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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 AND DISCLOSEABLE TRANSACTION FACTORING AGREEMENTS

FACTORING AGREEMENTS

The Board hereby announces that on 15 July 2021, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into factoring agreements separately with Yuehu Trading and Apu Technology, collectively (the “**Factoring Agreements**” and “**Factoring Agreement**” means any of them), 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 to Yuehu Trading and Apu Technology (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 Yuehu Trading Factoring Agreement entered into between the Company and Yuehu Trading is more than 25% but less than 100%, the entering into of the Yuehu Trading Factoring Agreement constitutes a major transaction 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.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Apu Technology Factoring Agreement exceeds 5% but is less than 25%, the entering into of the Apu Technology 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.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Yuehu Trading 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 Yuehu Trading Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 5 August 2021.

FACTORING AGREEMENTS

The Board hereby announces that on 15 July 2021, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Factoring Agreements, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted 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.

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

A. Yuehu Trading Factoring Agreement

Date	:	15 July 2021
Parties	:	(1) Yuehu Trading (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yuehu 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)	:	8.0%-9.9%
Guarantor	:	Jianhu County Development Zone Development Investment Company Limited (“ Jianhu Development ”) (建湖縣開發區建設投資有限公司)
Expiry date of the factoring facilities	:	14 July 2022

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

Yuehu Trading and Jianhu Development are beneficially owned as to 100% by Yancheng City Jianhu County People's Government with independent management and operation.

B. Apu Technology Factoring Agreement

Date	:	15 July 2021
Parties	:	(1) Apu Technology (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Apu Technology and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving credit limit	:	RMB30,000,000 (equivalent to approximately HK\$36,235,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	12.0%
Repayment	:	Individual factoring loan must be repaid by 24 monthly instalments at maximum
Guarantors:	:	Ms. Kong Yini, Jingchan International Leasing Company Limited (" Jingchan Leasing ") (經產國際租賃有限公司) and Xian Jingchan Business Factoring Company Limited (" Jingchan Factoring ") (西安經產商業保理有限公司)
Expiry date of the factoring facilities	:	14 July 2022

The annual rate of return of the Apu Technology Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Apu Technology; (ii) factoring type is telecommunication instalment factoring, with individuals as the debtor; (iii) the credit period; (iv) the factoring is with recourse; and (v) the factoring loan is guaranteed by Ms. Kong Yini, Jingchan Leasing and Jingchan Factoring.

Ms. Kong Yini directly and wholly owns Apu Technology. Jingchan Leasing and Jingchan Factoring are business partners of Apu Technology and they are unrelated to Apu Technology.

REASONS FOR 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 the Factoring Agreements 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 Yuehu Trading Factoring Agreement entered into between the Company and Yuehu Trading is more than 25% but less than 100%, the entering into of the Yuehu Trading Factoring Agreement constitutes a major transaction 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.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of Listing Rules in relation to the Apu Technology Factoring Agreement exceeds 5% but is less than 25%, the entering into of the Apu Technology 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.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading 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 Yuehu Trading Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Yuehu Trading 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 Yuehu Trading Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 5 August 2021.

DEFINITIONS

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

“Apu Technology”	Hunan Apu Technology Company Limited (湖南阿普科技有限公司), a company incorporated in the PRC which is principally engaged in the business of mobile handsets, computer hardware and software development and sales
“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 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
“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
“Yuehu Trading”	Jianhu Yuehu Trading Development Company Limited (建湖悅湖貿易發展有限公司), a company incorporated in the PRC, which is principally engaged in the business of trading of foods and construction materials.
“%”	per cent

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

Hong Kong, 15 July 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.