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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)

DISCLOSEABLE TRANSACTION – REVERSE FACTORING AGREEMENT

REVERSE FACTORING AGREEMENT

The Board hereby announces that on 8 February 2021, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into a reverse factoring agreement (the “**Reverse Factoring Agreement**”) with Sheyang Tour. Pursuant to the Reverse Factoring Agreement, a reverse revolving credit limit of RMB50,000,000 was granted to Sheyang Tour at the sum of annual interest rate and factoring administration fee at 9.3% which would take effect from 8 February 2021 and expire on 7 February 2022. The factoring is with recourse.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreement exceeds 5% but is less than 25%, the entering into the Reverse Factoring Agreement constitutes discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REVERSE FACTORING AGREEMENT

The Board hereby announces that on 8 February 2021, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted reverse revolving factoring loan credit limits to Sheyang Tour and Sheyang Tour is entitled to apply for accounts receivables transfer and factoring services. If Sheyang Tour 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 reverse revolving credit limit.

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

Reverse Factoring Agreement

Date	:	8 February 2021
Parties	:	(1) Sheyang Tour (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Sheyang Tour and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Reverse revolving credit limit	:	RMB50,000,000 (equivalent to approximately HK\$60,325,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	9.3%
Gurantor	:	Sheyang City Construction Development Group Company Limited (“ Sheyang Construction ”) (射陽城市建設發展集團有限公司)
Expiry date of the factoring facilities	:	7 February 2022

The annual rate of return of the Reverse Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Sheyang Tour and the contracting parties; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the factoring loan is guaranteed by Sheyang Construction.

Sheyang Tour is beneficially owned as to 100% by Yancheng City Sheyang County People’s Government (“**Sheyang Government**”) with independent management and operation.

Sheyang Government directly owns Sheyang Construction at the percentage of 100%.

INFORMATION ON THE PARTIES TO THE 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.

Sheyang Tour is a company established in the PRC and is principally engaged in tourist projects development and management.

REASONS FOR THE REVERSE FACTORING AGREEMENT

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

Given that the Reverse Factoring Agreement is being conducted in the ordinary and usual course of business of Yueda Commercial Factoring, which will contribute profit to the Company over the financing term, are under normal commercial terms, and are beneficial to the Group in its business expansion and establishment of long term business relationship with Sheyang Tour, the Directors are of the view that the terms of and the Reverse Factoring Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Reverse Factoring Agreement exceeds 5% but is less than 25%, the entering into the Reverse Factoring Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of Shares
“Shares”	ordinary share(s) having a par value of HK\$0.1 each in the capital of the Company
“Sheyang Tour”	Sheyang County Tour Investment Development Company Limited (射陽縣旅遊投資發展有限公司), a company established in the PRC, which is principally engaged in tourist projects development and management
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yueda Commercial Factoring”	Yueda (Shenzhen) Commercial Factoring Co., Ltd., a company established in the PRC and a subsidiary of the Group, which principal business is, among other things, commercial factoring
“%”	per cent

By order of the Board
Yue Da International Holdings Limited
Cai Baoxiang
Executive Directors

Hong Kong, 8 February 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. Sun Yuanming, Mr. Cai Baoxiang and Mr. Bai Zhaoxiang; and (c) as independent non-executive Directors, Mr. Cui Shuming, Dr. Liu Yongping and Mr. Cheung Ting Kee.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.2065 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.