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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 – REVERSE FACTORING AGREEMENTS

REVERSE FACTORING AGREEMENTS

Reference is made to the discloseable transaction announcement of the Company dated 28 December 2022 in relation to the Dafeng Reverse Factoring Agreement.

The Board hereby announces that on 5 July 2023, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into the Gaoxin Reverse Factoring Agreement. Pursuant to the Gaoxin 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 RMB20,000,000 to Gaoxin at the sum of annual interest rate and factoring administration fee at 8% to 9.5% which would take effect from 5 July 2023 and expire on 4 July 2024.

LISTING RULES IMPLICATIONS

As (i) the ultimate beneficial owner of both Dafeng Xingcheng and Gaoxin is the same i.e. Yancheng City Dafeng District People’s Government (鹽城市大豐區人民政府); and (ii) the transactions contemplated under the Reverse Factoring Agreements were completed within a 12-month period, the transaction contemplated under the Gaoxin Reverse Factoring Agreement is required to be aggregated with the transaction under the Dafeng Reverse Factoring Agreement pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreements is more than 25% but less than 100%, the entering into the Reverse Factoring Agreements constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Reverse Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Reverse Factoring Agreements and the transactions contemplated thereunder; and (ii) 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 Reverse 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 Reverse 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 Reverse Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse 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 Reverse Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 July 2023.

REVERSE FACTORING AGREEMENTS

Reference is made to the discloseable transaction announcement of the Company dated 28 December 2022 in relation to the Dafeng Reverse Factoring Agreement.

The Board hereby announces that on 5 July 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into the Gaoxin Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted reverse revolving factoring financing credit limits to Gaoxin and Gaoxin is entitled to apply for accounts receivables transfer and factoring services. If Gaoxin 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 Gaoxin Reverse Factoring Agreement entered into between the Company and Gaoxin are set out below:

Gaoxin Reverse Factoring Agreement

Date	:	5 July 2023
Parties	:	(1) Gaoxin (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Gaoxin and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB20,000,000 (equivalent to approximately HK\$21,760,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% - 9.5%
Guarantor	:	Dafeng Traffic Investment Company Limited (“ Dafeng Traffic ”) (鹽城市大豐區交通投資有限責任公司)
Expiry date of the factoring facilities	:	4 July 2024

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

Dafeng Traffic is a wholly-owned subsidiary of one of the shareholders of Gaoxin.

Gaoxin and Dafeng Traffic are beneficially owned as to 100% by Yancheng City Dafeng District People’s Government (鹽城市大豐區人民政府), with independent management and operation.

INFORMATION ON THE PARTIES TO THE GAOXIN REVERSE 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.

Gaoxin is a company established in the PRC and is principally engaged in the business of infrastructure construction.

REASONS FOR AND BENEFITS OF THE GAOXIN REVERSE FACTORING AGREEMENT

The Group is principally engaged in factoring related business in the PRC. The Directors consider that the Gaoxin 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 Gaoxin 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 Gaoxin, the Directors are of the view that the terms of and the Gaoxin Reverse Factoring Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As (i) the ultimate beneficial owner of both Dafeng Xingcheng and Gaoxin is the same i.e. Yancheng City Dafeng District People's Government (鹽城市大豐區人民政府); and (ii) the transactions contemplated under the Reverse Factoring Agreements were completed within a 12-month period, the transaction contemplated under the Gaoxin Reverse Factoring Agreement is required to be aggregated with the transaction under the Dafeng Reverse Factoring Agreement pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreements is more than 25% but less than 100%, the entering into the Reverse Factoring Agreements constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Reverse Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Reverse Factoring Agreements and the transactions contemplated thereunder; and (ii) 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 Reverse 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 Reverse 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 Reverse Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse 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 Reverse Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 July 2023.

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
“Dafeng Reverse Factoring Agreement”	the reverse factoring agreement dated 28 December 2022 entered into between Yueda Commercial Factoring and Dafeng Xingcheng, the details of which have been disclosed in the announcement of the Company dated 28 December 2022
“Dafeng Xingcheng”	Dafeng Xingcheng Investment Development Company Limited (鹽城市大豐區興城投資開發有限公司), a company established in the PRC, which is principally engaged in the business of municipal facilities engineering construction
“Director(s)”	the director(s) of the Company
“Gaoxin”	Yancheng Dafeng Gaoxin Investment Company Limited (鹽城市大豐區高鑫投資有限責任公司), a company established in the PRC, which is principally engaged in the business of infrastructure construction
“Gaoxin Reverse Factoring Agreement”	the reverse factoring agreement dated 5 July 2023 entered into between Yueda Commercial Factoring and Gaoxin
“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
“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
“Reverse Factoring Agreements”	collectively, Dafeng Reverse Factoring Agreement and Gaoxin Reverse Factoring Agreement
“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, 5 July 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. Pan Mingfeng and Mr. Wu Shengquan; and (c) as independent non-executive Directors, 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\$1.0880 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.