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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 – SUPPLEMENTAL FACTORING AGREEMENT,
REVERSE FACTORING AGREEMENT AND
FACTORING AGREEMENT**

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 5 to 15 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.

21 December 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following 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
“Dongfang Construction”	Yancheng Dongfang Construction Investment Company Limited (鹽城東方建設投資股份有限公司), a company established in the PRC, which is principally engaged in the business of various engineering construction
“Dongfang Construction Reverse Factoring Agreement”	the reverse factoring agreement dated 20 September 2023 entered into between Yueda Commercial Factoring and Dongfang Construction, the details of which have been disclosed in the announcement of the Company dated 20 September 2023
“Dongfang Factoring Agreements”	collectively, Dongfang Construction Reverse Factoring Agreement and Dongfang Xinrui Factoring Agreement
“Dongfang Xinrui”	Yancheng Dongfang Xinrui Engineering Construction Company Limited (鹽城市東方新銳工程建設有限公司), a company established in the PRC, which is principally engaged in the business of engineering project construction
“Dongfang Xinrui Factoring Agreement”	the factoring agreement dated 16 November 2023 entered into between Yueda Commercial Factoring and Dongfang Xinrui
“Factoring Agreements”	collectively, Jiangsu Xinqingyang Factoring Agreements, Haiying Tengfei Reverse Factoring Agreement and Dongfang Factoring Agreements
“Group”	the Company and its subsidiaries

DEFINITIONS

“Haiying Tengfei”	Jiangsu Haiying Tengfei Municipal Construction Engineering Company Limited (江蘇海瀛騰飛市政建設工程有限公司), a company established in the PRC, which is principally engaged in the business of municipal construction engineering
“Haiying Tengfei Reverse Factoring Agreement”	the reverse factoring agreement dated 16 November 2023 entered into between Yueda Commercial Factoring and Haiying Tengfei
“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 Xinqinyang”	Jiangsu Xinqinyang 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
“Jiangsu Xinqinyang Factoring Agreements”	collectively, Jiangsu Xinqinyang Reverse Factoring Agreement and Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement
“Jiangsu Xinqinyang Reverse Factoring Agreement”	the reverse factoring agreement dated 27 March 2023 entered into between Yueda Commercial Factoring and Jiangsu Xinqinyang, the details of which have been disclosed in the announcement of the Company dated 27 March 2023
“Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement”	the supplemental reverse factoring agreement dated 16 November 2023 entered into between Yueda Commercial Factoring and Jiangsu Xinqinyang

DEFINITIONS

“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
“Latest Practicable Date”	18 December 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”	Jiangsu Xinqingyang, Haiying Tengfei, Dongfang Construction and Dongfang Xinrui
“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
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Future Ordinance
“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
“YDRE”	Yueda Real Estate Group Company Limited (悅達地產集團有限公司), which is held as to approximately 66.36% by Yue Da HK, a directly wholly-owned subsidiary of Jiangsu Yue Da
“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

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“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\$1.0885 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 Directors

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

Independent non-executive Directors

Dr. Liu Yongping
Mr. Cheung Ting Kee
Ms. Zhang Yan

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21 December 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS – SUPPLEMENTAL FACTORING AGREEMENT, REVERSE FACTORING AGREEMENT AND FACTORING AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 16 November 2023 in relation to the Factoring Agreements.

On 16 November 2023, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into the Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement to adjust and supplement the revolving credit limit, annual rate of return, expiry date of the factoring facilities and the guarantor thereunder. Except for the amendments

LETTER FROM THE BOARD

and supplements specified in the Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement, other terms of the Jiangsu Xinqinyang Reverse Factoring Agreement remain unchanged.

On 16 November 2023, Yueda Commercial Factoring entered into the Haiying Tengfei Reverse Factoring Agreement and the Dongfang Xinrui 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 or revolving factoring financing credit limits to Haiying Tengfei and Dongfang Xinrui.

The principal terms of the Jiangsu Xinqinyang Reverse Factoring Agreement, Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement, Haiying Tengfei Reverse Factoring Agreement, Dongfang Construction Reverse Factoring Agreement and Dongfang Xinrui Factoring Agreement are as follows:

A. Jiangsu Xinqinyang Reverse Factoring Agreement and Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement

	Jiangsu Xinqinyang Reverse Factoring Agreement	Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement
Date:	27 March 2023	16 November 2023
Parties:	(1) Jiangsu Xinqinyang (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiangsu Xinqinyang and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring	No change
Revolving Credit limit:	RMB30,000,000 (equivalent to approximately HK\$32,655,000)	RMB50,000,000 (equivalent to approximately HK\$54,425,000)

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	Jiangsu Xinqinyang Reverse Factoring Agreement	Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement
Annual rate of return (composed of interest rate and factoring administration fees):	8%–9.5%	8%–9%
Guarantor:	Yancheng Haiying Holding Group Company Limited (“ Yancheng Haiying ”) (鹽城海瀛控股集團有限公司)	Yancheng Tinghu District Public Assets Investment Management Company Limited (“ Yancheng Tinghu Public Assets ”) (鹽城市亭湖區公有資產投資經營有限公司)
Expiry date of the factoring facilities:	17 November 2023	15 November 2024

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

Jiangsu Xinqinyang 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.

Yancheng Tinghu Public Assets is beneficially owned as to 100% by Yancheng City Tinghu District People’s Government.

LETTER FROM THE BOARD

B. Haiying Tengfei Reverse Factoring Agreement

Date	:	16 November 2023
Parties	:	(1) Haiying Tengfei (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Haiying Tengfei and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,425,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantor	:	Yancheng Haiying
Availability period of the factoring facilities	:	From 16 November 2023 to 15 November 2024

The annual rate of return of the Haiying Tengfei Reverse Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Haiying Tengfei; (ii) the credit period; and (iii) the guarantee by Yancheng Haiying.

Yancheng Haiying directly wholly owns Haiying Tengfei.

Yancheng Haiying is beneficially owned as to 100% by Yancheng City People's Government with independent management and operation.

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C. Dongfang Construction Reverse Factoring Agreement

Date	:	20 September 2023
Parties	:	(1) Dongfang Construction (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dongfang Construction and its ultimate beneficial owners (save as YDRE and its ultimate beneficial owner) are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,425,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	7.8% to 8.2%
Guarantor	:	Yancheng Dongfang Investment and Development Group Company Limited (“ Yancheng Dongfang ID ”)(鹽城東方投資開發集團有限公司)
Availability period of the factoring facilities	:	From 1 November 2023 to 31 October 2024

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

Dongfang Construction is held as to approximately 74.99% by Yancheng Dongfang ID, 12.33% by YDRE, 12.18% by ICBC Financial Asset Investment Company Limited (工銀金融資產投資有限公司) and 0.5% by Yancheng Dongfang Property Management Limited (鹽城市東方物業管理有限公司).

Yancheng Dongfang ID is beneficially owned as to 100% by Yancheng City People’s Government with independent management and operation.

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ICBC Financial Asset Investment Company Limited is ultimately and beneficially owned as to 100% by Industrial and Commercial Bank of China Limited.

Yancheng Dongfang Property Management Limited is directly owned as to 100% by Yancheng Dongfang ID and is ultimately beneficially owned as to 100% by Yancheng City People's Government with independent management and operation.

As at the Latest Practicable Date, Jiangsu Yue Da is deemed to be interested in 808,979,333 Shares (representing approximately 69.22% of the issued share capital of the Company) and is a controlling Shareholder within the meaning of the Listing Rules. Jiangsu Yue Da holds 100% direct interest in Yue Da HK which in turn holds approximately 66.36% of the issued shares of YDRE. Accordingly, YDRE is a connected person of the Company. As YDRE holds approximately 12.33% direct interest in Dongfang Construction only, Dongfang Construction is not a connected person of the Company.

D. Dongfang Xinrui Factoring Agreement

Date	:	16 November 2023
Parties	:	(1) Dongfang Xinrui (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dongfang Xinrui and its ultimate beneficial owner (save as YDRE and its ultimate beneficial owner) are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,425,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	7.8% to 8.2%
Guarantor	:	Yancheng Dongfang ID
Availability period of the factoring facilities	:	From 16 November 2023 to 15 November 2024

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

Dongfang Xinrui is directly owned as to 100% by Dongfang Construction.

Dongfang Construction is held as to approximately 74.99% by Yancheng Dongfang ID, 12.33% by YDRE, 12.18% by ICBC Financial Asset Investment Company Limited (工銀金融資產投資有限公司) and 0.5% by Yancheng Dongfang Property Management Limited (鹽城市東方物業管理有限公司).

Yancheng Dongfang ID is beneficially owned as to 100% by Yancheng City People's Government with independent management and operation.

ICBC Financial Asset Investment Company Limited is ultimately and beneficially owned as to 100% by Industrial and Commercial Bank of China Limited.

Yancheng Dongfang Property Management Limited is directly owned as to 100% by Yancheng Dongfang ID and is ultimately beneficially owned as to 100% by Yancheng City People's Government with independent management and operation.

As at the Latest Practicable Date, Jiangsu Yue Da is deemed to be interested in 808,979,333 Shares (representing approximately 69.22% of the issued share capital of the Company) and is a controlling Shareholder within the meaning of the Listing Rules. Jiangsu Yue Da holds 100% direct interest in Yue Da HK which in turn holds approximately 66.36% of the issued shares of YDRE. Accordingly, YDRE is a connected person of the Company. As YDRE holds approximately 12.33% indirect interest in Dongfang Xinrui only, Dongfang Xinrui is not a connected person of the Company.

INFORMATION ON THE PARTIES TO FACTORING AGREEMENTS

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.

Haiying Tengfei is a company established in the PRC and is principally engaged in the business of municipal construction engineering.

Dongfang Construction is a company established in the PRC and is principally engaged in the business of various engineering construction.

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

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 Jiangsu Xinqingyang and Haiying Tengfei, who will apply for the credit limit to settle the accounts payables to be its suppliers in the operations, the Jiangsu Xinqingyang Supplemental Reverse Factoring Agreement and Haiying Tengfei Reverse Factoring Agreement are reverse factoring in nature.

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

According to the 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 the latest credit rating of the Parties, the counterparty of the relevant transaction provided by the Parties and guarantor under Factoring Agreements, the quality of the accounts receivable or securities, structure of the transaction, tenure, repayment schedule, conditions precedent, expected bad debt

LETTER FROM THE BOARD

ratio, fulfilment of obligations of factoror and factoree under commercial contracts, events and amounts of default and 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 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 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 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. Any utilised factoring financing credit limits under the Factoring Agreements will be recorded as factoring receivables in the Group's consolidated financial statements, whereas there will be no impact on the Group's consolidated financial statements for any unutilised factoring financing credit limits thereunder. 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.

REASONS FOR AND BENEFITS OF THE FACTORING AGREEMENTS

The Group is principally engaged in factoring related business in the PRC. The Directors consider that the 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 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 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.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as calculated under Rule 14.07 of Listing Rules in relation to the Jiangsu Xinqinyang Supplemental Reverse Factoring Agreement is more than 25% but less than 100%, the entering into the Jiangsu Xinqinyang 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 (i) the Dongfang Construction directly wholly owns Dongfang Xinrui; and (ii) the transactions contemplated under the Dongfang Factoring Agreements were completed within a 12-month period, the transaction contemplated under the Dongfang Xinrui Factoring Agreement is required to be aggregated with the transaction under the Dongfang Construction 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 Dongfang Factoring Agreements is more than 25% but less than 100%, the entering into the Dongfang 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.

As the highest applicable percentage ratio as calculated under Rule 14.07 of Listing Rules in relation to the Haiying Tengfei Reverse Factoring Agreement is more than 25% but less than 100%, the entering into the Haiying Tengfei 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.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the 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 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 transactions contemplated thereunder.

LETTER FROM THE BOARD

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 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 transactions contemplated thereunder. As such, no general meeting will be convened for approving the 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 consolidated financial statements, together with the accompanying notes, of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 were set out in the Company's annual reports for the each of three years ended 31 December 2020, 2021 and 2022 and the Company's interim report for the six months ended 30 June 2023, respectively, which can be accessed on the website of the Stock Exchange:

Annual report of the Company for the year ended 31 December 2020 dated 19 March 2021 (pages 54 to 129)

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

Annual report of the Company for the year ended 31 December 2021 dated 21 March 2022 (pages 62 to 127)

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

Annual report of the Company for the year ended 31 December 2022 dated 31 March 2023 (pages 64 to 127)

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

Interim report of the Company for the six months ended 30 June 2023 dated 28 July 2023 (pages 4 to 22)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0824/2023082401158.pdf>

2. INDEBTEDNESS

As at the close of business on 31 October 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 RMB285.2 million, comprising unsecured and unguaranteed amounts due to related parties of approximately RMB74.7 million; bank and other borrowings of approximately RMB65.0 million which are secured by Group's factoring receivables and guaranteed by Jiangsu Yue Da; and obligations arising from asset-backed financing arrangements with principal amount of approximately RMB145.5 million in aggregate, which are secured by the Group's factoring receivables and its obligations payable to the priority tranches which are guaranteed by Jiangsu Yue Da.

As at 31 October 2023, the Group has outstanding lease payments not yet paid for the remainder of the lease terms amounting to approximately RMB4.2 million in aggregate, comprising approximately RMB0.6 million which are secured by the Group's rental deposits and unguaranteed; and approximately RMB3.6 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 31 October 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, hire purchase commitments, 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 (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	2,424,666 (L)	0.21%
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 <i>(Note i)</i>	Approximate percentage of issued share capital of the Company <i>(Note ii)</i>
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 <i>(Note iii)</i>	Interest of a controlled corporation	600,000,000 (L)	51.34%
Jiangsu Yue Da <i>(Note iii)</i>	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 ON 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; and
- (ii) 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.