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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)

INSIDE INFORMATION

COMMENCEMENT OF PUBLIC TENDER IN RELATION TO THE POTENTIAL DISPOSAL OF 100% EQUITY INTEREST IN A SUBSIDIARY

THE POTENTIAL DISPOSAL

The Board of the Company announces that the Company intends to dispose of its 100% equity interest in Yuelong, a subsidiary of the Company, through the Public Tender to be conducted on the Shenzhen United Property and Share Rights Exchange. Upon the completion of the Potential Disposal, Yuelong will cease to be a subsidiary of the Company. The initial bidding price for the Potential Disposal will be RMB230,800,000.

Yuelong is an investment holding company and its principal asset is 100% share capital of Baoshan, the principal asset of which is the Mining Rights.

The notice of the Public Tender in relation to the Potential Disposal, which contains details of the Public Tender in relation to the Potential Disposal, will be released on the website of the Shenzhen United Property and Share Rights Exchange at www.sotcbb.com on 23 May 2019. The Public Tender is scheduled to commence on 24 May 2019 and end on 21 June 2019.

The initial bidding price is determined with reference to the appraised value by an independent valuer. The final consideration will depend on the final bid price offered by the successful bidder, which in any event will be no less than the initial bidding price.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Taking into account the respective initial bidding price of the Potential Disposals, one of the applicable percentage ratios as set out in the Listing Rules in relation to the Potential Disposal is expected to be more than 25% but less than 75%, such potential disposal, if materialized, may constitute a major transaction for the Company and is, therefore, subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Potential Disposal. As of the date of the announcement, Yue Da Capital (HK) Limited, holding 600,000,000 Shares, representing 51.34% of the issued share capital of the Company, has provided written shareholder's approvals on the Potential Disposal. As such, no general meeting will be convened for approving the Potential Disposal pursuant to Rule 14.44 of the Listing Rules.

If a circular is required to be published, the Company will dispatch a circular to the shareholders of the Company according to the requirements of the Listing Rules as soon as possible, containing, among others, (i) further information of the Potential Disposal; and (ii) other information required under the Listing Rules.

Further announcement in relation to the progress of the transaction will be made by the Company in accordance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate.

As the Potential Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board of the Company announces that the Company intends to dispose of its 100% equity interest in Yuelong, a subsidiary of the Company, through the Public Tender to be conducted on the Shenzhen United Property and Share Rights Exchange. Upon the completion of the Potential Disposal, Yuelong will cease to be a subsidiary of the Company. The initial bidding price for the Potential Disposal will be RMB230,800,000. The initial bidding price is determined with reference to the appraised value by an independent valuer. The final consideration will depend on the final bid price offered by the successful bidder, which in any event will be no less than the initial bidding price.

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INFORMATION ON THE COMPANY AND YUELONG

The Company 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. The Group is principally engaged in the exploration, mining, processing and sale of zinc, lead and copper in the PRC. It also provides factoring, accounts receivable management and collection and factoring consultancy services.

The Target Company is a company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of the Company. The principal business of the Target Company is investment holding and its principal asset is 100% of the issued share capital of Baoshan, the principal asset of which is the Mining Rights.

REASONS FOR THE BENEFITS OF THE POTENTIAL DISPOSAL

Several sets of new laws and regulations relating to the preservation of mines came into force which required stringent measures to be put in place to step up the standards of ecosystem and environmental protection, and work safety in recent years. As a result, the costs of Baoshan's mining were increasing. On the other hand, as the Company has been undertaking the business of commercial factoring from 2017 in line with its plans to change its principal business to that of commercial factoring as previously announced, the Potential Disposal will be conducive to the Company's change of principal business.

IMPLICATIONS UNDER THE LISTING RULES

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Taking into account the respective initial bidding price of the Potential Disposals, one of the applicable percentage ratios as set out in the Listing Rules in relation to the Potential Disposal is expected to be more than 25% but less than 75%, such potential disposal, if materialized, may constitute a major transaction for the Company and is, therefore, subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

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If a circular is required to be published, the Company will dispatch a circular to the shareholders of the Company according to the requirements of the Listing Rules as soon as possible, containing, among others, (i) further information of the Potential Disposal; and (ii) other information required under the Listing Rules.

GENERAL

For further information in respect of the listing-for-sale, please refer to the website of Shenzhen United Property and Share Rights Exchange (www.sotcbb.com).

As the Potential Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Baoshan”	Baoshan Feilong Nonferrous Metal Co., Ltd 保山市飛龍有色金屬有限責任公司., a company incorporated in the PRC, which engaged in exploration, mining, processing and sales of metal minerals in the PRC
“Board”	the board of Directors

“Company”	Yue Da International Holdings Limited 悅達國際控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“Directors”	The directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Mine”	the mine located at Baoshan City, Yunnan, the PRC
“Mining Rights”	the exploration and mining rights in the Mine
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Potential Disposal”	the Company’s intended disposal of the Sale Shares
“Public Tender”	the public tender process for the Potential Disposal to be conducted on the Shenzhen United Property and Share Rights Exchange
“Sale Shares”	the entire issued share capital of Yuelong
“SFO”	Securities and Futures Ordinance (Cap. 571)
“Share(s)”	ordinary share(s) having a par value of HK\$0.1 each in the capital of the Company
“Shareholder”	holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules

“RMB” Renminbi, the lawful currency of the PRC

“Yuelong” Yuelong Limited, a company incorporated in the British Virgin Islands, which principally engaged in investment holding of the entire share capital of Baoshan

By Order of the Board
Yue Da International Holdings Limited
Hu Huaimin
Executive Director and Chief Executive

Hong Kong, 23 May 2019

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

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