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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yue Da International Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s), or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or transferee(s).

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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 TRANSACTIONS – FACTORING AGREEMENTS AND
REVERSE FACTORING AGREEMENTS**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 14 of this circular.

This circular will remain on the Stock Exchange's website at www.hkexnews.hk and, in the case of this circular, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This circular will also be published on the Company's website at www.yueda.com.hk.

16 August 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following 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
“Dafeng Reverse Factoring Agreement”	the reverse factoring agreement dated 28 December 2022 entered into between Yueda Commercial Factoring and Dafeng Xingcheng
“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
“Factoring Agreements”	collectively, Yancheng Huachen Factoring Agreement, Binhai Factoring Agreement and Jinsong Factoring Agreement
“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
“Gaoxin Supplemental Reverse Factoring Agreement”	the supplemental reverse factoring agreement dated 12 July 2023 entered into between Yueda Commercial Factoring and Gaoxin
“Group”	the Company and its subsidiaries

DEFINITIONS

“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 Yue Da”	Jiangsu Yue Da Group Company Limited, a substantial shareholder of the Company interested in 100% interests in Yue Da HK and deemed interested in 69.22% of the issued share capital of the Company. Jiangsu Yue Da Group Company Limited is ultimately beneficially owned as to 100% by Yancheng City People’s Government
“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
“Latest Practicable Date”	11 August 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“Parties”	Dafeng Xingcheng, Gaoxin, Yancheng Huachen, Binhai, Jinsong and Sheyang Rice
“PRC”	the People’s Republic of China, for the purpose of this circular 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, Gaoxin Reverse Factoring Agreement, Gaoxin Supplemental Reverse Factoring Agreement and Sheyang Rice Reverse Factoring Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Future Ordinance

DEFINITIONS

“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
“Yue Da HK”	Yue Da Group (H.K.) Co., Limited (悅達集團(香港)有限公司), a company incorporated under the laws of Hong Kong and a substantial shareholder of the Company
“%”	per cent

The English transliteration of the Chinese name(s) in this circular, where indicated with is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.0923 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.

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Pan Mingfeng
Mr. Wu Shengquan

Non-executive Director

Mr. Liu Debing
Mr. Li Biao
Mr. Hu Huaimin
Mr. Yu Guangshan

Independent non-executive Directors

Dr. Liu Yongping
Mr. Cheung Ting Kee

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16 August 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS – FACTORING AGREEMENTS AND REVERSE FACTORING AGREEMENTS

INTRODUCTION

References are made to the announcements of the Company dated 28 December 2022, 5 July 2023, 11 July 2023 and 12 July 2023 in relation to the entering into of the Factoring Agreements and the Reverse Factoring Agreements.

On 28 December 2022, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Dafeng 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 reverse factoring financing credit limits to Dafeng.

LETTER FROM THE BOARD

On 5 July 2023, Yueda Commercial Factoring, entered into Gaoxin Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving reverse factoring financing credit limits to Gaoxin.

On 11 July 2023, Yueda Commercial Factoring, entered into the Factoring Agreements and the Sheyang Rice Reverse Factoring Agreement pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving factoring financing credit limits or reverse revolving factoring financing credit limits to Yancheng Huachen, Binhai, Jinsong and Sheyang Rice.

On 12 July 2023, Yueda Commercial Factoring, entered into the Gaoxin Supplemental Reverse Factoring Agreement to adjust and supplement the revolving credit limit, annual rate of return and expiry date of the factoring facilities of Gaoxin Reverse Factoring Agreement thereunder. Except for the amendments and supplements specified in the Gaoxin Supplemental Reverse Factoring Agreement, other terms of the Gaoxin Reverse Factoring Agreement remain unchanged.

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

A. Dafeng Reverse Factoring Agreement

Date	: 28 December 2022
Parties	: (1) Dafeng Xingcheng (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dafeng Xingcheng and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	: RMB10,000,000 (equivalent to approximately HK\$10,923,000)
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	: 30 June 2023

LETTER FROM THE BOARD

The annual rate of return of the Dafeng Reverse Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Dafeng Xingcheng and the counterparty of the relevant transaction provided by Dafeng Xingcheng; (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 Dafeng Xingcheng.

Dafeng Xingcheng and Dafeng Traffic are beneficially owned as to 100% by Dafeng District, Yancheng City People's Government with independent management and operation.

B. Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental Reverse Factoring Agreement

	Gaoxin Reverse Factoring Agreement	Gaoxin Supplemental Reverse Factoring Agreement
Date	: 5 July 2023	12 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	No change
Revolving Credit limit	: RMB20,000,000 (equivalent to approximately HK\$21,846,000)	RMB50,000,000 (equivalent to approximately HK\$54,615,000)
Annual rate of return (composed of interest rate and factoring administration fees)	: 8% – 9.5%	8% – 9%
Guarantor	: Dafeng Traffic Investment Company Limited (“ Dafeng Traffic ”)(鹽城市大豐區交通投資有限責任公司)	No change
Expiry date of the factoring facilities	: 4 July 2024	31 December 2024

The annual rates of return of the Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental Reverse Factoring Agreement are 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.

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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.

C. 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\$54,615,000)
- Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)
- 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.

LETTER FROM THE BOARD

D. 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\$54,615,000)
- Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)
- 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.

LETTER FROM THE BOARD

E. 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\$54,615,000)
- Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)
- 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 : From 9 October 2023 to 8 October 2024
the factoring facilities

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.

LETTER FROM THE BOARD

F. 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\$54,615,000)
- Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)
- 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.

LETTER FROM THE BOARD

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.

Dafeng Xingcheng is a company established in the PRC and is principally engaged in the business of municipal facilities engineering construction.

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

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.

ACCOUNTS RECEIVABLE SERVICES AND PRICING POLICY

The Company provides accounts receivable services of both factoring and reverse factoring. Factoring means provision of factoring credit limit to suppliers with high credit rating, and to provide factoring services based on the accounts receivables, which represent the amounts for supply of goods and services to be received by these suppliers. Reverse Factoring means provision of reverse factoring limit to customers with high credit rating, and to provide factoring services based on the accounts payables, which represent the amounts for purchase of goods and services to be paid by these customers. There is no material difference between factoring and reverse factoring in the process of granting factoring financing, where suppliers transfer the accounts receivables to the Company, the Company pays on behalf of the customers to the suppliers and the customers repay the Company upon maturity of the factoring financing. The only difference is the identity of applicants. Since the Company provides the revolving credit limit to Yancheng Huachen, Binhai and Jinsong, who will apply for the credit limit to settle the accounts receivables to be received from its customers in the operations, the Factoring Agreements are factoring in nature. Since the Company provides the revolving credit limit to Dafeng Xingcheng, Gaoxin and Sheyang Rice, who will apply for the credit limit to settle the accounts payables to be its suppliers in the operations, the Reverse Factoring Agreements are reverse factoring in nature.

LETTER FROM THE BOARD

The general pricing policy of the Company is based on the assessment of the factors including the credit rating of the factoror, the factoree and the guarantor, the quality of the accounts receivables or securities, structure of the transaction, tenure, repayment schedule, conditions precedent, expected bad debt ratio, fulfilment of obligations of factoror and factoree under commercial contracts, and events and amounts of default. The final internal rate of return is determined by the actual borrowing cost of the Company in the market, plus a margin ranging from 250 to 450 basis point, and such margin is based on the assessment factors above.

COMMITMENTS UNDER THE FACTORING AGREEMENTS AND THE REVERSE FACTORING AGREEMENTS

According to the Factoring Agreements and the Reverse Factoring Agreements, Yueda Commercial Factoring has granted revolving factoring financing credit limits to the relevant Parties which may or may not be utilised by the Parties. Yueda Commercial Factoring has the sole discretion to decide whether to approve the Parties' applications 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 credit limit. In assessing whether to approve the Parties' factoring financing applications, Yueda Commercial Factoring will review a number of factors including whether the Group has sufficient source of funds for granting the financing and the costs of the funds.

The Company expects that the factoring financing under the Factoring Agreements and the Reverse Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring financing.

FINANCIAL EFFECT OF THE FACTORING AGREEMENTS

Taking into account the interest and factoring administration fee income which could be derived from the factoring receivables as contemplated under the Factoring Agreements and the Reverse Factoring Agreements and that the interest and factoring administration fee income from the Parties would cover all necessary expense, the Company expects to have positive effect on its earnings and earnings per share for the Shareholders.

The Company expects that the factoring receivables under the Factoring Agreements and the Reverse Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring services. Save for the aforesaid, there would be no material effect on the Group's assets and liabilities as a result of the transactions contemplated under the Factoring Agreements and the Reverse Factoring Agreements.

LETTER FROM THE BOARD

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

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

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Parties and their respective ultimate beneficial owners are Independent Third Parties.

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 Dafeng Reverse Factoring Agreement, Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental Reverse Factoring Agreement were completed within a 12-month period, the transaction contemplated under the Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental 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 Dafeng Reverse Factoring Agreement, Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental Reverse Factoring Agreement is more than 25% but less than 100%, the entering into the Dafeng Reverse Factoring Agreement, Gaoxin Reverse Factoring Agreement and Gaoxin Supplemental Reverse Factoring Agreement 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.

As the highest applicable percentage ratio as calculated under Rule 14.07 of the Listing Rules in relation to 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 the Factoring Agreements and Sheyang Rice Reverse Factoring Agreement constitutes major transactions

LETTER FROM THE BOARD

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.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Factoring Agreements and 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 Factoring Agreements and 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 Factoring Agreements and 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 Factoring Agreements and the Reverse Factoring Agreements 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 Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the Reverse Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

By order of the Board
Yue Da International Holdings Limited
Pan Mingfeng
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three years ended 31 December 2020, 2021 and 2022 were set out in the Company's annual reports for the each of three years ended 31 December 2020, 2021 and 2022, which can be accessed on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0414/2021041401420.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0413/2022041300468.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600305.pdf>

2. INDEBTEDNESS

As at the close of business on 30 June 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has total outstanding borrowings of approximately RMB229.4 million, comprising unsecured and unguaranteed amounts due to related companies of approximately RMB93.7 million; bank and other borrowings of approximately RMB65.0 million which are secured by Group's factoring receivables and guaranteed by Jiangsu Yue Da Group Company Limited; and obligations arising from asset-backed financing arrangements with principal amount of approximately RMB70.7 million in aggregate, comprising RMB57.0 million which is secured by the Group's factoring receivables and its obligations payable to the priority tranches which are guaranteed by Jiangsu Yue Da Group Company Limited; and RMB13.7 million which is secured by the Group's factoring receivables and unguaranteed.

As at 30 June 2023, the Group has outstanding lease payments not yet paid for the remainder of the lease terms amounting to approximately RMB5.6 million in aggregate, comprising approximately HK\$0.5 million (equivalent to approximately RMB0.4 million) and approximately RMB0.5 million, which are secured by the Group's rental deposits and unguaranteed; and approximately HK\$5.0 million (equivalent to approximately RMB4.6 million) which are unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30 June 2023, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, other outstanding mortgages, charges, bank overdrafts, loans or other similar indebtedness, lease obligations, liabilities under acceptance or acceptance credits, guarantees or any material contingent liabilities.

3. WORKING CAPITAL STATEMENT

After taking into account (i) the effect of the transactions contemplated under the Factoring Agreements and the Reverse Factoring Agreements; and (ii) the Group's presently available financial resources, including internally generated funds from operation and available facilities of the Group, the Directors after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its requirements, that is for at least the next twelve months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date of which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group will focus on the factoring business and other business with prospects for the Group in the future. We will actively expand the customer base and will explore business opportunities in the area of communications factoring. The Directors endeavour to seek more opportunities in the finance industry and other businesses with prospects to diversify the Group's existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(a) Directors' Interests in Shares, Underlying Shares and Debentures or any Associated Corporation of the Company

As at the Latest Practicable Date, the interests of each Director and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO)), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of ordinary Shares (Note i)	Approximate percentage of issued share capital of the Company (Note ii)
Mr. Hu Huaimin	Beneficial owner	1,130,666 (L)	0.10%
Mr. Li Biao	Beneficial owner	690,640 (L)	0.06%

Notes:

- (i) The letter "L" represents the Director's long position in the ordinary shares of the Company.
- (ii) The percentage of issued share capital of the Company is calculated by reference to 1,168,626,516 shares in issue as at the Latest Practicable Date.

Other than as disclosed above, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations as at the Latest Practicable Date.

(b) Controlling and Substantial Shareholders' and Other Persons' Interest

The register of controlling and substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that as at the Latest Practicable Date, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Name	Capacity	Number of issued ordinary Share (Note i)	Approximate percentage of issued share capital of the Company (Note ii)
Yue Da HK	Beneficial owner	208,976,333 (L)	17.88%
Yueda Capital (HK) Limited	Beneficial owner	600,000,000 (L)	51.34%
Yueda Capital Company Limited (Note iii)	Interest of a controlled corporation	600,000,000 (L)	51.34%
Jiangsu Yue Da (Note iii)	Interest of a controlled corporation	808,976,333 (L)	69.22%

Notes:

- (i) The letter "L" represents the Director's long position in the ordinary shares of the Company.
- (ii) The percentage of issued share capital of the Company is calculated by reference to 1,168,626,516 shares in issue as at the Latest Practicable Date.
- (iii) Jiangsu Yue Da holds 100% interests in Yue Da HK and 61.03% interests in Yueda Capital Company Limited which holds 100% interest in Yueda Capital (HK) Limited and is accordingly deemed to be interested in the shares of the Company beneficially owned by Yue Da HK and Yueda Capital (HK) Limited under the SFO.

Other than as disclosed above, the Company has not been notified of any other persons who as at the Latest Practicable Date, had interests of 5% or more in any shares or underlying shares of the Company.

(c) Other Directors' Interest

As at the date of the Latest Practicable Date, the following Directors were also a director or an employee of the following companies, each of which had or was deemed to have an interest or short position in the shares or underlying shares in respect of equity derivatives of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of substantial shareholder of the Company	Position in substantial shareholder of the Company
Mr. Liu Debing	Yueda Capital (HK) Limited	Director
	Yueda Capital Company Limited	Director
Mr. Li Biao	Yue Da HK	Director
Mr. Yu Guangshan	Yueda Capital Company Limited	Director

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The term of office of each of the non-executive Directors and the independent non-executive Directors is the period up to his retirement by rotation as required by the Company's articles of association.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (i) none of the Directors had any interests, direct or indirect, in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete either directly or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

6. MATERIAL CONTRACTS

No contract (not being a contract entered into in the ordinary course of business) have been entered into by the member of the Group within two years immediately preceding the date of this circular and are or may be material.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, there were no litigations or claims of material importance pending or threatened against any member of the Group which was known to the Directors.

8. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yueda.com.hk) from the date of this circular up to 14 days thereafter:

- (i) the Factoring Agreements;
- (ii) the Reverse Factoring Agreements;
- (iii) the memorandum and articles of association of the Company;
- (iv) the annual reports of the Company for each of the three years ended 31 December 2022; and
- (v) this circular.

9. MISCELLANEOUS

- (i) The head office and principal place of business of the Company in Hong Kong is located at Office nos. 3321-3323 and 3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.
- (ii) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (iii) The Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) The company secretary of the Company is Mr. Cheng Man Hung who is a fellow member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (v) The English text of this circular shall prevail over the Chinese text.