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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

### SUPPLEMENTAL FACTORING AGREEMENTS

Reference is made to (i) the announcements of Yue Da International Holdings Limited in relation to entering into supplemental factoring agreements with Guoben (Shanghai) Enterprise Development Co., Ltd., Lunsun, Shanghai Lineng Enterprise Co., Ltd., Dafeng Hairong and Dixun Technology (Changzhou) Co., Ltd. dated 23 May 2018; and (ii) the announcement in relation to entering into factoring agreements separately with CNFP and CNECE dated 28 June 2018 (the “**Announcements**”).

The Board hereby announces that on 6 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).

### LISTING RULES IMPLICATIONS

As the ultimate beneficial owners of Lunsun and Dafeng Hairong are parties associated with one another, therefore, 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 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 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.

A circular containing, among other things, details of the Supplemental Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 May 2019.

## **SUPPLEMENTAL FACTORING AGREEMENTS**

The Board hereby announces that on 6 May 2019, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Supplemental Factoring Agreements, 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 Supplemental Factoring Agreements entered into between the Company and the Parties are set out below:

**A. Lunsun Supplemental Factoring 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	:	RMB100,000,000 (equivalent to approximately HK\$116,890,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5-11.5%
Availability period	:	If Lunsun does not utilize the credit limit within 90 days from the date of signing of the Lunsun Supplemental Factoring Agreement, Yue Da 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

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 Factoring 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)	:	9.5-11.5%
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, Yue Da Commercial Factoring shall cease the provision of the revolving credit limit to Dafeng Hairong.
Guarantor	:	Dafeng Harbour
Expiry date of the factoring facilities	:	22 May 2020

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) that the factoring is with recourse; and (iv) that the factoring loan is guaranteed.

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

### C. CNFP Supplemental Factoring 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	:	RMB200,000,000 (equivalent to approximately HK\$233,780,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.8-11.8%
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.

### REASONS FOR THE SUPPLEMENTAL FACTORING AGREEMENTS

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 Supplemental Factoring Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

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.

## **LISTING RULES IMPLICATIONS**

As the ultimate beneficial owners of Lunsun and Dafeng Hairong are parties associated with one another, therefore, 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 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 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.

## **GENERAL**

A circular, containing among other things, details of the Supplemental Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 May 2019.

## 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 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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited

“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
“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 International Holdings Limited**  
**Hu Huaimin**  
*Executive Directors and Chief Executive*

Hong Kong, 6 May 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, 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.*

*Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.1689 and is for information purpose only. Such conversion 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.*