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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 629)**

**MAJOR TRANSACTION –  
SUPPLEMENTAL FACTORING AGREEMENTS**

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

*A letter from the Board is set out on pages 4 to 10 of this circular.*

*This circular will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and, in the case of this circular, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This circular will also be published on the Company's website at [www.yueda.com.hk](http://www.yueda.com.hk).*

25 June 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of Directors of the Company
“CNFP”	China National Forest Products Corporation, a company incorporated in the PRC, which is principally engaged in importing and exporting timber and various forest products, paper and paper products, coal and rubber etc, exploitation of forest resources abroad and providing storage and logistics services of related products. China National Forest Products Corporation is beneficially owned as to 100% by the State-owned Assets Supervision and Administration Commission of the State Council
“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
“Dafeng Hairong”	Dafeng Hairong International Trading Co., Ltd, a company established in the PRC, which is principally engaged in the trading, import and export of commodities including metal, non-metal, coal and agricultural products. Dafeng Hairong International Trading Co., Ltd. is beneficially owned as to 100% by Dafeng City People’s Government
“Daiichi”	Daiichi Kigenso Kagaku Kogyo Co Limited, a limited liability company incorporated in Japan
“Director(s)”	the director(s) of the Company
“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

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## DEFINITIONS

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“Jiangsu Yue Da”	Jiangsu Yue Da Group Company Limited, a substantial shareholder of the Company interest in 100% interests in Yue Da HK and deemed interest in 69.22% of the issued share capital of the Company. Jiangsu Yue Da Group Company Limited is ultimately beneficially owned as to 100% by Yancheng People’s Government
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“Mineral Land”	Mineral Land Holdings Limited, a company incorporated in the BVI which is wholly owned by Solid Success
“Latest Practicable Date”	20 June 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Lunsun”	Nanjing Lunsun Electronic Technology Co., Ltd, a company established in the PRC, which is principally engaged in the research and development and sales of TFT, LCD panel and backlight module, digital media player, tablet, monitor and LED lighting products. Nanjing Lunsun Electronic Technology Co., Ltd. is beneficially owned as to 100% by Dafeng City People’s Government
“PRC”	the People’s Republic of China, for the purpose of this circular 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
“Sao Mai”	Sao Mai Joint Stock Company, a company duly incorporated and operating under the laws of Vietnam pursuant to Enterprise Registration Certificate No. 3400377599 dated 12 November 2003 issued by the Department of Planning and Investment of Binh Thuan Province of Vietnam
“SFO”	the Securities and Future Ordinance
“Shareholders”	the holders of Shares

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## DEFINITIONS

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“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
“Yue Da Enterprise”	Yue Da Enterprise Group (H.K.) Company Limited (悅達實業集團(香港)有限公司), a company incorporated under the laws of Hong Kong and an associate of the Company
“Yue Da HK”	Yue Da Group (H.K.) Co., Limited (悅達集團(香港)有限公司), a company incorporated under the laws of Hong Kong and a substantial shareholder of the Company
“YDM”	Yue Da Mining Limited (悅達礦業有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company
“%”	per cent

*The English transliteration of the Chinese name(s) in this circular, where indicated with is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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LETTER FROM THE BOARD

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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)**

*Executive Directors*

Mr. Liu Debing  
Mr. Hu Huaimin  
Mr. Cai Baoxiang  
Mr. Bai Zhaoxiang

*Non-executive Directors*

Mr. Tang Rujun  
Mr. Li Biao

*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

25 June 2019

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTIONS –  
SUPPLEMENTAL FACTORING AGREEMENTS**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 6 May 2019 in relation to the entering into of the supplemental factoring agreements.

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## LETTER FROM THE BOARD

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On 23 May 2019, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into supplemental factoring agreements separately with Lunsun, Dafeng Hairong and CNFP (the “**Supplemental Factoring Agreements**” and “**Supplemental Factoring Agreement**” means any of them), pursuant to which Yueda Commercial Factoring agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services (the “**Accounts Receivable Services**”) and granted revolving factoring loan credit limits to Lunsun, Dafeng Hairong and CNFP (the “**Parties**” and “**Party**” means any of them).

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

### A. Lunsun Supplemental Agreement

Date	:	6 May 2019
Parties	:	(1) Lunsun (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Lunsun and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB 100,000,000 (equivalent to approximately HK\$116,890,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Availability Period	:	If Lunsun does not utilize the credit limit within 90 days from the date of signing of the Lunsun Supplemental Factoring Agreement, Yueda Commercial Factoring shall cease the provision of the revolving credit limit to Lunsun.
Guarantor	:	Jiangsu Dafeng Harbour Holdings Group Limited (“ <b>Dafeng Harbour</b> ”)
Expiry date of the factoring facilities	:	22 May 2020

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## LETTER FROM THE BOARD

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The credit limit could be applied to the associated companies of Lunsun with the consent of Lunsun.

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

Dafeng Harbour indirectly owns Lunsun at the percentage of 70%.

### **B. Dafeng Hairong Supplemental Agreement**

Date	:	6 May 2019
Parties	:	(1) Dafeng Hairong (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dafeng Hairong and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB140,000,000 (equivalent to approximately HK\$163,646,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Availability period	:	If Dafeng Hairong does not utilize the credit limit within 90 days from the date of signing of the Dafeng Hairong Supplemental Factoring Agreement, Yueda Commercial Factoring shall cease the provision of the revolving credit limit to Dafeng Hairong.
Guarantor	:	Jiangsu Dafeng Harbour Holdings Group Limited (“ <b>Dafeng Harbour</b> ”)
Expiry date of the factoring facilities	:	22 May 2020



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## LETTER FROM THE BOARD

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

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

### C. CNFP SUPPLEMENTAL AGREEMENT

Date	:	6 May 2019
Parties	:	(1) CNFP (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CNFP and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB 200,000,000 (equivalent to approximately HK\$233,780,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5% to 11.5%
Expiry date of the factoring facilities	:	27 June 2020

The annual rate of return of the CNFP Supplemental Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of CNFP and the debtors of the accounts receivables provided by CNFP; (ii) that the credit period; and (iii) the goods related to the accounts receivables was pledged as security for the factoring loan, and Yueda Commercial Factoring has the rights of monitoring on the goods and the bank accounts for repayment.

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## **LETTER FROM THE BOARD**

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### **COMMITMENTS UNDER THE FACTORING AGREEMENTS**

According to the Supplemental Factoring Agreements, Yueda Commercial Factoring has granted revolving factoring loan credit limits to the relevant Parties which may or may not be utilized by the Parties. Yueda Commercial Factoring has the sole discretion to decide whether to approve the Parties' applications 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. In assessing whether to approve the Parties' factoring loan applications, Yueda Commercial Factoring will review a number of factors including whether the Group has sufficient source of funds for granting the loans and the costs of the funds.

The Company expects that the factoring loans under the Supplemental Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring loans.

### **FINANCIAL EFFECT OF THE FACTORING AGREEMENTS**

Taking into account the interest and factoring administration fee income which could be derived from the factoring loans as contemplated under the Supplemental Factoring Agreements and that the interest and factoring administration fee income from the Parties would cover all necessary expense, the Company expects to have positive effect on its earnings and earnings per share for the Shareholders.

The Company expects that the factoring loans under the Supplemental Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring loans. Save for the aforesaid, there would be no material effect on the Group's assets and liabilities as a result of the transactions contemplated under the Supplemental Factoring Agreements.

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

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

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## LETTER FROM THE BOARD

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

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Parties and their respective ultimate beneficial owners are Independent Third Parties.

### LISTING RULES IMPLICATIONS

The expected largest outstanding balance of each of the factoring loans under each of the Supplemental Factoring Agreements is as follows:

<b>Factoree</b>	<b>Expected largest outstanding balance (RMB'000)</b>
Lunsun	100,000
Dafeng Hairong	140,000
CNFP	200,000

As Lunsun and Dafeng Hairong are owned as to 70% and 100% by Dafeng Harbour, respectively, the applicable percentage ratios for the Company in relation to the factoring transactions entered into between the Company and Lunsun and Dafeng Hairong as calculated under Rule 14.07 of the Listing Rules are to be further aggregated under Rule 14.23(1) of the Listing Rules.

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

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Supplemental Factoring Agreements entered into between the Company and the same Party or associated parties in aggregate are more than 25% but less than 100%, the entering into the Supplemental Factoring Agreements by the same Party or associated parties constitutes major

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## LETTER FROM THE BOARD

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transactions for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

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

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Supplemental Factoring Agreements and the transactions contemplated thereunder. As of the date of the announcement, Yue Da 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 Supplemental Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Supplemental Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

**1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP**

The published audited consolidated financial statements of the Group for each of the three years ended 31 December 2016, 2017 and 2018 were set out in the Company's annual reports for the each of three years ended 31 December 2016, 2017 and 2018, which can be accessed on the website of the Stock Exchange:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0417/LTN20170417089.pdf>,  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0419/LTN20160419805.pdf>; and  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2019/0411/LTN201904111320.pdf>  
respectively.

**2. INDEBTEDNESS**

As at the close of business on 30 April 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has outstanding borrowings of approximately RMB667.4 million, comprising unsecured corporate bonds with principal amount of approximately HK\$91.0 million (equivalent to approximately RMB78.0 million); unsecured and unguaranteed amounts due to related companies of approximately HK\$173.1 million (equivalent to approximately RMB148.5 million) and RMB88.6 million; unsecured and guaranteed amount due to a related company of approximately RMB18.0 million, and unsecured and guaranteed bank borrowing of approximately EUR44.4 million (equivalent to approximately RMB334.3 million). Jiangsu Yue Da Group Company Limited (“**Jiangsu Yue Da**”) has entered into a keepwell deed with the Company and the trustee of the corporate bonds, where Jiangsu Yue Da undertakes, amongst other things, to directly or indirectly own and hold not less than 30 per cent of the outstanding shares of the Company and to provide financial support to ensure that the Company has sufficient funds to meet its payment obligations under the relevant bonds.

As at 30 April 2019, the Group has secured outstanding lease payments not yet paid for the remainder of the lease terms amounting to approximately HK\$530,000 (equivalent to approximately RMB454,000) in aggregate.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30 April 2019, the Group did not have other outstanding mortgages, charges, debentures or other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, lease obligations, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL STATEMENT**

After taking into account the Group's presently available financial resources, including internally generated funds from operation and available financial facilities of the Group, the Directors after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date of which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The principal activities of the Group are exploration, mining and processing of mainly zinc, lead and copper, and provision of factoring services, accounts receivable management and collection, and factoring consultancy services.

The Group is currently operating a mine in Baoshan, Yunnan with main products of zinc, lead and copper. As stated in the financial statements of the 2018 annual report, the environment of the mining business is still uncertain and the Group has shifted its business focus to factoring business, and 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 diversify the Group's existing business stream to enhance the long-term benefits of the Company and the Shareholders as a whole.

## 1. RESPONSIBILITY STATEMENT

This 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 this 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 this circular misleading.

## 2. DISCLOSURE OF INTEREST

### (A) DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OR ANY ASSOCIATED CORPORATION OF THE COMPANY

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 of Hong Kong Limited (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, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of ordinary Shares (Note i)	Approximate percentage of issued share capital of the Company (Note ii)
Mr. Hu Huaimin	Beneficial owner	1,130,666(L)	0.10%

Notes:

- (i) The letter “L” represents the Director’s long position in the ordinary shares of the Company.
- (ii) The percentage of issued share capital of the Company is calculated by reference to 1,168,626,516 shares in issue as at the Latest Practicable Date.

Other than as disclosed above, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations as at the Latest Practicable Date.

**(B) CONTROLLING AND SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST**

The register of controlling and substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that as at the Latest Practicable Date, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

<b>Name</b>	<b>Capacity</b>	<b>Number of issued ordinary Share (Note i)</b>	<b>Approximate percentage of issued share capital of the Company (Note ii)</b>
Yue Da HK	Beneficial owner	208,976,333 (L)	17.88%
Yueda Capital (HK) Limited	Beneficial owner	600,000,000 (L)	51.34%
Jiangsu Yue Da	Interest of a controlled corporation	808,976,333 (L)	69.22%

Other than as disclosed above, the Company has not been notified of any other persons who as at the Latest Practicable Date, had interests of 5% or more in any shares or underlying shares of the Company.



**(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:

<b>Name of Director</b>	<b>Name of substantial shareholder of the Company</b>	<b>Position in substantial shareholder of the Company</b>
Mr. Tang Rujun	Jiangsu Yue Da	Director
	Yueda Capital Company Limited	Secretary and Managing Director
	Yueda Capital (HK) Limited	Director
Mr. Li Biao	Yue Da HK	Director
Mr. Liu Debing	Yue Da HK	Director
	Yueda Capital (HK) Limited	Director

**3. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors (including those being proposed for re-election at the forthcoming extraordinary general meeting of the Company) has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one 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 this 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 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 Yue Da HK dated 26 September 2017, pursuant to which Yue Da HK shall make available a revolving working capital loan facility to the Company with maximum limit of RMB400,000,000 for capital injection into Yueda Commercial Factoring;
- (iii) 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, a company established in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company;

- (iv) a settlement agreement dated 22 December 2017 entered into between YDM, Mineral Land and an Independent Third Party in relation to a sum of US\$6 million then due and owing by Mineral Land to YDM (the “**Settlement Agreement**”);
- (v) 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, a company established in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company; and
- (vi) a share purchase agreement dated 28 May 2018 entered into between the Company and Yue Da HK, pursuant to which the Company has conditionally agreed to sell and Yue Da HK conditionally agreed to purchase all the issued shares of Absolute Apex Limited at a consideration of RMB140 million.
- (vii) 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 twelve months commencing from 1 January 2019 with monthly rental of HK\$15,000;
- (viii) 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 twelve months commencing from 1 January 2019 with monthly rental of HK\$15,000;
- (ix) 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 twelve months commencing from 1 January 2019 with monthly rental of HK\$20,000;
- (x) a tenancy agreement dated 20 November 2018 entered into between the Company as tenant and Yue Da HK 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 twelve months commencing from 1 January 2019 with monthly rental of HK\$260,000;
- (xi) a loan assignment agreement dated 11 December 2018 entered into between YDM, Daiichi and an Independent Third Party, pursuant to which YDM conditionally agreed to sell, and Daiichi conditionally agreed to purchase, all the legal and beneficial right, title and interest in any present or future liability (actual or contingent) payable or owing by Mineral Land to Yue Da Mining in connection with the Settlement Agreement;

- (xii) a share purchase agreement dated 20 March 2019 entered into between the Company and Yue Da HK, pursuant to which the Company has conditionally agreed to sell and Yue Da HK conditionally agreed to purchase all the issued shares of YDM at a consideration of US\$5.6 million.

## **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. 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 this 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; and
- (iv) this circular.

## **9. 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 this circular shall prevail over the Chinese text.