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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)

DISCLOSEABLE TRANSACTION – REVERSE FACTORING AGREEMENT

REVERSE FACTORING AGREEMENT

The Board hereby announces that on 27 March 2023, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into a reverse factoring agreement (the “**Reverse Factoring Agreement**”) with Jiangsu Xinqingyang. Pursuant to the Reverse Factoring Agreement, Yueda Commercial Factoring agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services (the “**Accounts Receivable Services**”) and granted a reverse revolving credit limit of RMB30,000,000 to Jiangsu Xinqingyang at the sum of annual interest rate and factoring administration fee at 8% to 9.5% which would take effect from 27 March 2023 and expire on 17 November 2023.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreement exceeds 5% but is less than 25%, the entering into the Reverse Factoring Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REVERSE FACTORING AGREEMENT

The Board hereby announces that on 27 March 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted reverse revolving factoring financing credit limits to Jiangsu Xinqingyang and Jiangsu Xinqingyang is entitled to apply for accounts receivables transfer and factoring services. If Jiangsu Xinqingyang 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 financing within the reverse revolving credit limit.

The principal terms of the Reverse Factoring Agreement entered into between the Company and Jiangsu Xinqingyang are set out below:

Reverse Factoring Agreement

Date	:	27 March 2023
Parties	:	(1) Jiangsu Xinqingyang (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiangsu Xinqingyang and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB30,000,000 (equivalent to approximately HK\$34,269,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% - 9.5%
Guarantors	:	Yancheng Haiying Holding Group Company Limited (“ Yancheng Haiying ”) (鹽城海瀛控股集團有限公司)
Expiry date of the factoring facilities	:	17 November 2023

The annual rate of return of the Reverse Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Jiangsu Xinqingyang and the counterparty of the relevant transaction provided by Jiangsu Xinqingyang; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Yancheng Haiying.

Jiangsu Xinqingyang is indirectly beneficially owned as to (i) 70% by Yancheng Haiying, which is a directly wholly-owned subsidiary of Yancheng City People’s Government (鹽城市人民政府) with independent management and operation, and (ii) 30% by Yancheng City Tinghu District People’s Government (鹽城市亭湖區人民政府), with independent management and operation.

INFORMATION ON THE PARTIES TO THE FACTORING AGREEMENT

Yueda Commercial Factoring is a company established in the PRC on 15 August 2017 and is principally engaged in the provision of factoring, accounts receivable management and collection and factoring consultancy services.

Jiangsu Xinqingyang is a company established in the PRC and is principally engaged in the business of engineering project construction.

REASONS FOR THE REVERSE FACTORING AGREEMENT

The Group is principally engaged in factoring related business in the PRC. The Directors consider that the Reverse Factoring Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Given that the Reverse Factoring Agreement 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, are under normal commercial terms, and are beneficial to the Group in its business expansion and establishment of long term business relationship with Jiangsu Xinqingyang, the Directors are of the view that the terms of and the Reverse Factoring Agreement 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 for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreement exceeds 5% but is less than 25%, the entering into the Reverse Factoring Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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
“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
“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

“Jiangsu Xinqingyang”	Jiangsu Xinqingyang Industrial Investment Company Limited (江蘇新青洋實業投資有限公司), a company established in the PRC, which is principally engaged in the business of engineering project construction
“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 International Holdings Limited
Pan Mingfeng
Executive Director

Hong Kong, 27 March 2023

As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Liu Debing, Mr. Li Biao, Mr. Hu Huaimin and Mr. Yu Guangshan; (b) as executive Directors, Mr. Bai Zhaoxiang and Mr. Pan Mingfeng; and (c) as independent non-executive Directors, Dr. Liu Yongping, Mr. Cheung Ting Kee and Ms. Qian Ying.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.1423 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.