

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 28 December 2022, Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into a reverse factoring agreement (the “**Reverse Factoring Agreement**”) with Dafeng Xingcheng. Pursuant to the Reverse Factoring Agreement, Yueda Commercial Factoring agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services (the “**Accounts Receivable Services**”) and granted a reverse revolving credit limit of RMB10,000,000 to Dafeng Xingcheng at the sum of annual interest rate and factoring administration fee at 8% to 9.5% which would take effect from 28 December 2022 and expire on 30 June 2023.

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.

REVERSE FACTORING AGREEMENT

The Board hereby announces that on 28 December 2022, 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 financing credit limits to Dafeng Xingcheng and Dafeng Xingcheng is entitled to apply for accounts receivables transfer and factoring services. If Dafeng Xingcheng 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 financing within the reverse revolving credit limit.

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

Reverse Factoring Agreement

Date	:	28 December 2022
Parties	:	(1) Dafeng Xingcheng (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dafeng Xingcheng and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB10,000,000 (equivalent to approximately HK\$11,194,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% - 9.5%
Guarantors	:	Dafeng Traffic Investment Company Limited (“ Dafeng Traffic ”) (鹽城市大豐區交通投資有限責任公司)
Expiry date of the factoring facilities	:	30 June 2023

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 Dafeng Xingcheng and the counterparty of the relevant transaction provided by Dafeng Xingcheng; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Dafeng Traffic.

Dafeng Traffic is a wholly-owned subsidiary of one of the shareholders of Dafeng Xingcheng.

Dafeng Xingcheng and Dafeng Traffic are beneficially owned as to 100% by Dafeng District, Yancheng City People’s Government with independent management and operation.

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.

Dafeng Xingcheng is a company established in the PRC and is principally engaged in the business of municipal facilities engineering construction.

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 Dafeng Xingcheng, 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
“Dafeng Xingcheng”	Dafeng Xingcheng Investment Development Company Limited (鹽城市大豐區興城投資開發有限公司), a company established in the PRC, which is principally engaged in the business of municipal facilities engineering construction
“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
“%”	per cent

By order of the Board
Yue Da International Holdings Limited
Bai Zhaoxiang
Executive Director

Hong Kong, 28 December 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, Mr. Hu Huaimin and Mr. Yu Guangshan; (b) as executive Directors, Mr. Bai Zhaoxiang and Mr. Pan Mingfeng; and (c) as independent non-executive Directors, Dr. Liu Yongping, Mr. Cheung Ting Kee and Ms. Qian Ying.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.1194 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.