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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 FACTORING AGREEMENTS AND REVERSE FACTORING AGREEMENT

FACTORING AGREEMENTS AND REVERSE FACTORING AGREEMENT

The Board hereby announces that on 11 July 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into factoring agreements separately with Yancheng Huachen, Binhai and Jinsong, (collectively, the “**Factoring Agreements**” and “**Factoring Agreement**” means any of them), and entered into a reverse factoring agreement separately with Sheyang Rice (the “**Reverse Factoring Agreement**”), 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 financing credit limits and reverse revolving factoring financing credit limits to Yancheng Huachen, Binhai and Jinsong and Sheyang Rice (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 each of the (i) Yancheng Huachen Factoring Agreement, (ii) Binhai Factoring Agreement, (iii) Jinsong Factoring Agreement, and (iv) Sheyang Rice Reverse Factoring Agreement respectively is more than 25% but less than 100%, the entering into of the Factoring Agreements, and the Reverse Factoring Agreement constitutes major transactions respectively 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 Factoring Agreements and the Reverse Factoring Agreement 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 Agreements and Reverse Factoring Agreement 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 Agreements and the Reverse Factoring Agreement 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 Agreements and the Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of the announcement, Yueda 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 Factoring Agreements and the Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the Reverse Factoring Agreement 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 and the Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 1 August 2023.

FACTORING AGREEMENTS AND REVERSE FACTORING AGREEMENT

The Board hereby announces that on 11 July 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Factoring Agreements and Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted revolving factoring financing credit limits and reverse revolving factoring financing 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 financing within the revolving factoring financing credit limits or reverse revolving factoring financing credit limits.

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

A. Yancheng Huachen Factoring Agreement

Date	:	11 July 2023
Parties	:	(1) Yancheng Huachen (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Huachen and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,466,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantor	:	Xiangshui City Asset Investment Holding Group Company Limited (“ Xiangshui CAI ”) (響水城市資產投資控股集團有限公司)
Availability period of the factoring facilities	:	From 31 August 2023 to 30 August 2024

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

Xiangshui CAI directly wholly owns Yancheng Huachen.

Xiangshui CAI is beneficially owned as to 100% by Xiangshui County People's Government with independent management and operation.

B. Binhai Factoring Agreement

Date	:	11 July 2023
Parties	:	(1) Binhai (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Binhai and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,466,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantor	:	Binhai Transportation Holding Group Company Limited (" Binhai Transportation ") (濱海交通控股集團有限公司)
Availability period of the factoring facilities	:	From 9 October 2023 to 8 October 2024

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

Binhai and Binhai Transportation are beneficially owned as to 100% by Binhai County People's Government with independent management and operation.

C. Jinsong Factoring Agreement

Date	:	11 July 2023
Parties	:	(1) Jinsong (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jinsong and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,466,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantor	:	Sheyang City Investment Development Company Limited (“ Sheyang CID ”) (射陽縣城市投資發展有限責任公司)
Availability period of the factoring facilities	:	From 9 October 2023 to 8 October 2024

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

Jinsong and Sheyang CID are beneficially owned as to 100% by Sheyang County People’s Government with independent management and operation.

D. Sheyang Rice Reverse Factoring Agreement

Date	:	11 July 2023
Parties	:	(1) Sheyang Rice (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Sheyang Rice and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,466,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantors	:	Sheyang State Owned Assets Investment Group Company Limited (“ Sheyang SOA ”) (射陽國有資產投資集團有限公司) and Sheyang CID
Availability period of the factoring facilities	:	From 30 August 2023 to 29 August 2024

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

Sheyang CID directly wholly owns Sheyang Rice.

Sheyang SOA and Sheyang CID are beneficially owned as to 100% by Sheyang County People’s Government with independent management and operation.

INFORMATION ON THE PARTIES TO THE FACTORING AGREEMENTS AND 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.

Yancheng Huachen is a company established in the PRC and is principally engaged in the sales of stainless steel and other materials.

Binhai is a company established in the PRC and is principally engaged in the sales of metal products and other materials.

Jinsong is a company established in the PRC and is principally engaged in the sales of steel and other metal materials.

Sheyang Rice is a company established in the PRC and is principally engaged in the sales of rice.

REASONS FOR AND BENEFITS OF THE FACTORING AGREEMENTS AND REVERSE FACTORING AGREEMENT

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

Given that the Factoring Agreements and the Reverse Factoring Agreement 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 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 (as defined under the Listing Rules) in respect of each of the (i) Yancheng Huachen Factoring Agreement, (ii) Binhai Factoring Agreement, (iii) Jinsong Factoring Agreement, and (iv) Sheyang Rice Reverse Factoring Agreement respectively is more than 25% but less than 100%, the entering into of the Factoring Agreements, and the Reverse Factoring Agreement constitutes major transactions respectively 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 Factoring Agreements and the Reverse Factoring Agreement 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 Agreements and the Reverse Factoring Agreement 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 Agreements and the Reverse Factoring Agreement 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 Agreements and the Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of the announcement, Yueda 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 Factoring Agreements and the Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the Reverse Factoring Agreement 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 and the Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 1 August 2023.

DEFINITIONS

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

“Binhai”	Binhai County Development Zone Economic Development Company Limited (濱海縣開發區經濟發展有限公司), a company established in the PRC, which is principally engaged in the sales of metal products and other materials
“Binhai Factoring Agreement”	the factoring agreement dated 11 July 2023 entered into between Yueda Commercial Factoring and Binhai
“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
“Jinsong”	Yancheng Jinsong Trading Company Limited (鹽城勁松商貿有限公司), a company established in the PRC, which is principally engaged in the sales of steel and other metal materials
“Jinsong Factoring Agreement”	the factoring agreement dated 11 July 2023 entered into between Yueda Commercial Factoring and Jinsong

“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
“Sheyang Rice”	Jiangsu Sheyang Rice Group Company Limited (江蘇射陽大米集團有限公司), a company established in the PRC, which is principally engaged in the sales of rice
“Sheyang Rice Reverse Factoring Agreement”	the reverse factoring agreement dated 11 July 2023 entered into between Yueda Commercial Factoring and Sheyang Rice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yancheng Huachen”	Yancheng Huachen Guofa International Trade Company Limited (鹽城華辰國發國際貿易有限公司), a company established in the PRC, which is principally engaged in the sales of stainless steel and other materials
“Yancheng Huachen Factoring Agreement”	the factoring agreement dated 11 July 2023 entered into between Yueda Commercial Factoring and Yancheng Huachen
“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 Directors

Hong Kong, 11 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, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.0893 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.