

*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)**

### **MAJOR TRANSACTION REVERSE FACTORING AGREEMENT**

#### **REVERSE FACTORING AGREEMENT**

The Board hereby announces that on 20 September 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into reverse factoring agreement separately with Yancheng Dongfang (the “**Reverse Factoring Agreement**”), 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 reverse revolving factoring financing credit limits to Yancheng Dongfang.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Reverse Factoring Agreement is more than 25% but less than 100%, the entering into of the Reverse 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.

#### **WRITTEN SHAREHOLDER’S APPROVAL**

Pursuant to Rule 14.44 of the Listing Rules, Shareholders’ approval of the Reverse 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 Reverse 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 Reverse 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 Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of this announcement, Yueda 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 Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse 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 Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 12 October 2023.

## **REVERSE FACTORING AGREEMENT**

The Board hereby announces that on 20 September 2023, 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 Yancheng Dongfang and Yancheng Dongfang is entitled to apply for accounts receivables transfer and factoring services. If Yancheng Dongfang 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 factoring financing credit limit.

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

### **Reverse Factoring Agreement**

Date	:	20 September 2023
Parties	:	(1) Yancheng Dongfang (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Dongfang and its ultimate beneficial owners (save as YDRE and its ultimate beneficial owner) are Independent Third Parties.)  (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$54,515,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	7.8% to 8.2%

Guarantor : Yancheng Dongfang Investment and Development Group Company Limited (“**Yancheng Dongfang ID**”) (鹽城東方投資開發集團有限公司)

Availability period of the factoring facilities : From 1 November 2023 to 31 October 2024

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 Yancheng Dongfang and the counterparty of the relevant transaction provided by Yancheng Dongfang; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Yancheng Dongfang ID.

Yancheng Dongfang is held as to approximately 74.99% by Yancheng Dongfang ID, 12.33% by YDRE, 12.18% by ICBC Financial Asset Investment Company Limited (工銀金融資產投資有限公司) and 0.5% by Yancheng Dongfang Property Management Limited (鹽城市東方物業管理有限公司).

Yancheng Dongfang ID is beneficially owned as to 100% by Yancheng City People’s Government with independent management and operation.

#### **INFORMATION ON THE PARTIES TO THE REVERSE 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.

Yancheng Dongfang is a company established in the PRC and is principally engaged in the business of various engineering construction.

#### **REASONS FOR AND BENEFITS OF 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 Yancheng Dongfang, the Directors are of the view that the terms of 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 (as defined under the Listing Rules) in respect of the Reverse Factoring Agreement is more than 25% but less than 100%, the entering into of the Reverse 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.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Reverse 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 Reverse 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 Reverse 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 Reverse Factoring Agreement and the transactions contemplated thereunder. As of the date of the announcement, Yueda 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 Reverse Factoring Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse 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 Reverse Factoring Agreement and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 12 October 2023.

## 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Yancheng Dongfang”	Yancheng Dongfang Construction Investment Company Limited (鹽城東方建設投資股份有限公司), a company established in the PRC, which is principally engaged in the business of various engineering construction
“YDRE”	Yueda Real Estate Group Company Limited (悅達地產集團有限公司), which is held as to approximately 66.36% by Yue Da Group (H.K.) Co., Limited, a directly wholly-owned subsidiary of Jiangsu Yue Da Group Company Limited (江蘇悅達集團有限公司), the controlling shareholder of the Company
“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**  
**Pan Mingfeng**  
*Executive Directors*

Hong Kong, 20 September 2023

*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. Pan Mingfeng and Mr. Wu Shengquan; and (c) as independent non-executive Directors, Dr. Liu Yongping, Mr. Cheung Ting Kee and Ms. Zhang Yan.*

*Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.0903 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.*