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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 SUPPLEMENTAL REVERSE FACTORING AGREEMENT

FACTORING AGREEMENTS AND SUPPLEMENTAL REVERSE FACTORING AGREEMENT

Reference is made to the announcement of Yue Da International Holdings Limited in relation to entering into factoring agreement, reverse factoring agreement and supplemental factoring agreements with Fengyuan Power, Jiangsu Hengrui, Dafeng Harbour and Runyang dated 15 May 2020 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board hereby announces that on 28 June 2021, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into factoring agreements separately with Haili Chemical, Guanhong Trading and Yancheng Harbour, collectively (the “**Factoring Agreements**” and “**Factoring Agreement**” means any of them), and entered into a supplemental reverse factoring agreement separately with Runyang (the “**Supplemental 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 loan credit limits and reverse revolving factoring loan credit limits to Haili Chemical, Guanhong Trading, Yancheng Harbour and Runyang (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 the Factoring Agreements and the Supplemental Reverse Factoring Agreement entered into between the Company and the same Party or associated parties in aggregate are more than 25% but less than 100%, the entering into of the Factoring Agreements, and the Supplemental Reverse Factoring Agreement by the same Party or associated parties constitutes major transactions 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 Supplemental 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 the Factoring Agreements and Supplemental 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 Supplemental 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 Supplemental Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Capital (HK) Limited, holding 600,000,000 Shares, representing 51.34% of the issued share capital of the Company, has provided written shareholder's approvals on the Factoring Agreements and the Supplemental Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the Supplemental 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 Supplemental Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 19 July 2021.

FACTORING AGREEMENTS AND SUPPLEMENTAL REVERSE FACTORING AGREEMENT

The Board hereby announces that on 28 June 2021, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Factoring Agreements and Supplemental Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted revolving factoring loan credit limits and reverse revolving factoring loan 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 loan within the revolving factoring loan credit limits and reverse revolving factoring loan credit limits.

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

A. Haili Chemical Factoring Agreement

Date	:	28 June 2021
Parties	:	(1) Haili Chemical (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Haili Chemical and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving credit limit	:	RMB50,000,000 (equivalent to approximately HK\$60,392,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8.5%-10.0%
Guarantor	:	Jinguang Paper Products (China) Investment Company Limited (“ Jinguang Paper ”) (金光紙業(中國)投資有限公司)
Expiry date of the factoring facilities	:	27 June 2022

The annual rate of return of the Haili Chemical Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Haili Chemical and the debtor of the accounts receivables provided by Haili Chemical; (ii) the credit period; (iii) the factoring is with recourse; (iv) the factoring loan is guaranteed by Jinguang Paper; and (v) the land use rights of a land with 427mu owned by Jiangsu Fengyuan Power and a land with 60mu owned by Jiangsu Haihua Environment Engineering Company Limited were pledged as security.

Mr. Huang Zhiyuan indirectly and wholly owns Haili Chemical and Jinguang Paper.

B. Guanhong Trading Factoring Agreement

Date	:	28 June 2021
Parties	:	(1) Guanhong Trading (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Guanhong Trading and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving credit limit	:	RMB50,000,000 (equivalent to approximately HK\$60,392,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8.5%-10.0%
Guarantor:	:	Xiangshui County Guanjiang Holdings Group Company Limited (" Guanjiang Holdings ") (響水縣灌江控股集團有限公司)
Expiry date of the factoring facilities	:	27 June 2022

The annual rate of return of the Guanhong Trading Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Guanhong Trading and the debtor of the accounts receivables provided by Guanhong Trading; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed by Guanjiang Holdings.

Guanhong Trading and Guanjiang Holdings are beneficially owned as to 100% by Yancheng City Xiangshui County People's Government with independent management and operation.

C. Yancheng Harbour Factoring Agreement

Date	:	28 June 2021
Parties	:	(1) Yancheng Harbour (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Harbour and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving credit limit	:	RMB100,000,000 (equivalent to approximately HK\$120,784,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8.5%-10.0%
Guarantor	:	Jiangsu Yancheng Harbour Holdings Group Company Limited (“ Jiangsu Yancheng Harbour ”)
Expiry date of the factoring facilities	:	27 June 2022

The annual rate of return of the Yancheng Harbour Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Yancheng Harbour and the debtors of the accounts receivables provided by Yancheng Harbour; (ii) the credit period; (iii) that the factoring is with recourse; and (iv) that the factoring loan is guaranteed by Jiangsu Yancheng Harbour.

Yancheng Harbour and Jiangsu Yancheng Harbour are beneficially owned as to 100% by Yancheng City People’s Government with independent management and operation.

D. Runyang Supplemental Reverse Factoring Agreement

Date	:	28 June 2021
Parties	:	(1) Runyang (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Runyang and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Reverse revolving credit limit	:	RMB100,000,000 (equivalent to approximately HK\$120,784,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.5%-11.0%
Gurantor	:	Mr. Tao Longzhong and his spouse, and Jiangsu Runyang New Energy Technology Company Limited (“ Jiangsu Runyang ”) (江蘇潤陽新能源科技股份有限公司)
Expiry date of the factoring facilities	:	27 June 2022

The annual rate of return of the Runyang Supplemental Reverse Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Runyang; (ii) the credit period; (iii) the factoring loan is guaranteed by Mr. Tao Longzhong and his spouse, and Jiangsu Runyang; and (iv) plant and equipment with value no less than 66.7% of its net book value held by Runyang and its related companies was pledged as security.

Jiangsu Runyang directly owns Runyang at the percentage of 100%.

Mr. Tao Longzhong is the controlling shareholder of Runyang and indirectly owns 40.2772% equity interest in Runyang. Besides, Shanghai Yueda New Industrial New Energy Group Company Limited, a connected person of the Company, indirectly owns 19.4824% equity interest in Runyang.

REASONS FOR THE FACTORING AGREEMENTS AND SUPPLEMENTAL REVERSE FACTORING AGREEMENT

The Group is principally engaged in factoring related business in the PRC. The Directors consider that the Factoring Agreements and the Supplemental 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 Supplemental 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 Supplemental 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 the Factoring Agreements and the Supplemental Reverse Factoring Agreement entered into between the Company and the same Party or associated parties in aggregate are more than 25% but less than 100%, the entering into the Factoring Agreements and the Supplemental Reverse Factoring Agreement by the same Party or associated parties constitutes major transactions 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of the announcement, Yue Da Capital (HK) Limited, holding 600,000,000 Shares, representing 51.34% of the issued share capital of the Company, has provided written shareholder's approvals on the Factoring Agreements and the Supplemental Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the Supplemental 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 Supplemental Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 19 July 2021.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Yue Da International Holdings Limited, a company incorporated with limited liability in the Cayman Islands, whose Shares are listed on the of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guanhong Trading”	Xiangshui County Guanhong Trading Company Limited (“響水縣灌宏貿易有限公司”), a company incorporated in the PRC, which is principally engaged in the business of trading of metals and construction materials
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

“Haili Chemical”	Jiangsu Haili Chemical Company Limited (“江蘇海力化工有限公司”), a company incorporated in the PRC, which is principally engaged in the business of manufacturing and sales of chemical products
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Runyang”	Jiangsu Runyang Yueda Sunshine Technology Company Limited (“江蘇潤陽悅達光伏科技有限公司”), a company established in the PRC, which is principally engaged in the production and sales of solar energy products.
“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
“Yancheng Harbour”	Jiangsu Yancheng Harbour Supply Chain Technology Group Company Limited (“江蘇鹽城港供應鏈科技集團有限公司”), a company incorporated in the PRC, which is principally engaged in the business of import and export of food and pesticide

“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
Cai Baoxiang
Executive Directors

Hong Kong, 28 June 2021

As at the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Liu Debing, Mr. Li Biao and Mr. Hu Huaimin; (b) as executive Directors, Mr. Cai Baoxiang, Mr. Bai Zhaoxiang and Mr Pan Mingfeng; and (c) as independent non-executive Directors, Mr. Cui Shuming, 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\$1.20784 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.