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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)

Interim Results Announcement For the Six Months Ended 30th June, 2021

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Yue Da International Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30th June, 2021 (the “**Period**”) together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2021

		Six months ended	
		30.6.2021	30.6.2020
	NOTES	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue			
Contracts with customers	3A	4,656	6,353
Interests		23,079	14,892
		<u>27,735</u>	<u>21,245</u>
Cost relating to services rendered		(4,456)	(1,288)
Other income		1,135	2,425
Other gains and (losses), net	4	10,204	(8,132)
Administrative expenses		(5,468)	(4,481)
Finance costs	5	(3,243)	(2,735)
		<u>25,907</u>	<u>7,034</u>
Profit before tax		25,907	7,034
Income tax expense	6	(10,050)	(4,171)
		<u>15,857</u>	<u>2,863</u>
Profit and total comprehensive income for the period	7	<u>15,857</u>	<u>2,863</u>
Earnings per share	9		
– Basic		<u>RMB1.36 cents</u>	<u>RMB0.25 cents</u>
– Diluted		<u>RMB1.36 cents</u>	<u>RMB0.25 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2021

	NOTES	30.6.2021 RMB'000 (unaudited)	31.12.2020 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment		42	56
Right-of-use assets		366	55
Deferred tax assets		1,113	1,459
Other receivables	10	103,153	60,298
		<u>104,674</u>	<u>61,868</u>
Current Assets			
Other receivables	10	364,965	466,183
Amounts due from related companies		5,640	4,383
Pledged bank deposits		–	217,500
Cash and cash equivalents		13,704	21,060
		<u>384,309</u>	<u>709,126</u>
Current Liabilities			
Other payables	11	8,639	12,637
Contract liabilities		5,359	7,926
Bank borrowing	12	50,000	356,519
Amounts due to related companies		18,575	5,331
Amounts due to directors		716	526
Lease liabilities		206	61
Taxation payable		1,399	2,179
		<u>84,894</u>	<u>385,179</u>
Net Current Assets		<u>299,415</u>	<u>323,947</u>
Total Assets Less Current Liabilities		<u>404,089</u>	<u>385,815</u>

	30.6.2021 <i>RMB'000</i> (unaudited)	31.12.2020 <i>RMB'000</i> (audited)
Capital and Reserves		
Share capital	105,965	105,965
Reserves	289,637	273,780
	<hr/>	<hr/>
Equity attributable to owners of the Company	395,602	379,745
	<hr/>	<hr/>
Non-current Liabilities		
Lease liabilities	163	–
Deferred tax liabilities	8,324	6,070
	<hr/>	<hr/>
	8,487	6,070
	<hr/>	<hr/>
	404,089	385,815
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Other than change in accounting policies resulting from application of new and amendments and interpretation to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the preparation of condensed consolidated financial statements for the six months ended 30th June, 2021 are the same as those applied in the preparation of the Group’s annual financial statements for the year ended 31st December, 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1st January, 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 14 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	Six months ended	
	30.6.2021	30.6.2020
	RMB’000	RMB’000
Types of goods or service		
Management fee from accounts receivable management and collection services	<u>4,656</u>	<u>6,353</u>
Timing of revenue recognition		
Overtime	<u>4,656</u>	<u>6,353</u>

All the revenue from contracts with customers are derived from the People’s Republic of China (the “PRC”).

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue disclosed in segment information	27,735	21,245
Less: Interest income	(23,079)	(14,892)
	<hr/>	<hr/>
Revenue from contracts with customers	<u>4,656</u>	<u>6,353</u>

3B. SEGMENT INFORMATION

The CODM reviewed the segment results, which represent the profit earned by the segment without allocation of other income, other gains and losses as described below, central administration costs, and finance costs for the purposes of resource allocation and performance assessment.

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue – external	27,735	21,245
	<hr/>	<hr/>
Segment profit	23,279	19,957
Other income	1,135	2,425
Other gains and losses		
– Net foreign exchange gain (loss)	8,820	(6,601)
– Loss on disposal of property, plant and equipment	–	(41)
– Impairment losses under expected credit loss model, net of reversal	1,384	(1,490)
Central administration costs	(5,468)	(4,481)
Finance costs	(3,243)	(2,735)
	<hr/>	<hr/>
Profit before tax	<u>25,907</u>	<u>7,034</u>

4. OTHER GAINS AND (LOSSES), NET

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gain (loss)	8,820	(6,601)
Loss on disposal of property, plant and equipment	–	(41)
Impairment losses under expected credit loss model, net of reversal	1,384	(1,490)
	<u>10,204</u>	<u>(8,132)</u>

5. FINANCE COSTS

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings	3,236	2,726
Interest on lease liabilities	7	9
	<u>3,243</u>	<u>2,735</u>

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
– PRC Enterprise Income tax	7,450	3,734
Deferred tax	2,600	437
	<u>10,050</u>	<u>4,171</u>

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the applicable income tax rate for the PRC subsidiary of the Group is 25% for the six months ended 30th June, 2021 (for the six months ended 30th June, 2020: 25%).

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Profit and total comprehensive income for the period has been arrived at after charging (crediting) the following items:

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property, plant and equipment	14	207
Depreciation of right-of-use assets	52	287
Interest income from bank deposits (included in other income)	(1,130)	(2,364)
Income from structured deposits (included in other income)	—	(59)
	<u> </u>	<u> </u>

8. DIVIDEND

No dividend was paid, declared or proposed during six months ended 30th June, 2021. The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30th June, 2021.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	30.6.2021	30.6.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>15,857</u>	<u>2,863</u>
Number of shares	Number	Number
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,168,626,516</u>	<u>1,168,626,516</u>

10. OTHER RECEIVABLES

	30.6.2021	31.12.2020
	<i>RMB'000</i>	<i>RMB'000</i>
Factoring receivables	466,788	521,800
Other receivables and prepayments	<u>1,330</u>	<u>4,681</u>
Total other receivables	<u>468,118</u>	<u>526,481</u>
Analysed as:		
Current portion	364,965	466,183
Non-current portion	<u>103,153</u>	<u>60,298</u>
	<u>468,118</u>	<u>526,481</u>

At as 30th June, 2021, the factoring receivables balance included debts due from related companies of RMB117,655,000 (31st December, 2020: RMB137,229,000) which were guaranteed by a related company of the Company and detailed as below.

	30.6.2021 RMB'000	31.12.2020 <i>RMB'000</i>
Yancheng Yue Da Tianhui Real Estate Company Limited ("Yancheng Yue Da Tianhui Real Estate") (<i>Note</i>)	51,049	93,771
Dafeng Yuefeng Industrial Company Limited ("Dafeng Yuefeng Industrial") (<i>Note</i>)	25,129	3,637
Yancheng Yueda Zhiye Development Limited ("Yancheng Yueda Zhiye Development") (<i>Note</i>)	41,477	39,821
	<u>117,655</u>	<u>137,229</u>

Note: Yancheng Yue Da Tianhui Real Estate, Dafeng Yuefeng Industrial and Yancheng Yueda Zhiye Development are fellow subsidiaries of the Company.

11. OTHER PAYABLES

	30.6.2021 RMB'000	31.12.2020 <i>RMB'000</i>
Other advance payments from customers	551	3,053
Accrued staff costs	1,206	3,265
Other payables and accrued charges	6,882	6,319
	<u>8,639</u>	<u>12,637</u>

12. BANK BORROWING

	30.6.2021 RMB'000	31.12.2020 <i>RMB'000</i>
Bank loan – payable within one year*	50,000	356,519

* *The amount due is based on scheduled repayment date set out on the loan agreement.*

As at 31st December, 2020, the bank borrowing of RMB356,519,000 was secured by the Group's pledged bank deposits. The bank borrowing carried interest of Euro Interbank Offered Rate plus 1.2% per annum.

During the current interim period, a new borrowing of RMB50,000,000 is obtained by the Group. As at 30th June, 2021, the bank borrowing amounting RMB50,000,000 is with the effective interest rate (which is also equal to contracted interest rate) at the one-year Loan Prime Rate published by National Interbank Funding Center the latest working day before the drawdown of the bank loan plus 2.45% per annum secured by the Group's factoring receivables and guaranteed by Jiangsu Yue Da Group Company Limited, the ultimate parent of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The Group recorded an operating revenue of RMB27,735,000 for the six months ended 30th June, 2021 in the factoring business (the “Period”), which increased by approximately 30.5% when compared with RMB21,245,000 in 2020. The profit and total comprehensive income for the Period was RMB15,857,000 (corresponding period of last year: RMB2,863,000) and basic earnings per share was RMB1.36 cents (corresponding period of last year: RMB0.25 cents).

The increase in the profit and total comprehensive income was mainly attributable to a net exchange gain of RMB8,820,000 in the Period as compared to a net exchange loss of RMB6,601,000 in the corresponding period of last year, as a result of appreciation of Renminbi during the Period.

INTERIM DIVIDEND

The board (“Board”) of directors (“Directors”) of the Company does not recommend the payment of any interim dividend during the Period.

BUSINESS REVIEW

During the Period under review, the Group was principally engaged in Business Factoring Related Business (the “Factoring Operations”).

FACTORING OPERATIONS

During the Period, the Factoring Operations recorded an operating revenue of RMB27,735,000 (corresponding period of last year: RMB21,245,000) with a segment profit of RMB23,279,000 (corresponding period of last year: RMB19,957,000).

Traditional Factoring

Traditional factoring loans with total principal amount of RMB333,194,000 was granted as at 30th June, 2021 (31st December, 2020: RMB487,847,000), and recorded interest income and administration fee income of RMB16,667,000 (corresponding period of last year: RMB14,892,000) and RMB4,656,000 (corresponding period of last year: RMB6,353,000) respectively during the Period.

Being a state-owned enterprise in Jiangsu province, the Company mainly sourced its customers from contacts of its existing business network within the Yangtze River Delta Region. The business development department of the Company take the main role in customer sourcing and coverage. Most of the customers of the Company’s Factoring Operations consist of sizable companies, particularly state-owned enterprises, which are relatively stable and more financially resilient.

The Company adopts an organisation structure that is commonly used by banking institutions and other factoring services providers – general manager office, financing team, risk management department team, business development team, product development team and administration. As at 30th June, 2021, the Factoring Operations of the Company has approximately 14 employees and is led by an experienced management team, including:

- Mr. Cai Baoxiang, being an executive director of the Company, and the chairman of Yueda (Shenzhen) Commercial Factoring Co., Ltd. (“**Yueda Factoring**”), has more than 20 years’ experience in banking and business factoring, and has won awards such as China Business Factoring Industry Contribution Award in 2017 and China Business Factoring Industry 5th Outstanding Contribution Individual in 2017. Mr. Cai is an intermediate economist in the PRC and graduated from Jiangsu Open University majoring in Financial Management.
- Mr. Pan Mingfeng, being the general manager of Yueda Factoring, has more than 10 years’ experience in marketing, risk control and management, and has previously worked for several renowned enterprises in the financial sector in the PRC. He is responsible for leading the promotion of several innovative factoring projects of Yueda Factoring, including the Telecommunication Installment Services.
- Ms. Gao Ying being the chief risk officer of Yueda Factoring, has 5 years of experience in the risk management industry. She is a holder of a Ph.D. in financial engineering at the Graduate School of Management of the Chinese Academy of Sciences. During her studies, she has taken part in various research topics such as those related to the causes of the US financial crisis and its impact on the Chinese economy, and the corresponding countermeasures. She is responsible for risk management in Yueda Factoring.

Yueda Factoring conducts its factoring business in the PRC within the scope of its business license. Yueda Factoring (as the factor) provides accounts receivable management and collection services to its customers (as seller) in return for interest and management fee income payments with comprehensive rates of return ranging from approximately 9.5% to 10.5%, composed of interest rate per annum (approximately 6.0% to 10.0%), and factoring management fee income per annum (approximately 0% to 3.9%).

Similar to other factoring services providers in the PRC, the Group maintains rigorous risk control measures to reduce risks associated with the Factoring Operations. To minimise risk exposure in factoring business, the Group intends to focus on providing factoring services to customers with sound financial position and reputable shareholders, in particular, state-owned entities with stable cashflow and relatively stable financial position.

Prior to the provision of Factoring Services and approval of the grant of revolving loan credit facilities to its factorees, the factoring business team will conduct due diligence on the customer and the risk compliance department will perform a risk assessment on the proposed transaction. The due diligence report and risk assessment report together with the business application form approved by, among others, the heads of factoring business department and risk compliance department and the General Manager, will be submitted to the Review Committee of Yueda Factoring, comprising five members including the Chairman, the directors and the chief risk officer of Yueda Commercial Factoring, for approval. No factoring contracts will be prepared unless approvals from the Review Committee of Yueda Factoring is obtained. The release of the factoring loan shall be approved by the head of factoring business department, the Financial Controller, the General Manager and the Chairman of Yueda Factoring.

Telecommunication Instalment Factoring

Telecommunication Instalment Factoring loans with total principal amount of RMB137,342,000 was granted as at 30th June, 2021 (31st December, 2020: RMB39,118,000), and recorded interest income RMB6,412,000 (corresponding period of last year: nil) during the Period. The Telecommunication Instalment Factoring business commenced in 2020.

Regarding the Group business plan, besides the further development in the existing factoring financial, accounts receivable management and accounts receivable collection services, the Group will implement further development within Factoring Operations, namely (i) telecommunication instalment services, (ii) accounts receivable consultancy services; and (iii) exploring potential investment opportunities.

Existing factoring financial services:

The Group believes that, being a state-owned enterprise, having state-owned enterprises as its major customers will provide certain a level of risk control on recovery and quality control on collaterals. In view of that, the Group intends to continue to utilise its network of state-owned enterprises in the PRC to expand its factoring business.

The Group has identified several potential new customers for its traditional business of the Factoring Operations. Due to slowdown of economy of China and outbreak of the COVID-19, due diligence on potential new customers was more stringent in order to improve the overall quality of customer base.

Telecommunication instalment services:

The Group has established cooperation with three leading telecommunication services providers in the PRC in respect of the provision of instalment related services. The interest and fee income rate of the telecommunication instalment services is higher than that of traditional factoring.

Accounts receivable consultancy services:

The Group joined as a member of the Factors Chain International (“FCI”), which is an international association of factoring services providers. FCI can strengthen our business network and help develop accounts receivable consultancy services to customers for one-off revenue.

Exploring potential investment opportunities:

As at the date hereof, the Company is exploring potential investment opportunities which can further supplement and diversify the existing business of the Group. The Group is still exploring and does not identify any potential target, no definitive agreement has been entered into in relation thereto.

Funding requirements:

The Group will continue to utilise its internal resources and bank loans to develop the Factoring Operations. On top of the existing banking facilities, several banking facilities are being negotiated. The Group will also consider the possibilities of using Asset-Backed Securitization in the future as another funding alternative.

PROSPECTS

Looking forward to the second half of 2021, the Group will focus on the factoring business in the future. The outbreak of the COVID-19 in China and the rest of the world will remain a great challenge to the economy and our operations in the second half of 2021. As at the date of this announcement, we have not experienced any default in repayment of principal, interest and fee income from our customers. We will remain highly alert about the impact of the epidemic on our operations and take any necessary measures to mitigate the impact. We will actively expand the customer base and will explore business opportunities in the area of factoring in the telecommunication industry and business opportunities in other industry with potential in particular. The Directors endeavor to seek more business opportunities in the financial industry as well as other industries to diversify the Group’s existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2021, the Group’s current assets were RMB384,309,000 (31st December, 2020: RMB709,126,000), of which RMB13,704,000 (31st December, 2020: RMB21,060,000) were bank balances and cash on hand and RMB Nil (31st December, 2020: RMB217,500,000) were pledged bank deposits. As at 30th June, 2021, the net asset value of the Group amounted to RMB395,602,000, representing an increase of approximately 4.2% as compared to RMB379,745,000 at 31st December, 2020. The gearing ratio (total liabilities/total assets) of the Group was approximately 19.1% (31st December, 2020: 50.7%).

As at 30th June, 2021, the share capital of the Company was RMB105,965,000 (31st December, 2020: RMB105,965,000). The Group's reserves were RMB289,637,000 (31st December, 2020: RMB273,780,000). As at 30th June, 2021, the Group had total current liabilities of RMB84,894,000 (31st December, 2020: RMB385,179,000), mainly comprising other payables, bank borrowings and amounts due to related companies. The total non-current liabilities of the Group amounted to RMB8,487,000 (31st December, 2020: RMB6,070,000), which mainly represented deferred tax liabilities.

CAPITAL STRUCTURE OF THE GROUP

The capital structure of the Group consists of debts, which include bank borrowing, amounts due to related companies and amounts due to directors and equity reserves attributable to owners of the Company, comprising issued share capital and various reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi and Hong Kong dollars. The Group was not engaged in any hedging by financial instruments in relation to exchange rate risk.

The Group recorded foreign net exchange gains amounting to RMB8,820,000 during the Period mainly due to appreciation of Renminbi which decrease the value in Renminbi of liabilities denominated in currencies other than Renminbi. After repayment of bank loan in Euro during the period, there is no significant assets and liabilities of the Group subject to exchange rate risk.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

As at 30th June, 2021, the Group did not have any guarantees and charges nor any other material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30th June, 2021, the Group had a total of approximately 20 employees (where they were located in Hong Kong and the PRC), engaged in management, administration and business factoring related business. The management reviewed the remuneration policy regularly on the basis of performance and experience of the employees as well as the prevailing industry practices. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations. Insurance and mandatory provident fund schemes are also maintained for its Hong Kong staff. During the Period, the Group provided various training courses on relevant business or skills for its management and staff at different levels. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the securities of the Company during the Period.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the opinion of the Board, the Group has complied with all of the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the Period, except that (i) Mr. Liu Debing, Mr. Li Biao, Mr. Hu Huaimin and Mr. Cui Shuming, being non-executive Directors were not able to attend the annual general meeting of the Company held on 20th May, 2021 (the “2020 AGM”) due to their other business commitments. Nevertheless, Mr. Liu has passed his opinion to the chairman of the 2020 AGM before its commencement; and (ii) the non-executive Directors are not appointed for a specific term (deviated from code provision A.4.1). However, all non-executive Directors are subject to retirement and rotation once every three years in accordance with the Company’s Articles of Association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”). All the Directors, in response to specific enquiries made by the Company, confirmed that they complied with the requirements set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Company’s audit committee currently comprises Mr. Cheung Ting Kee (Chairman of the audit committee, an independent non-executive Director), Mr. Pan Mingfeng (an executive Director) and Mr. Cui Shuming (an independent non-executive Director). Duties of the audit committee include reviewing all matters relating to the scope of audit, such as the financial statements and internal control, with an aim to safeguard the interest of the shareholders of the Company. At a meeting held on 30th July, 2021, the audit committee reviewed the accounting principles and practices adopted by the Group, the unaudited interim results of the Group for the Period and discussed matters relating to audit, internal control and financial reporting with the management.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee with written terms of reference, whose members are currently Mr. Cui Shuming (Chairman of the remuneration committee, an independent non-executive Director), Dr. Liu Yongping (an independent non-executive Director) and Mr. Pan Mingfeng (an executive Director). Regular meetings are held by the committee to review and discuss matters relating to the remuneration policy, remuneration levels and the remuneration of executive Directors.

NOMINATION COMMITTEE

The Company has set up a nomination committee with written terms of reference whose members are currently Mr. Liu Debing (Chairman of the nomination committee, a non-executive Director and Chairman of the Board), Mr. Cui Shuming (an independent non-executive Director) and Dr. Liu Yongping (an independent non-executive Director). Duties of the nomination committee include reviewing the Board composition and identifying and nominating candidates for appointment to the Board such that it has the relevant blend of skills, knowledge and experience.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report for the six months ended 30th June, 2021 will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yueda.com.hk in due course.

By order of the Board
Yue Da International Holdings Limited
Liu Debing

Non-executive Director and Chairman of the Board

Hong Kong, 30th 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.