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YUE DA INTERNATIONAL HOLDINGS LIMITED

悅達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

DISCLOSEABLE TRANSACTION – FACTORING AGREEMENT AND SUPPLEMENTAL FACTORING AGREEMENT

FACTORING AGREEMENT (FENGYUAN POWER)

The Board hereby announces that on 29 April 2019, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into a factoring agreement (the “Factoring Agreement”) with Fengyuan Power. Pursuant to the Factoring Agreement, a revolving credit limit of RMB85,000,000 was granted to Fengyuan Power at the sum of annual interest rate and factoring administration fee ranging from 9.5% to 11.5% which would take effect from 29 April 2019 and expire on 28 April 2020. The factoring is with recourse.

MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTIONS

Second Supplemental Factoring Agreement (Shanghai Lineng)

The Board hereby announces that on 29 April 2019, Yueda Commercial Factoring entered into the second supplemental agreement with Shanghai Lineng pursuant to which the expiry date of the credit period was revised from 22 May 2019 to 22 May 2020.

LISTING RULES IMPLICATIONS

The Directors consider that the second supplemental factoring agreement (Shanghai Lineng) (the “Supplemental Factoring Agreement”) constitutes material change to the terms of its preceding agreements and the Company shall re-comply with its requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Factoring Agreement, the Supplemental Factoring Agreement each exceeds 5% but is less than 25%, the entering into the Factoring Agreement and Supplemental Factoring Agreement constitutes discloseable transactions for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FACTORING AGREEMENT AND SUPPLEMENTAL FACTORING AGREEMENT

The Board hereby announces that on 29 April 2019, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Factoring Agreement and Supplemental Factoring Agreement, 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 Factoring Agreement and Supplemental Factoring Agreement entered into between the Company and the Parties are set out below:

A. Factoring Agreement (Fengyuan Power)

Date	:	29 April 2019
Parties	:	(1) Fengyuan Power (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Fengyuan Power and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB85,000,000 (equivalent to approximately HK\$99,356,500)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Guarantor	:	Mr. Yang Yanliang and his spouse
Expiry date of the factoring facilities	:	28 April 2020

The interest rate of the Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Fengyuan Power and the debtor of the accounts receivables provided by Fengyuan Power; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed by Mr. Yang Yanliang and his spouse; and (v) the land use rights of a land with 427mu owned by Fengyuan Power and a land with 60mu owned by Jiangsu Haihua Environment Engineering Company Limited were pledged as security.

Mr. Yang Yanliang indirectly and wholly owns Fengyuan Power and Jiangsu Haihua Environment Engineering Company Limited.

B. Second Supplemental Factoring Agreement (Shanghai Lineng)

Reference is made to the announcement of the Company dated 23 May 2018.

The Board hereby announces that on 29 April 2019, Yueda Commercial Factoring entered into the second supplemental agreement with Shanghai Lineng pursuant to which the expiry date of the credit period was revised from 22 May 2019 to 22 May 2020.

Save as disclosed above, all the terms of the Previous Agreements with Shanghai Lineng shall remain materially unchanged and in full force and effect and binding on the parties.

The interest rate and the factoring administration fees were determined by the parties on arm's length negotiation taking into account (i) the credit rating of Shanghai Lineng and the debtors 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 83.7%.

REASONS FOR THE SUPPLEMENTAL FACTORING AGREEMENT

The Group is principally engaged in exploration, mining and processing of metal ores and factoring related business in the PRC. The Directors consider that the Factoring Agreement and Supplemental Factoring Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Given that the Factoring Agreement and Supplemental Factoring Agreement 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 Factoring Agreement and the Supplemental Factoring Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Directors consider that the second supplemental factoring agreement (Shanghai Lineng) (the “Supplemental Factoring Agreement”) constitutes material change to the terms of its preceding agreements and the Company shall re-comply with its requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Factoring Agreement, the Supplemental Factoring Agreement each exceeds 5% but is less than 25%, the entering into the Factoring Agreement and Supplemental Factoring Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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 International 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
“Director(s)”	the director(s) of the Company
“Fengyuan Power”	Jiangsu Fengyuan Power Company Limited (“江蘇豐源熱電有限公司”), a company incorporated in the PRC, which is principally engaged in the production and sales of steam, production of electricity and sales of coal.
“Group”	the Company and its subsidiaries
“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
“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 International Holdings Limited
Hu Huaimin
Executive Directors and Chief Executive

Hong Kong, 29 April 2019

As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Tang Rujun and Mr. Li Biao; (b) as executive Directors, Mr. Liu Debing, Mr. Hu Huaimin, Cai Baoxiang and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Mr. Cui Shuming, 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\$1.1689 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.