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## **YUE DA MINING HOLDINGS LIMITED**

### **悦達礦業控股有限公司**

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

**(Stock Code: 629)**

## **MAJOR TRANSACTION – FACTORING AGREEMENTS**

### **FACTORING AGREEMENTS**

Reference is made to (i) the announcement of Yue Da Mining Holdings Limited in relation to entering into supplemental factoring agreements with Guoben Development, Lunsun, Shanghai Lineng, Dafeng Hairong and Dixun dated 23 May 2018; and (ii) the announcement of delay in despatch of circular dated 13 June 2018 (the “**Announcements**”).

The Board hereby announces that on 28 June 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into factoring agreements separately with CNFP and CNECE (the “**Factoring Agreements**” and “**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 CNFP and CNECE (the “**Parties**” and “**Party**” means any of them).

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Factoring Agreement entered into between the Company and the CNFP or associated parties is more than 25% but less than 100%, the entering into of the Factoring Agreement with CNFP or 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 Factoring Agreement entered into between the Company and CNECE or associated parties is more than 5% but less than 25%, the entering into of the Factoring Agreement with CNECE constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Factoring Agreement with CNFP 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 Factoring Agreement with CNFP 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 Factoring Agreement with CNFP 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 Factoring Agreement with CNFP and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Group (H.K.) Co., Limited, holding 808,971,333 Shares, representing 69.22% of the issued share capital of the Company, has provided written shareholder's approvals on the Factoring Agreement with CNFP and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreement with CNFP and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular, containing among other things, details of the Factoring Agreements, details of the Supplemental Factoring Agreements (as defined in the announcement of the Company dated 23 May 2018) and other information as required under the Main Board Listing Rules, is expected to be despatched to the Shareholders on or before 24 July 2018.

## **FACTORING AGREEMENTS**

The Board hereby announces that on 28 June 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Factoring Agreements, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted factoring loan credit limits to the Parties and the Parties are entitled to apply for accounts 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 revolving factoring loan within the credit limit.

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

**A. Factoring Agreement with CNFP**

Date	:	28 June 2018
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	:	RMB200,000,000 (equivalent to approximately HK\$240,000,000)
Annual rate of return (composed of interest rate and factoring administration fee)	:	9.8%-11.8%
Expiry date of the factoring facilities	:	27 June 2019

The annual rate of return of the Factoring Agreement with CNFP is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of CNFP and the debtor of the accounts receivables provided by CNFP; (ii) 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.

## **B. Factoring Agreement with CNECE**

Date	:	28 June 2018
Parties	:	(1) CNECE (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CNECE and its ultimate beneficial owner are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving credit limit	:	RMB100,000,000 (equivalent to approximately HK\$120,000,000)
Annual rate of return (composed of interest rate and factoring administration fee)	:	9.71%-11.71%
Expiry date of the factoring facilities	:	27 June 2019

The interest rate and administration fee of Factoring Agreement with CNECE is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of CNECE and the debtors of the accounts receivables provided by CNECE; (ii) the credit period; and (iii) an electronic commercial acceptance bill provided by the debtors of the accounts receivables to guarantee the repayment obligation.

## **REASONS FOR THE FACTORING AGREEMENTS**

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

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

## **LISTING RULES IMPLICATIONS**

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 or associated parties is more than 25% but less than 100%, the entering into of the Factoring Agreement with CNFP or 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 Factoring Agreement entered into between the Company and CNECE or associated parties is more than 5% but less than 25%, the entering into of the Factoring Agreement with CNECE constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Factoring Agreement with CNFP 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 Factoring Agreement with CNFP 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 Factoring Agreement with CNFP 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 Factoring Agreement with CNFP and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Group (H.K.) Co., Limited, holding 808,971,333 Shares, representing 69.22% of the issued share capital of the Company, has provided written shareholder's approvals on the Factoring Agreement with CNFP and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreement with CNFP and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

## **GENERAL**

A circular, containing among other things, details of the Factoring Agreements, details of the Supplemental Factoring Agreements (as defined in the announcement of the Company dated 23 May 2018) and other information as required under the Main Board Listing Rules, is expected to be despatched to the Shareholders on or before 24 July 2018.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“CNECE”	China National Electronic Components and Equipment Corporation, a company incorporated in the PRC, which is principally engaged in selling and distribution of materials, components and testing equipment for LCD display, integrated circuit and military industries
“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
“Company”	Yue Da Mining Holdings Limited, a company incorporated with limited liability in the Cayman Islands, whose Shares are listed on the of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of Shares
“Shares”	ordinary share(s) having a par value of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yueda Commercial Factoring”	Yueda (Shenzhen) Commercial Factoring Co., Ltd., a company established in the PRC and a subsidiary of the Group, which principal business is, among other things, commercial factoring.
“%”	per cent

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

Hong Kong, 28 June 2018

*As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Wang Lian Chun and Mr. Qi Guangya; (b) as executive Directors, Mr. Mao Naihe, Mr. Hu Huaimin, Mr. Cai Baoxiang and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Mr. Cui Shu Ming, Dr. Liu Yongping and Mr. Cheung Ting Kee.*

*Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.20 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.*