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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)

DISCLOSEABLE TRANSACTION – FACTORING CONTRACT

FACTORING CONTRACT

The Board hereby announces that on 16 March 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into a factoring business contract with domestic recourse (the “**Factoring Contract**”) with Shanghai Lineng, 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**”) to Shanghai Lineng.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the factoring loan credit amounts for the Account Receivables Services provided to Shanghai Lineng exceeds 5% but is less than 25%, the entering into of the Factoring Contract 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.

FACTORING BUSINESS CONTRACT WITH DOMESTIC RECOURSE

The Board hereby announces that on 16 March 2018, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into a factoring business contract with domestic recourse (the “**Factoring Contract**”) with Shanghai Lineng, 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**”) to Shanghai Lineng. Pursuant to the Factoring Contract, if Shanghai Lineng needs financing facility from Yueda Commercial Factoring, it will make an application for factoring services and Yueda Commercial Factoring will make a credit assessment to determine a credit limit. If the credit assessment is to the satisfaction of Yueda Commercial Factoring, Yueda Commercial Factoring will issue to Shanghai Lineng account receivables management consent which delineates the credit limit, interest rate per annum, the administration fee and the expiry date of the credit limit.

ACCOUNT RECEIVABLES MANAGEMENT CONSENT

On 16 March 2018, Yueda Commercial Factoring entered into the Factoring Contract with Shanghai Lineng, and issued to Shanghai Lineng the Account Receivables Management Consent on the same date, pursuant to which Yueda Commercial Factoring granted a factoring loan credit limit of RMB100,000,000 (equivalent to approximately HK\$123,000,000) to Shanghai Lineng.

The principal terms of the factoring loan under i) the Factoring Contract; and ii) the Account Receivables Management Consent are substantially similar and are set out below:

Date	:	16 March 2018
Parties	:	<i>For Shanghai Lineng:</i> (1) Shanghai Lineng, a company established in the PRC with limited liability and is principally engaged in trading, import and export of products including construction materials, metals, electronic products and chemical products. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Shanghai Lineng and its ultimate beneficial owner are Independent Third Parties. (2) Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company which principal business is, among other things, commercial factoring.
Credit limit	:	RMB100,000,000 (equivalent to approximately HK\$123,000,000)
Interest rate per annum	:	7.5%
Factoring administration fees	:	2.0% per annum
Guarantor	:	Mr. Hu Ling Feng
Additional Assurance	:	China National Forest Products Corporation (“CNFP”) provides an electronic acceptance bill to guarantee the repayment obligation of the debtor of the accounts receivables
Expiry date of the factoring facilities	:	16 July 2018

The interest rate of the Factoring Contract is determined by the parties through arm’s length negotiation taking into account: i) the credit rating of Shanghai Lineng and the debtor 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 and an electronic acceptance bill provided by CNFP to guarantee the repayment obligation of the debtor of the accounts receivables.

Mr. Hu Ling Feng indirectly owns Shanghai Lineng at the percentage of 90%.

CNFP is the actual controlling shareholder of the debtor of the accounts receivables.

REASONS FOR THE FACTORING CONTRACT

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 Contract is 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, is under normal commercial terms, and is beneficial to the Group in its business expansion and establishment of long term business relationship with Shanghai Lineng, the Directors are of the view that the terms of and the Factoring Contract is 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 for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the factoring loan credit amounts for the Account Receivables Services provided to Shanghai Lineng exceeds 5% but is less than 25%, the entering into of the Factoring Contract constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Account Receivables Management Consent”	the agreement made by Yueda Commercial Factoring on 16 March 2018 to grant a factoring loan of a credit limit of RMB100,000,000 (equivalent to approximately HK\$123,000,000)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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
“Factoring Contract”	the factoring business contract with domestic resources between Yueda Commercial Factoring and Shanghai Lineng dated 16 March 2018 pursuant to which Yueda Commercial Factoring has in principal agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services to Shanghai Lineng
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“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.
“Shares”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholders”	the holders of Shares
“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

“%”

per cent

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

Hong Kong, 16 March 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 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\$1.23 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.