sign, initial, ratify and/or execute all documents which may in his/her opinion be necessary, desirable or expedient to implement and give effect to any matters arising from, relating to or incidental to the Disposal Agreement and the Disposal.”

On behalf of the Board
Yue Da International Holdings Limited
Hu Huaimin
Executive Director and Chief Executive

Hong Kong, 12 April 2019

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Office nos. 3321-3325, 33/F
China Merchants Tower
Shun Tak Centre
No. 168-200 Connaught Road Central,
Hong Kong

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. As at the date of this notice, the executive Directors are Mr. Liu Debing, Mr. Hu Huaimin, Mr. Cai Baoxiang and Mr. Bai Zhaoxiang, the non-executive Directors are Mr. Tang Rujun and Mr. Li Biao, and the independent non-executive Directors are Mr. Cui Shuming, Dr. Liu Yongping and Mr. Cheung Ting Kee.