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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)

VOLUNTARY ANNOUNCEMENT ISSUANCE OF ASSET-BACKED SECURITIES

The Board would like to make this announcement on a voluntary basis in order to keep the Shareholders informed of the recent development of the Group.

THE ABS SCHEME

The board of directors of Yueda Commercial Factoring has approved to participate in the Yueda Factoring – Communications Factoring (Phases 1-10) Asset-backed Securities Scheme* (悅達保理—通訊類保理債權1-10期資產支持專項計劃) (the “**ABS Scheme**”). The issuance of asset-backed securities are backed by factoring receivables in the PRC pursuant to the ABS Scheme. Pursuant to the no-objection letter from the Shenzhen Stock Exchange, the maximum issue size of the ABS Scheme is RMB1,500,000,000 which can be issued in not more than 10 phases by 6 February 2024. The priority tranche of the ABS will be traded on the Shenzhen Stock Exchange.

The Board is pleased to announce that on 25 March 2022, ABS Scheme – Phase 1 with a total issue size of RMB333,000,000 was established. Yueda Commercial Factoring has transferred the factoring receivables with carrying amount of approximately RMB220,569,000 to the ABS Scheme – Phase 1 as underlying assets (the “**Underlying Assets**”) and received the gross proceeds of the same amount.

The ABS are classified into priority and subordinated tranches according to their risks, earnings and duration. The holders of the priority tranche of the ABS shall have priority in receiving coupon interest and repayment of the principal amount of the ABS over the holders of the subordinated tranche of the ABS. A summary of the material terms of the ABS under ABS Scheme – Phase 1 is set out below:

Tranche	Size of issuance	Credit rating by an independent credit rating agency	Expected maturity date
Priority Class A	RMB250,000,000	AAA	27 February 2023
Priority Class B	RMB66,000,000	AA+	27 June 2023
Subordinated	RMB17,000,000	Not rated	27 December 2024

While the priority tranches of the ABS were issued to qualified institutional investors in the PRC, the subordinated tranches of the ABS were issued to Yueda Commercial Factoring and a fellow subsidiary of Jiangsu Yue Da, which also participated in the ABS Scheme, with amount of RMB11,200,000 and RMB5,800,000 respectively.

In the event any part of the Underlying Assets of the ABS Scheme becomes ineligible or non-performing for inclusion during the term of the ABS Scheme, Yueda Commercial Factoring may be requested to redeem or repurchase (where applicable) such part of the Underlying Assets.

Jiangsu Yue Da undertakes the obligation to pay the shortfall if the fund of the ABS Scheme is insufficient to settle all costs of the ABS Scheme and all the expected returns and the outstanding principal amounts for the priority tranches of the ABS.

REASONS FOR AND BENEFITS OF THE ABS ISSUANCE

The principal activities of the Group are provision of factoring related business.

The proceeds from the issuance of the ABS will be principally used as general working capital of factoring related business of the Group. The Board believes that the issuance of the ABS under the ABS Scheme will widen the fund-raising channels of the Group to access low-cost capital, which in turn will be used to improve the financing structure of the Company and promote its operating activities and investments.

The Directors are of the view that the terms of the issuance of the ABS are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Board is of the view that the issuance of the ABS will not cause any material adverse financial impact on the Group, in particular, that it will not cause any material adverse impact on the interests of the Shareholders. As such, the Board is of the view that the transaction contemplated under the issuance of the ABS is not of a price-sensitive nature and this announcement is made for the general information of the Shareholders.

The credit ratings in relation to the priority tranche of the ABS mentioned herein are strictly for information purposes only. Such ratings do not constitute a recommendation to buy, sell or hold any securities of the Company.

Shareholders and potential investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek professional advice from their own professional or financial advisers.

DEFINITIONS

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

“ABS”	the asset-backed securities issued under the ABS Scheme;
“ABS Scheme – Phase 1”	the first phase of the ABS Scheme;
“Board”	the board of Directors;
“Company”	Yue Da International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries as at the date of this announcement;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jiangsu Yue Da”	Jiangsu Yue Da Group Company Limited, a company established in the PRC and a substantial shareholder of the Company, controlled by Yancheng City People’s Government;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the 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 of the Company;
“Yueda Commercial Factoring”	Yueda (Shenzhen) Commercial Factoring Co., Ltd.* (悅達商業保理(深圳)有限公司), a company established in the PRC and a subsidiary of the Group, the principal business of which is, among other things, commercial factoring;
“%”	means per cent.

By Order of the Board
Yue Da International Holdings Limited
Cai Baoxiang
Executive Director

Hong Kong, 28 March 2022

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.

* *for identification purpose only*