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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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Yue Da International Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Current Year**”) together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3		
Income from traditional factoring business		54,671	43,564
Income from communications factoring business		6,130	20,288
		60,801	63,852
Other income		199	311
Other losses, net	4	(1,656)	(2,878)
Reversal of impairment losses under expected credit losses model, net		1,511	3,974
Guarantee and service fees for communications factoring business		(2,783)	(10,998)
Staff costs		(9,116)	(8,739)
Depreciation expenses		(712)	(1,193)
Other expenses		(5,894)	(6,102)
Finance costs	5	(5,141)	(10,472)
Profit before tax	6	37,209	27,755
Income tax expenses	7	(18,574)	(11,297)
Profit and total comprehensive income for the year attributable to owners of the Company		18,635	16,458
Earnings per share			
– Basic and diluted	8	RMB1.59 cents	RMB1.41 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	NOTES	RMB'000	RMB'000
Non-current Assets			
Property, plant and equipment		50	9
Right-of-use assets		996	1,241
Deferred tax assets		485	2,257
Factoring receivables and other assets	10	308,439	56,274
		<u>309,970</u>	<u>59,781</u>
Current Assets			
Factoring receivables and other assets	10	460,571	659,207
Amounts due from related parties		10,066	9,471
Cash and cash equivalents		55,332	16,947
		<u>525,969</u>	<u>685,625</u>
Current Liabilities			
Accruals and other payables	11	8,833	13,350
Amounts due to related parties		75,439	192,753
Amounts due to directors		337	371
Income tax payable		3,622	767
Bank and other borrowings		117,600	80,000
Obligations arising from asset-backed financing arrangements	12	70,479	–
Lease liabilities		718	523
		<u>277,028</u>	<u>287,764</u>
Net Current Assets		<u>248,941</u>	<u>397,861</u>
Total Assets Less Current Liabilities		<u><u>558,911</u></u>	<u><u>457,642</u></u>

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Capital and Reserves			
Share capital		105,965	105,965
Reserves		351,331	337,622
		<hr/>	<hr/>
Equity Attributable to Owners of the Company		457,296	443,587
		<hr/>	<hr/>
Non-current Liabilities			
Obligations arising from asset-backed financing arrangements	12	87,373	–
Lease liabilities		300	725
Deferred tax liabilities		13,942	13,330
		<hr/>	<hr/>
		101,615	14,055
		<hr/>	<hr/>
		558,911	457,642
		<hr/> <hr/>	<hr/> <hr/>
Net Assets		457,296	443,587
		<hr/> <hr/>	<hr/> <hr/>

NOTES

For the year ended 31 December 2025

1. GENERAL INFORMATION AND APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited. The Company's immediate parent is Yueda Capital (HK) Limited, a company incorporated in Hong Kong with limited liability, and the Company's ultimate parent is Jiangsu Yue Da Group Company Limited, a state-owned enterprise established with limited liability in the People's Republic of China ("PRC").

The Company is an investment holding company. The principal activity of its subsidiaries is traditional and communications factoring business.

As the Group's operations are in the PRC, the consolidated financial statements are presented in Renminbi, which is also the functional currency of the Company.

The accounting policies adopted in the consolidated financial statements for the Current Year are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024 except as described below.

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the Current Year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations as issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents interest income received and receivable from provision of traditional and communications factoring services. An analysis of the Group's revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Income from traditional factoring business	54,671	43,564
Income from communications factoring business	6,130	20,288
	<u>60,801</u>	<u>63,852</u>

Segment information

Information reported to the chief operating decision maker (the "CODM") of the Group, being the executive directors of the Company, for the purpose of resources allocation and assessment of performance focuses on revenue analysis by traditional and communications factoring business. No other discrete financial information is provided to the CODM other than the Group's consolidated result and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

All of external revenues of the Group in both years are attributable to customers from the PRC, the place of domiciles of the Group's major operating entities. As at 31 December 2025, the Group's non-current assets, excluding the financial instruments and deferred tax assets, of RMB337,000 (2024: RMB67,000) and RMB709,000 (2024: RMB1,183,000) are located in the PRC and Hong Kong, respectively.

4. OTHER LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net foreign exchange losses	(113)	(558)
Loss on remeasurement of financial guarantee contracts	(1,543)	(2,547)
Gain on early settlement of obligations arising from assets-backed financing arrangements	–	224
Loss on disposal of property, plant and equipment	–	(17)
Gain on early termination of lease	–	20
	<u>(1,656)</u>	<u>(2,878)</u>

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	4,745	5,113
Interest on obligations arising from asset-backed financing arrangements	329	5,305
Interest on lease liabilities	67	54
	<u>5,141</u>	<u>10,472</u>

6. PROFIT BEFORE TAX

Profit before tax for the Current Year has been arrived at after charging/(crediting) the following items:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration (included in other expenses)	1,237	1,095
Depreciation of property, plant and equipment	8	51
Depreciation of right-of-use assets	704	1,142
Staff costs (including directors' emoluments)	9,116	8,739
Interest income from bank deposits (included in other income)	(86)	(88)
	<u>(86)</u>	<u>(88)</u>

7. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
– PRC Enterprise Income tax (“EIT”)	15,347	10,120
– PRC withholding tax paid in respect of distribution of earning of the PRC subsidiary	1,000	1,250
– (Over)under-provision in prior years – PRC EIT	(157)	1,144
	<u>16,190</u>	<u>12,514</u>
Deferred tax	2,384	(1,217)
	<u>18,574</u>	<u>11,297</u>

8. EARNINGS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>18,635</u>	<u>16,458</u>

	2025 <i>Number</i>	2024 <i>Number</i>
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Number of shares

Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>1,168,626,516</u>	<u>1,168,626,516</u>
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No diluted earnings per share for both years were presented as there were no potential ordinary shares in issue during both years.

9. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year: 2024 final dividend of 0.46 HK cent per ordinary share (2024: 0.43 HK cent)	<u>4,926</u>	<u>4,569</u>

Subsequent to the end of reporting period, a final dividend in respect of the year ended 31 December 2025 of 0.55 HK cent (2024: 0.46 HK cent) per ordinary share of the Company, in an aggregate amount of RMB5,651,000 (2024: RMB4,964,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

During the year ended 31 December 2025, a final dividend in respect of the year ended 31 December 2024 of 0.46 HK cent (2024: 0.43 HK cent) per ordinary share of the Company, in an aggregate amount of RMB4,926,000 (2024: RMB4,569,000), has been paid in June 2025.

10. FACTORING RECEIVABLES AND OTHER ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Factoring receivables:		
Traditional factoring business	759,942	649,620
Communications factoring business	7,237	61,622
	<u>767,179</u>	<u>711,242</u>
Reimbursement assets	235	1,778
Other receivables and prepayments	1,596	2,461
	<u>769,010</u>	<u>715,481</u>
Analysed as:		
Current portion	460,571	659,207
Non-current portion	308,439	56,274
	<u>769,010</u>	<u>715,481</u>

11. ACCRUALS AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accrued staff costs	2,563	2,343
Other payables and accrued charges	6,270	11,007
	<u>8,833</u>	<u>13,350</u>

12. OBLIGATIONS ARISING FROM ASSET-BACKED FINANCING ARRANGEMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The carrying amounts of the above obligations are repayable:		
Within one year	70,479	–
More than one year but less than two years	87,373	–
	<u>157,852</u>	<u>–</u>

The Group entered into several asset-backed financing arrangements (the “**Financing Arrangements**”), which the Financing Arrangements involved establishment of special purpose asset-backed vehicles through issuing agents (the “**SPVs**”). Under the schemes, contractual rights of factoring receivables (the “**Transferred Assets**”) are transferred to the SPVs by the Group and the fellow subsidiaries of the Company. The SPVs then issued asset-backed securities to investors, the priority tranches of which were subscribed by independent investors whilst the subordinated tranches of which were subscribed by the Group or the fellow subsidiary, as applicable, proportional to the value of the Transferred Assets transferred by both parties.

According to offering documents of the SPVs between the SPVs and investors (holders of priority and subordinated tranches), the decisions of the relevant activities are controlled by the holders of the priority tranches until such tranches are fully settled. As at 31 December 2025, the priority tranches of the SPVs are still not fully settled. The Group have not subscribed any subordinated tranches and could not exercise control over the SPVs thus the SPVs are not consolidated. As at 31 December 2024, the priority tranches of the SPVs are fully settled.

Furthermore, pursuant to the agreements between the SPVs and the transferors (the Group or the Group and the fellow subsidiaries), the Group are required to repurchase the factoring receivables transferred to SPVs when they are identified as non-performing. The Group assessed and concluded that the Group has retained substantially all risks and rewards of the Transferred Assets and accordingly continues to recognise the factoring receivables and recognise obligations arising from these Financing Arrangements. As at 31 December 2025, RMB168,124,000 (2024: nil) of the Group's traditional factoring receivables relate to these Financing Arrangements.

During the year ended 31 December 2024, several Financing Arrangements were early settled. Accordingly, a gain on early settlements of Financing Arrangements amounting to RMB224,000 (Note 4) were recognised in the profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The factoring operations of the Group (the “**Factoring Operations**”) recorded an operating revenue of RMB60,801,000 for the Current Year (the year ended 31 December 2024 (the “**Previous Year**”): RMB63,852,000). The audited profit and total comprehensive income attributable to owners of the Company increased from RMB16,458,000 for the Previous Year to RMB18,635,000 for the Current Year and basic earnings per share increased from RMB1.41 cents for the Previous Year to RMB1.59 cents for the Current Year.

The decrease in operating revenue is mainly due to the recovery of the consumer market in China not being up to expectations. In order to reduce the operational risk, the Group adjusted the proportions of different factoring related businesses resulting in increase in income from traditional factoring business and decrease in income from communications factoring business.

DIVIDENDS

Subsequent to the end of reporting period, a final dividend in respect of the year ended 31 December 2025 of 0.55 HK cent (2024: 0.46 HK cent) per ordinary share, in an aggregate amount of RMB5,651,000 (2024: RMB4,964,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. The final dividend, if approved by the shareholders at the forthcoming annual general meeting, is expected to be payable on or around 17 June 2026.

BUSINESS REVIEW

Overview

The Group is principally engaged in Factoring Operations. During the Current Year, Factoring Operations realised an operating revenue of RMB60,801,000 (the Previous Year: RMB63,852,000).

Factoring Operations

The Company will continue the Factoring Operations through Yueda (Shenzhen) Commercial Factoring Co., Ltd. (“**Yueda Commercial Factoring**”) (a company established in the PRC and a subsidiary of the Company, which principal business is, among other things, commercial factoring).

The following table summarises the operating performance of Factoring Operations:

Business	Gross financing receivables as at		Interest income		Service income		Management fee income	
	31 December		2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Traditional Factoring	759,500	650,060	54,412	35,176	-	-	259	8,388
Communications Factoring	7,490	63,564	-	-	6,130	20,288	-	-
	<u>766,990</u>	<u>713,624</u>	<u>54,412</u>	<u>35,176</u>	<u>6,130</u>	<u>20,288</u>	<u>259</u>	<u>8,388</u>

Total average rate of return for the Current Year is 8.2% (the Previous Year: 9.4%).

Traditional Factoring

As at 31 December 2025, under Traditional Factoring business, total principal financing receivables amounted to approximately RMB759,500,000 (2024: RMB650,060,000), and recorded interest income and management fee income of approximately RMB54,412,000 (the Previous Year: RMB35,176,000) and RMB259,000 (the Previous Year: RMB8,388,000) respectively during the Current Year.

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

The Group 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 31 December 2025, the Factoring Operations has approximately 12 employees and is led by an experienced management team, including Mr. Pan Mingfeng, being an executive director of the Company, and the general manager of Yueda Commercial Factoring, who has more than 14 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 Commercial Factoring, including the Communications Factoring.

Yueda Commercial Factoring conducts its factoring business in the PRC within the scope of its business license. Yueda Commercial Factoring (as the factor) provides accounts receivable management and collection services to its customers (as seller) in return for contractual interest and management fee income payments with comprehensive rates of return ranging from approximately 6.2% to 9.0%.

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 listed entities with stable cashflow and relatively stable financial position.

Prior to the provision of factoring services and approval of the grant of revolving financing 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 Commercial 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 Commercial Factoring is obtained. The release of the factoring financing shall be approved by the head of factoring business department, the Financial Controller, the General Manager and the Chairman of Yueda Commercial Factoring.

The total gross principal financing receivables under Traditional Factoring business, in an aggregate amount of approximately RMB759,500,000 as at 31 December 2025 (2024: RMB650,060,000), were not past due. As at 31 December 2025, all of the Traditional Factoring receivables are secured by receivables from the customers amounting to approximately RMB988,183,000 (2024: RMB782,840,000). Save as the receivables from the customers, the Traditional Factoring receivables are not secured by any other collaterals. The following table sets forth the gross principal financing receivables amount of Traditional Factoring business categorised by industry and the relevant number of customers as of 31 December 2025 and 2024:

	Gross principal financing receivables		%		Number of customers	
	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>				
Wholesale of building materials	50,000	–	6.6	–	1	–
Municipal construction	80,000	–	10.5	–	1	–
Sales of grain	50,000	50,000	6.6	7.7	1	1
Power facilities	–	45,000	–	6.9	–	1
Trading of metal materials	–	45,000	–	6.9	–	1
Commodity trading	–	50,000	–	7.7	–	1
Engineering construction	579,500	460,060	76.3	70.8	13	12
	759,500	650,060	100.0	100.0	16	16

In order to minimise the credit risk in relation to Traditional Factoring receivables, credit limits and credit terms granted to customers are approved by delegated officers.

The Group seeks to maintain strict control over its outstanding Traditional Factoring receivables on an individual basis to minimise its credit risk. The management has a credit policy in place and the exposures to the credit risk are monitored on an ongoing basis. The policy includes evaluation of collectability and aging analysis of the factoring receivables based on management's judgement on creditworthiness of the borrowers and the guarantors, collaterals and past collection history.

Communications Factoring

During the Current Year, under the Communications Factoring business, service fee income of approximately RMB6,130,000 (the Previous Year: RMB20,288,000) is recorded. As at 31 December 2025, there were approximately 36,000 End Customers (as defined below) (2024: 225,000) with outstanding gross principal financing receivables with the Group in an aggregate amount of approximately RMB7,490,000 (2024: RMB63,564,000), of which approximately RMB245,000 (2024: RMB5,287,000) is fully secured by bank deposits from individual customers and approximately RMB6,993,000 (2024: RMB54,243,000) is guaranteed by guarantors. With the small amount of receivables (of approximately RMB7.5 to RMB1,300 (2024: RMB2 to RMB5,000)) per End Customer, no analysis of the five largest End Customers is presented.

Under the Communications Factoring business, the Group would provide factoring services to the franchised store suppliers of the suppliers of communications operation (“**Suppliers**”) and the Suppliers will transfer their accounts receivable (“**Accounts Receivable**”) which will arise when the Suppliers’ customers (“**End Customers**”) purchase mobile phones and/or other products from the Suppliers to the Group. By utilising the factoring services of the Group, the End Customers may pay for the mobile phones and/or other products by instalments.

The Group has cooperated with and conducted the Communications Factoring business through the payment clearing and settlement platform (“**Payment Platform**”) of some third-party payment institutions licensed in the PRC to offer a payment clearing and settlement platform. To the best knowledge of the Company, these third-party payment institutions are the group members of the communications operation services providers in the PRC. As a result, there are a number of Suppliers maintaining a settlement account at the Payment Platform and the End Customers can make payment to the Group through the Payment Platform. By cooperating with third-party payment institutions, the Group can on a mass scale reach out to and seek business opportunities with the Suppliers who are in need of factoring services.

Taking into consideration of the special nature of Communications Factoring business (i.e. a large number of End Customers with small amount of receivables per End Customer), the management reviewed the breakdown of the financing receivables and considered the significance of the aggregate outstanding amount in the financial statements of the Group, and identified that the most significant risk to the Communications Factoring business is default in payment by End Customers. The Group believes that such risk is mainly driven by two sources, namely malicious fraud by End Customers and termination of communications services by such End Customers. The Group minimises such risks by implementing the following control procedures during the inception of new End Customers.

Suppliers verify the identity of new End Customers and establish payment channel with End Customers' bank accounts. Such information is provided to the professional technology service companies for credit assessment that is operated by both artificial intelligence (“A.I.”) and manual resources.

The A.I. system assess the historical default percentage of End Customers for each Supplier to screen out any unusual transactions. Besides, on the End Customers side, the A.I. system checks whether there is any overdue payment history, whether there are several outstanding balances owed by the same End Customer, whether they are blacklisted by other institutions, and other anomalies in the potential customer's credit history. The A.I. system then generates a default possibility in respect of each End Customer and those with high default possibility will be rejected.

The professional technology service companies also contact the emergency contact persons of End Customers manually to verify the other information of End Customers. Further, the professional technology service companies contact the End Customers manually after provision of factoring services to confirm whether the End Customers have been notified with the contractual relationship with the Group and notify them of their rights and obligations. A mobile text message will be sent to End Customers to remind them of the payment due date. Finally, the professional technology service companies will appoint professional and legal debt collectors to collect overdue payments and take legal action when necessary.

In order to ensure the professional technology service companies' quality control in adhering to the Group's policy, the Group keeps a back-up copy of all the data of the End Customers. The Group would verify such data before provision of services. Credit limits are set for each of the Suppliers to minimise the risk of malicious fraud by End Customers. In addition, the Group performs on-site inspection of professional technology service companies from time to time to ensure the credit assessment procedures are properly followed.

Factoring financing loss will be borne partly or wholly by professional technology service companies, depending on the detailed arrangement with each individual professional technology service company. Based on this arrangement, there will be incentive for these professional technology service companies to assess credit risk carefully to reduce the occurrence of overdue Accounts Receivables and collect the overdue Accounts Receivables.

Ageing analysis and impairment for traditional factoring and communication factoring businesses

The ageing analysis of the outstanding principal financing receivables from the date of granting the relevant factoring services as at 31 December 2025 and 2024 were as follows:

	Traditional factoring business		Communications factoring business		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Aged with one year	759,500	650,060	–	11,430	759,500	661,490
Aged over one year but within two years	–	–	7,488	23,204	7,488	23,204
Aged over two years	–	–	2	28,930	2	28,930
	<u>759,500</u>	<u>650,060</u>	<u>7,490</u>	<u>63,564</u>	<u>766,990</u>	<u>713,624</u>

Note: The outstanding balance as at 31 December 2025 and 2024 was not due.

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets including factoring receivables. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant financial instruments. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The movements in the allowance for impairment in respect of factoring receivables during the Current Year and Previous Year were as follows:

	12m ECL (not-credit impaired)		Total <i>RMB'000</i>
	Traditional Factoring business <i>RMB'000</i>	Communications Factoring business <i>RMB'000</i>	
As at 1 January 2024	1,119	6,304	7,423
Changes due to financial instruments recognised as at 1 January 2024:			
– Impairment losses reversed	(1,119)	(4,506)	(5,625)
New financial assets originated or purchased	1,507	144	1,651
As at 31 December 2024	1,507	1,942	3,449
Changes due to financial instruments recognised as at 1 January 2025:			
– Impairment losses reversed	(1,400)	(1,689)	(3,089)
New financial assets originated or purchased	1,578	–	1,578
As at 31 December 2025	<u>1,685</u>	<u>253</u>	<u>1,938</u>

The basis of impairment assessment of Traditional Factoring business

The Group adopts individual assessment in estimating ECL factoring receivables for Traditional Factoring business. The credit losses expectations are based on the Group's historical loss experience, collaterals and guarantees that are integral to the contractual terms, financial condition of borrowers for the probability of default and loss given default, as well as forward-looking information.

Management performs ongoing credit evaluations of individual customers' financial condition. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment. The Group has policies to limit the credit exposure on receivables by taking into account the availability of guarantee from third parties and getting payment guarantee. The settlement patterns of customers are regularly monitored by the Group. As at 31 December 2025, the expected loss rate for Traditional Factoring principal financing receivables of RMB759,500,000 (2024: RMB650,060,000) is approximately 0.22% (2024: 0.23%).

The basis of impairment assessment of Communications Factoring business

The Group adopts collective assessment in estimating ECL on factoring receivables for Communications Factoring business. The Group takes into consideration of internal credit rating of various debtors, which are grouped based on historical collection records, collaterals and forward-looking information that is reasonable, supportable and available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The default rates would be adjusted according to the actual loss rate incurred regarding the Communication Factoring receivables and the change of the global default rate published by the international credit-rating agency updated each year, both of which are affected by the change in the macroeconomic environment.

The following table provides information on the exposure to credit risk for Communications Factoring receivables which are assessed on a collective basis with 12m ECL. End Customers with gross principal financing receivables under 12m ECL are in an aggregate amount of approximately RMB7,490,000 as at 31 December 2025 (2024: RMB63,564,000).

	31 December 2025		31 December 2024	
	Average loss rate	Communications factoring receivables RMB'000	Average loss rate	Communications factoring receivables RMB'000
Low risk	3.36%	6,663	3.39%	59,481
Watch list	3.49%	827	3.76%	4,083
		<u>7,490</u>		<u>63,564</u>

The estimated loss rates are estimated based on historical observed default rates of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Business Plan

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

Existing factoring financial services

The Group believes that, being a stated-owned enterprise, having state-owned enterprises as its major customers will provide certain 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 factoring business. Due to slowdown of economy of China, due diligence on potential new customers is more stringent in order to improve the overall quality of customer base.

Exploring potential investment opportunities

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

Funding requirements

The Group will continue to utilise its internal resources and bank and other borrowings to develop the Factoring Operations. On top of the existing banking facilities, several banking facilities are being negotiated. The Group will continue to consider the possibilities of using asset-backed financing arrangement in the future as another funding alternative.

PROSPECTS

Looking forward to 2026, the Group will focus on the factoring business in the future. The recovery of the world economy is slow which will remain a great challenge to our operations in 2026. As at the date of this announcement, we have not experienced any significant default in repayment of principal, interest and fee income from our customers. We will remain on high alert about the impact of the slow recovery of the world economy on our operations and take any necessary measures to mitigate the impact. 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 to the Group and the shareholders as a whole.

CLOSURE OF REGISTER OF MEMBERS

To be eligible to attend and vote at the forthcoming annual general meeting

The register of members of the Company will be closed from 12 May 2026 to 15 May 2026, both days inclusive, during which period no transfer of shares in the Company will be registered. The record date for determining the identity of the shareholders who are entitled to attend and vote at the annual general meeting (the “AGM”) will be 15 May 2026. In order to determine the identity of the shareholders of the Company who are entitled to attend and vote at the AGM of the Company to be held on 15 May 2026, all transfer of shares in the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11 May 2026.

Notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

To qualify for the proposed final dividend

For the purpose of determining the shareholders who are entitled to receive the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed from 2 June 2026 to 5 June 2026, both days inclusive, during which period no transfer of shares in the Company will be registered. Subject to the approval of the shareholders at the forthcoming annual general meeting, the final dividend will be payable to the shareholders whose names appear on the register of members of the Company on 5 June 2026. In order to qualify for the proposed final dividend, all transfers of shares in the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 1 June 2026.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 31 December 2025, the Group’s current assets were RMB525,969,000 (2024: RMB685,625,000), of which RMB55,332,000 (2024: RMB16,947,000) were cash and cash equivalents. As at 31 December 2025, the net asset value of the Group amounted to RMB457,296,000, representing an increase of approximately 3.1% as compared to RMB443,587,000 in 2024. The gearing ratio (total liabilities/total assets) of the Group was approximately 45.3% (2024: 40.5%).

As at 31 December 2025, the share capital of the Company was RMB105,965,000 (2024: RMB105,965,000). The Group's reserves were RMB351,331,000 (2024: RMB337,622,000). As at 31 December 2025, the Group had total current liabilities of RMB277,028,000 (2024: RMB287,764,000), mainly comprising accruals and other payables, amounts due to related parties, bank and other borrowings and obligations arising from asset-backed financing arrangements. The total non-current liabilities of the Group amounted to RMB101,615,000 (2024: RMB14,055,000), which mainly represented obligations arising from asset-backed financing arrangements, lease liabilities and deferred tax liabilities.

Capital Structure of the Group

The capital structure of the Group consists of net debts, which include amounts due to related parties, bank and other borrowings, obligations arising from asset-backed financing arrangements, net of cash and cash equivalents and equity 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.

Borrowings

The Group entered into several asset-backed financing arrangements (the “**Financing Arrangements**”), the Financing Arrangements involved establishment of special purpose asset-backed vehicles through issuing agents. The principal activities of the Group are provision of factoring related business. The proceeds from the entrance into the Financing Arrangements are principally used as general working capital of factoring related business of the Group. The Board believes that the entrance into the Financing Arrangements can widen the fund-raising channels of the Group to access low-cost capital, which in turn is used to improve the financing structure of the Group and promote its operating activities and investments activities. The Directors are of the view that the terms of the entrance into the Financing Arrangements are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

As at 31 December 2025, bank and other borrowings and obligations arising from asset-backed financing arrangements amounted to RMB117,600,000 (2024: RMB80,000,000) and RMB157,852,000 (2024: nil) respectively. As at 31 December 2025, bank and other borrowings and obligations arising from asset-backed financing arrangements are denominated in Renminbi.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi and Hong Kong dollars. During the Current Year, most of the transactions were denominated and settled in Renminbi. The Group was not engaged in any hedging by financial instruments in relation to exchange rate risk. However, the Group will closely monitor the fluctuation in exchange rate and will take necessary measures to minimise the impact arising from adverse currency fluctuation.

CONTINGENT LIABILITIES AND CHARGE ON THE GROUP'S ASSETS

The Group's credit facilities were secured by the Group's factoring receivables of RMB73,500,000 (2024: RMB50,000,000) in aggregate as at 31 December 2025 and the Group has the contractual obligations to transfer the cashflows relating to the Group's traditional factoring receivables of RMB168,124,000 as at 31 December 2025 (2024: nil) under asset-backed financing arrangements.

Apart from above, the Group did not have any other guarantees and charges nor any other material contingent liabilities as at 31 December 2025 (2024: nil).

EVENTS AFTER THE CURRENT YEAR

Resignation of Non-Executive Director

On 23 January 2026, Mr. Li Biao ("Mr. Li") tendered his resignation as a non-executive Director of the Company as he has reached the retirement age and intends to devote more time to his other personal matters. For further details, please refer to the Company's announcement dated 23 January 2026.

Appointment of Non-Executive Director

The Board is pleased to announce that, with effect from 23 January 2026, Mr. Yan Bingde was appointed as a non-executive director of the Company. He will hold office as a non-executive Director until the Company's first general meeting after his appointment and will be subject to re-election at such meeting pursuant to the articles of association of the Company. For further details, please refer to the Company's announcement dated 23 January 2026.

Factoring Agreements

On 9 January 2026, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into a factoring agreement with each of Binhai County Chijin Industrial Company Limited* (濱海縣馳錦工業有限公司), Yancheng Xingzhou Jiayuan Real Estate Development Company Limited* (鹽城星洲佳源房地產開發有限公司), Jiangsu Huating Construction Engineering Group Company Limited* (江蘇華庭建設工程集團有限公司), Jiangsu Haiying Tengfei Municipal Construction Engineering Company Limited* (江蘇海瀛騰飛市政建設工程有限公司), Jiangsu Runzhou Construction Company Limited* (江蘇潤州建設有限公司), Jiangsu Xiangshui Water Conservancy Construction Engineering Company Limited* (江蘇響水水利建築工程有限公司) and Xiangshui County Port Development Industry Investment Company Limited* (響水縣港發產業投資有限公司), pursuant to which Yueda Commercial Factoring agreed to provide accounts receivables financing, accounts receivable management services and accounts receivable collection services.

For further details, please refer to the Company's announcements dated 9 January 2026.

Waiver Applications and Grants

On 12 January 2026, the Company applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(A) of the Listing Rules in respect of the delay in despatch of circulars relating to various factoring agreements entered into by the Group in December 2025 and January 2026. On 19 January 2026 and 3 February 2026, the Stock Exchange granted waivers to the Company in relation to the relevant factoring agreements, subject to the condition that the Company would despatch the circulars on or before 13 February 2026. Subsequently, on 13 February 2026, 27 February 2026 and 13 March 2026, the Company announced further applications for waiver and extensions of time for despatch of the circulars, due to the need for additional time to prepare and finalise certain financial information of the Group (including indebtedness and cash flow forecast to support the working capital statement). The Company will make further announcement(s) to provide updates on this matter as and when appropriate.

For further details, please refer to the Company's announcements dated 12 January 2026, 20 January 2026, 4 February 2026, 13 February 2026, 27 February 2026 and 13 March 2026.

Save as disclosed above and elsewhere in this announcement, there were no other material events affecting the Group after the end of the Current Year and up to the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of approximately 22 employees (who were located in Hong Kong and the PRC) (2024: 24), engaged in management, administration and business factoring operations. 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 Current Year, the Group provided various training courses on relevant business or skills for its management and staff at different levels.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company's corporate governance practices are based on the principles and the code provisions ("**Code Provisions**") as set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Listing Rules. During the Current Year, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the Code except the deviation from Code Provision C.1.5 of Part 2 of the Code.

Code Provision C.1.5 of Part 2 of the Code provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Li, a non-executive Director, was unable to attend the annual general meeting of the Company held on 16 May 2025 (the "**2024 AGM**") due to other business commitments. Nevertheless, Mr. Li passed his opinion to the chairman of the 2024 AGM before its commencement.

The Company periodically reviewed its corporate governance practices to ensure that the requirements of the Code are continuously satisfied.

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 Directors of Listed Issuers (the “**Model Code**”) as provided in Appendix C3 to the Listing Rules. All Directors of the Company, in response to the specific enquiries made by the Company, confirmed that they have complied with the requirements set out in the Model Code throughout the Current Year.

AUDIT COMMITTEE

The Company’s Audit Committee currently comprises Mr. Cheung Ting Kee (Chairman of the Audit Committee, an independent non-executive Director), Dr. Liu Yongping (an independent non-executive Director) and Ms. Zhang Yan (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.

The Audit Committee, together with the management and external auditor of the Company, has reviewed the accounting principles and policies adopted by the Group, the annual results of the Group for the Current Year and the continuing connected transactions carried out by the Group during the Current Year, and discussed matters relating to audit, internal control and financial reporting with the management and is of the view that the annual results of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

REMUNERATION COMMITTEE

The Company has set up the Remuneration Committee with written terms of reference, currently comprising Ms. Zhang Yan (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 the Nomination Committee with written terms of reference, currently comprising Mr. Ji Hulin (Chairman of the Nomination Committee, an executive Director and Chairman of the Board), Ms. Zhang Yan (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 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

The Company's annual report for the Current Year will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company's website at www.yueda.com.hk in due course.

By order of the Board
Yue Da International Holdings Limited
Ji Hulin
Executive Director and Chairman of the Board

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. Ji Hulin, Mr. Xue Zhicheng, Mr. Pan Mingfeng and Dr. Teng Songsong; (b) as non-executive Directors, Mr. Hu Huaimin and Mr. Yan Bingde; and (c) as independent non-executive Directors, Dr. Liu Yongping, Mr. Cheung Ting Kee and Ms. Zhang Yan.