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If you have sold or transferred all your shares in Yue Da International Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s), or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or transferee(s).

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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)

MAJOR TRANSACTIONS – FACTORING AGREEMENTS

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 8 to 27 of this circular.

The transactions being the subject matter of this circular has been approved by written Shareholder's approval pursuant to Rule 14.44 of the Listing Rules. As such, no general meeting of the Company will be convened for approving the Factoring Agreements. This circular is being despatched to the Shareholders for information only.

15 May 2026

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DEFINITIONS

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

“Binhai CAT”	Binhai County Agricultural Tourism Group Company Limited* (濱海縣農旅集團有限公司), a company established in the PRC
“Binhai Chijin”	Binhai County Chijin Industrial Company Limited* (濱海縣馳錦工業有限公司), a company established in the PRC, which is principally engaged in the business of the construction projects
“Binhai Chijin Reverse Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Binhai Chijin
“Binhai ED”	Binhai County Development Zone Economic Development Company Limited* (濱海縣開發區經濟發展有限公司), a company established in the PRC, which is principally engaged in the business of construction projects
“Binhai ED Factoring Agreement”	the factoring agreement dated 19 December 2025 entered into between Yueda Commercial Factoring and Binhai ED
“Binhai THG”	Binhai Transportation Holdings Group Company Limited* (濱海交通控股集團有限公司), a company established in the PRC
“Binhai UCD”	Binhai County Urban Construction and Development Company Limited* (濱海縣城鎮建設發展有限公司), a company established in the PRC
“Board”	the board of Directors of the Company
“Chendu Construction”	Jiangsu Chendu Construction Company Limited* (江蘇晨都建設有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering
“Chendu Construction Factoring Agreement”	the factoring agreement dated 27 December 2024 entered into between Yueda Commercial Factoring and Chendu Construction
“Company”	Yue Da International Holdings Limited (悅達國際控股有限公司), a company incorporated with limited liability in the Cayman Islands, whose Shares are listed on the Main Board 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

DEFINITIONS

“Dafeng Harbour Factoring Agreement”	the factoring agreement dated 19 December 2024 entered into between Yueda Commercial Factoring and Yancheng Dafeng District Dafenggang District Harbour Development and Construction Company Limited* (鹽城市大豐區大豐港區海港開發建設有限公司), a company established in the PRC, which is principally engaged in the business of commodity trading, the details of which have been disclosed in the announcement of the Company dated 19 December 2024
“Danhe Greening”	Yancheng Danhe Greening Management Company Limited* (鹽城市丹鶴綠化管理有限公司), a company established in the PRC, which is principally engaged in the business of municipal construction
“Danhe Greening First Factoring Agreement”	the factoring agreement dated 3 December 2025 entered into between Yueda Commercial Factoring and Danhe Greening
“Danhe Greening Second Factoring Agreement”	the factoring agreement dated 17 December 2025 entered into between Yueda Commercial Factoring and Danhe Greening
“Factoring Agreements”	collectively, Factoring Agreements 1, Factoring Agreements 2, Factoring Agreements 3, Factoring Agreements 4, Factoring Agreements 5, Factoring Agreements 6 and Factoring Agreements 7
“Factoring Agreements 1”	collectively, New Cooperative Grain Factoring Agreement, Danhe Greening First Factoring Agreement and Danhe Greening Second Factoring Agreement
“Factoring Agreements 2”	collectively, Yancheng Port Development Factoring Agreement and Yancheng Port Supply Chain Factoring Agreement
“Factoring Agreements 3”	collectively, Hengtai Port Reverse Factoring Agreement and Binhai ED Factoring Agreement
“Factoring Agreements 4”	collectively, Hengtai Port Reverse Factoring Agreement, Hengfa Reverse Factoring Agreement and Binhai Chijin Reverse Factoring Agreement
“Factoring Agreements 5”	collectively, Chendu Construction Factoring Agreement and Jiangsu Huating Factoring Agreement
“Factoring Agreements 6”	collectively, Runfu Water Factoring Agreement and Jiangsu Runzhou Reverse Factoring Agreement
“Factoring Agreements 7”	collectively, Xiangshui Chengqi Reverse Factoring Agreement and Xiangshui Water Reverse Factoring Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

DEFINITIONS

“Haiying Tengfei Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Jiangsu Haiying Tengfei Municipal Construction Engineering Company Limited* (江蘇海瀛騰飛市政建設工程有限公司), a company established in the PRC, which is principally engaged in the business of municipal construction, the details of which have been disclosed in the announcement of the Company dated 9 January 2026
“Hengfa”	Binhai Hengfa Real Estate Company Limited* (濱海恒發地產有限公司), a company established in the PRC, which is principally engaged in the business of property development
“Hengfa Reverse Factoring Agreement”	the factoring agreement dated 29 August 2025 entered into between Yueda Commercial Factoring and Hengfa
“Hengtai Port”	Binhai County Hengtai Port Operation Company Limited* (濱海縣恒泰港口經營有限公司), a company established in the PRC, which is principally engaged in the business of port operation
“Hengtai Port Reverse Factoring Agreement”	the factoring agreement dated 27 December 2024 entered into between Yueda Commercial Factoring and Hengtai Port
“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
“Jiangsu Huating”	Jiangsu Huating Construction Engineering Group Company Limited* (江蘇華庭建設工程集團有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering
“Jiangsu Huating Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Jiangsu Huating
“Jiangsu Runzhou”	Jiangsu Runzhou Construction Company Limited* (江蘇潤州建設有限公司), a company established in the PRC, which is principally engaged in the business of landscaping projects
“Jiangsu Runzhou Reverse Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Jiangsu Runzhou

DEFINITIONS

“Jiangsu Yue Da”	Jiangsu Yue Da Group Company Limited, a substantial shareholder of the Company interested in 100% of the interests in Yue Da HK and deemed interested in 69.94% of the issued share capital of the Company. Jiangsu Yue Da Group Company Limited is ultimately beneficially owned as to 100% by Yancheng City People’s Government
“Latest Practicable Date”	11 May 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited
“New Cooperative Grain”	Yancheng New Cooperative Grain Logistics Company Limited* (鹽城市新合作糧食物流有限公司), a company established in the PRC, which is principally engaged in the sales of grain
“New Cooperative Grain Factoring Agreement”	the factoring agreement dated 8 September 2025 entered into between Yueda Commercial Factoring and New Cooperative Grain
“Parties”	Chendu Construction, Hengtai Port, Xiangshui Chengqi, Runfu Water, Hengfa, New Cooperative Grain, Danhe Greening, Yancheng Port Supply Chain, Yancheng Port Development, Binhai ED, Binhai Chijin, Jiangsu Huating, Jiangsu Runzhou and Xiangshui Water
“PRC”	the People’s Republic of China, for the purpose of this circular 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
“Runfu Water”	Jiangsu Runfu Water Conservancy Construction Company Limited* (江蘇潤阜水利建設有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering
“Runfu Water Factoring Agreement”	the factoring agreement dated 18 March 2025 entered into between Yueda Commercial Factoring and Runfu Water
“SFO”	the Securities and Future Ordinance
“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

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Xiangshui Chengqi”	Xiangshui County Chengqi Construction Development Xiangshui Chengqi Company Limited* (響水縣城啟建設發展有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering
“Xiangshui Chengqi Reverse Factoring Agreement”	the factoring agreement dated 17 January 2025 entered into between Yueda Commercial Factoring and Xiangshui Chengqi
“Xiangshui Guanjiang”	Xiangshui County Guanjiang Holding Group Company Limited* (響水縣灌江控股集團有限公司), a company established in the PRC
“Xiangshui Port Development Reverse Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Xiangshui County Port Development Industry Investment Company Limited* (響水縣港發產業投資有限公司), a company established in the PRC, which is principally engaged in the business of providing capital investment services, the details of which have been disclosed in the announcement of the Company dated 9 January 2026
“Xiangshui Water”	Jiangsu Xiangshui Water Conservancy Construction Engineering Company Limited* (江蘇響水水利建築工程有限公司), a company established in the PRC, which is principally engaged in the business of water conservancy and waterway engineering
“Xiangshui Water Reverse Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Xiangshui Water
“Xingang Construction Factoring Agreement”	the factoring agreement dated 30 September 2025 entered into between Yueda Commercial Factoring and Xiangshui County Xingang Construction and Development Company Limited* (響水縣新港建設發展有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering, the details of which have been disclosed in the announcement of the Company dated 30 September 2025
“Xingzhou Jiayuan Factoring Agreement”	the factoring agreement dated 9 January 2026 entered into between Yueda Commercial Factoring and Yancheng Xingzhou Jiayuan Real Estate Development Company Limited* (鹽城星洲佳源房地產開發有限公司), a company established in the PRC, which is principally engaged in the business of properties development, the details of which have been disclosed in the announcement of the Company dated 9 January 2026

DEFINITIONS

“Yancheng Guannan Factoring Agreement”	the factoring agreement dated 30 July 2025 entered into between Yueda Commercial Factoring and Yancheng Guannan Construction Engineering Company Limited* (鹽城冠南建設工程有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering, the details of which have been disclosed in the announcement of the Company dated 30 July 2025
“Yancheng Lianyang Factoring Agreement”	the factoring agreement dated 26 March 2025 entered into between Yueda Commercial Factoring and Yancheng Lianyang Construction Engineering Company Limited* (鹽城聯陽建設工程有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering, the details of which have been disclosed in the announcement of the Company dated 26 March 2025
“Yancheng Port”	Jiangsu Yancheng Port Holding Group Company Limited* (江蘇鹽城港控股集團有限公司), a company established in the PRC
“Yancheng Port Development”	Jiangsu Yancheng Port Defeng Port Development Group Company Limited* (江蘇鹽城港大豐港開發集團有限公司), a company established in the PRC, which is principally engaged in the business of port operations
“Yancheng Port Development Factoring Agreement”	the factoring agreement dated 19 December 2025 entered into between Yueda Commercial Factoring and Yancheng Port Development
“Yancheng Port Supply Chain”	Jiangsu Yancheng Port Supply Chain Technology Group Company Limited* (江蘇鹽城港供應鏈科技集團有限公司), a company established in the PRC, which is principally engaged in the business of import and export
“Yancheng Port Supply Chain Factoring Agreement”	the factoring agreement dated 19 December 2025 entered into between Yueda Commercial Factoring and Yancheng Port Supply Chain
“Yancheng UCI”	Yancheng Urbanisation Construction Investment Group Company Limited* (鹽城市城鎮化建設投資集團有限公司), a company established in the PRC
“Yanxi Jingxuan”	Jiangsu Yanxi Jingxuan Construction Engineering Company Limited* (江蘇鹽西景軒建築工程有限公司), a company established in the PRC, which is principally engaged in the business of construction engineering

DEFINITIONS

“Yanxi Jingxuan First Factoring Agreement”	the factoring agreement dated 25 December 2024 entered into between Yueda Commercial Factoring and Yanxi Jingxuan, the details of which have been disclosed in the announcement of the Company dated 25 December 2024
“Yanxi Jingxuan Second Factoring Agreement”	the factoring agreement dated 25 December 2025 entered into between Yueda Commercial Factoring and Yanxi Jingxuan, the details of which have been disclosed in the announcement of the Company dated 25 December 2025
“Yile Trading Reverse Factoring Agreement”	the factoring agreement dated 27 March 2025 entered into between Yueda Commercial Factoring and Yancheng Yile Trading Company Limited* (鹽城怡樂商貿有限公司), a company established in the PRC, which is principally engaged in the business of wholesale of mineral products, building materials and chemical products, the details of which have been disclosed in the announcement of the Company dated 27 March 2025
“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
“Yue Da HK”	Yue Da Group (H.K.) Co., Limited (悅達集團(香港)有限公司), a company incorporated under the laws of Hong Kong and a substantial shareholder of the Company
“%”	per cent

The English transliteration of the Chinese name(s) in this circular, where indicated with an asterisk, is provided for information purposes only and should not be regarded as the official English name(s) of such Chinese name(s). If there is any inconsistency between the English transliteration (provided for information purposes only) and the Chinese name(s), the Chinese name(s) shall prevail.

In this circular, the terms “close associate”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.87468 to HK\$1.00 and is for information purposes only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at such rate or at all.

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Ji Hulin
Mr. Xue Zhicheng
Mr. Pan Mingfeng
Dr. Teng Songsong

Non-executive Directors

Mr. Hu Huaimin
Mr. Yan Bingde

Independent non-executive Director

Dr. Liu Yongping

Registered Office

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Hutchins Drive
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Sheung Wan
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15 May 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS – FACTORING AGREEMENTS

INTRODUCTION

Reference is made to the announcements of the Company dated 17 December 2025, 19 December 2025, 25 December 2025 and 9 January 2026 in relation to the Factoring Agreements, the Yanxi Jingxuan Second Factoring Agreement, the Xingzhou Jiayuan Factoring Agreement, the Haiying Tengfei Factoring Agreement and the Xiangshui Port Development Reverse Factoring Agreement. The basis of aggregation applied to the factoring agreements referred to in the above announcements has since been revised. Previously, transactions were aggregated by ultimate beneficial ownership, grouping agreements where parties were under common ownership or control of a governmental authority. Under the revised approach, aggregation is instead based on contractual counterparties, including cases where the same counterparty or guarantor is involved in multiple agreements. As a result, apart from the Factoring Agreements, the remaining agreements set out in the announcements of the Company dated 17 December 2025, 19 December 2025, 25 December 2025 and 9 January 2026, which were previously classified as major transactions are now treated as discloseable transactions under the Listing Rules. The disclosures set out in this circular have been prepared on the basis of this updated aggregation methodology.

LETTER FROM THE BOARD

Yueda Commercial Factoring, an indirectly wholly owned subsidiary of the Company, entered into below Factoring Agreements 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 the revolving factoring financing credit limits or revolving reverse factoring financing credit limits to the Parties.

No.	Date of agreement	Agreement	Name of contractual counterparty	Nature of revolving financing credit limits	Relevant group agreements
1.	27 December 2024	Chendu Construction Factoring Agreement	Chendu Construction	Factoring	Factoring Agreements 5
2.	27 December 2024	Hengtai Port Reverse Factoring Agreement	Hengtai Port	Reverse Factoring	Factoring Agreements 3 and Factoring Agreements 4
3.	17 January 2025	Xiangshui Chengqi Reverse Factoring Agreement	Xiangshui Chengqi	Reverse Factoring	Factoring Agreements 7
4.	18 March 2025	Runfu Water Factoring Agreement	Runfu Water	Factoring	Factoring Agreements 6
5.	29 August 2025	Hengfa Reverse Factoring Agreement	Hengfa	Reverse Factoring	Factoring Agreements 4
6.	8 September 2025	New Cooperative Grain Factoring Agreement	New Cooperative Grain	Factoring	Factoring Agreements 1
7.	3 December 2025	Danhe Greening First Factoring Agreement	Danhe Greening	Factoring	Factoring Agreements 1
8.	17 December 2025	Danhe Greening Second Factoring Agreement	Danhe Greening	Factoring	Factoring Agreements 1
9.	19 December 2025	Yancheng Port Supply Chain Factoring Agreement	Yancheng Port Supply Chain	Factoring	Factoring Agreements 2
10.	19 December 2025	Yancheng Port Development Factoring Agreement	Yancheng Port Development	Factoring	Factoring Agreements 2
11.	19 December 2025	Binhai ED Factoring Agreement	Binhai ED	Factoring	Factoring Agreements 3
12.	9 January 2026	Binhai Chijin Reverse Factoring Agreement	Binhai Chijin	Reverse Factoring	Factoring Agreements 4

LETTER FROM THE BOARD

No.	Date of agreement	Agreement	Name of contractual counterparty	Nature of revolving financing credit limits	Relevant group agreements
13.	9 January 2026	Jiangsu Huating Factoring Agreement	Jiangsu Huating	Factoring	Factoring Agreements 5
14.	9 January 2026	Jiangsu Runzhou Reverse Factoring Agreement	Jiangsu Runzhou	Reverse Factoring	Factoring Agreements 6
15.	9 January 2026	Xiangshui Water Reverse Factoring Agreement	Xiangshui Water	Reverse Factoring	Factoring Agreements 7

The principal terms of each of the Factoring Agreements are set out as follows:

1. Chendu Construction Factoring Agreement

Date	:	27 December 2024
Parties	:	(1) Chendu Construction (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Chendu Construction and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$57,164,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% – 9%
Guarantors	:	Yancheng UCI and Yancheng Yandu State-owned Assets Investment and Operation Company Limited* (鹽城市鹽都區國有資產投資經營有限公司) (“ Yancheng Yandu SOAIO ”)
Availability period of the factoring facilities	:	From 27 December 2024 to 31 December 2026

The annual rate of return of the Chendu Construction Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Chendu Construction and the counterparty of the relevant transaction provided by Chendu Construction; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Yancheng UCI and Yancheng Yandu SOAIO.

LETTER FROM THE BOARD

Chendu Construction is indirectly beneficially owned as to 100% by Yancheng UCI, which is beneficially wholly owned by Yancheng City People's Government with independent management and operation.

Yancheng Yandu SOAIO is indirectly beneficially wholly owned by Yancheng City Yandu District People's Government with independent management and operation.

2. Hengtai Port Reverse Factoring Agreement

Date	:	27 December 2024
Parties	:	(1) Hengtai Port (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hengtai Port and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB47,000,000 (equivalent to approximately HK\$53,734,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% – 9%
Guarantors	:	Binhai THG, Binhai UCD and Binhai CAT
Availability period of the factoring facilities	:	From 27 December 2024 to 30 June 2026

The annual rate of return of the Hengtai Port Reverse Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Hengtai Port; (ii) the credit period; and (iii) the guarantee by Binhai THG, Binhai UCD and Binhai CAT.

Hengtai Port is directly owned as to 100% by Binhai THG, which is indirectly beneficially owned as to 96.98% by Binhai County People's Government with independent management and operation.

Binhai UCD and Binhai CAT are indirectly beneficially owned as to 100% by Binhai County People's Government, with independent management and operation.

LETTER FROM THE BOARD

3. Xiangshui Chengqi Reverse Factoring Agreement

Date	:	17 January 2025
Parties	:	(1) Xiangshui Chengqi (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Xiangshui Chengqi and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB40,000,000 (equivalent to approximately HK\$45,731,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% – 9%
Guarantor	:	Xiangshui Guanjiang
Availability period of the factoring facilities	:	From 17 January 2025 to 23 January 2026

The annual rate of return of the Xiangshui Chengqi Reverse Factoring Agreement was determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Xiangshui Chengqi and the counterparty of the relevant transaction provided by Xiangshui Chengqi; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee provided by Xiangshui Guanjiang.

Xiangshui Chengqi is indirectly owned as to 100% by Xiangshui Guanjiang.

Xiangshui Guanjiang is indirectly beneficially owned as to 100% by Xiangshui County People's Government, with independent management and operations.

4. Runfu Water Factoring Agreement

Date	:	18 March 2025
Parties	:	(1) Runfu Water (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Runfu Water and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$57,164,000)

LETTER FROM THE BOARD

Annual rate of return (composed of interest rate and factoring administration fees)	:	8.2% – 9.2%
Guarantors	:	Funing County Agricultural Development Holdings Group Company Limited* (阜寧縣農業發展控股集團有限公司) (“ Funing ADHG ”), Funing County Transportation Investment Company Limited* (阜寧縣交通投資有限公司) (“ Funing TI ”), and Funing County Agricultural Development Group Company Limited* (阜寧縣農業發展集團有限公司) (“ Funing ADG ”)
Availability period of the factoring facilities	:	From 18 March 2025 to 15 April 2027

The annual rate of return of the Runfu Water Factoring Agreement was determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Runfu Water and the counterparty of the relevant transaction provided by Runfu Water; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee provided by Funing ADHG, Funing TI and Funing ADG.

Runfu Water is indirectly beneficially wholly owned by Funing County People’s Government with independent management and operations.

Funing ADHG, Funing TI and Funing ADG are beneficially wholly owned by Funing County People’s Government with independent management and operations.

5. Hengfa Reverse Factoring Agreement

Date	:	29 August 2025
Parties	:	(1) Hengfa (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hengfa and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB23,000,000 (equivalent to approximately HK\$26,295,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8.5%
Guarantors	:	Binhai UCD and Binhai CAT

LETTER FROM THE BOARD

Availability period of the : From 29 August 2025 to 10 September 2027
factoring facilities

The annual rate of return of the Hengfa Reverse Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Hengfa and the counterparty of the relevant transaction provided by Hengfa; (ii) the credit period; and (iii) the guarantee by Binhai UCD and Binhai CAT.

Hengfa is directly owned as to 100% by Binhai UCD.

Binhai UCD and Binhai CAT are indirectly beneficially owned as to 100% by Binhai County People's Government, with independent management and operation.

6. New Cooperative Grain Factoring Agreement

Date : 8 September 2025

Parties : (1) New Cooperative Grain (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, New Cooperative Grain and its ultimate beneficial owner are Independent Third Parties.)
(2) Yueda Commercial Factoring

Revolving Credit limit : RMB50,000,000 (equivalent to approximately HK\$57,164,000)

Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)

Guarantors : Sheyang State Owned Assets Investment Group Company Limited* (“**Sheyang SOA**”)(射陽國有資產投資集團有限公司) and Sheyang City Investment Development Company Limited* (“**Sheyang CID**”)(射陽縣城市投資發展有限責任公司)

Availability period of the : From 8 September 2025 to 7 September 2026
factoring facilities

The annual rate of return of the New Cooperative Grain Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of New Cooperative Grain and the counterparty of the relevant transaction provided by New Cooperative Grain; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Sheyang SOA and Sheyang CID.

LETTER FROM THE BOARD

New Cooperative Grain is directly owned as to (i) 60% by Jiangsu Sheyang Rice Group Company Limited* (江蘇射陽大米集團有限公司)(“**Sheyang Rice**”); (ii) approximately 25.7% by Sheyang County Supply and Marketing Cooperative* (射陽縣供銷合作總社) organised by Sheyang County People’s Government; and (iii) approximately 14.3% by Jiangsu Huinong Engineering Construction Company Limited* (江蘇省惠農工程建設有限公司)(“**Jiangsu Huinong**”).

Sheyang Rice is directly wholly owned by Sheyang CID, which is beneficially wholly owned by Sheyang County People’s Government with independent management and operation.

Jiangsu Huinong is directly owned as to approximately (i) 78% by China Supply and Marketing Huinong Services Company Limited* (中國供銷惠農服務有限公司) which is in turn beneficially wholly owned by All-China Federation of Supply and Marketing Cooperatives* (中華全國供銷合作總社), a joint organisation of national supply and marketing cooperatives under the leadership of the State Council of the PRC; and (ii) 22% by Jiangsu Suhe Investment and Operation Group Company Limited* (江蘇省蘇合投資運營集團有限公司) which is in turn directly wholly owned by Jiangsu Provincial Supply and Marketing Cooperative* (江蘇省供銷合作總社) organised by Jiangsu Provincial Government.

Sheyang SOA is beneficially owned as to 100% by Sheyang County People’s Government with independent management and operation.

7. Danhe Greening First Factoring Agreement

Date	:	3 December 2025
Parties	:	(1) Danhe Greening (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Danhe Greening and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB20,000,000 (equivalent to approximately HK\$22,866,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantors	:	Sheyang Danhe Cultural Tourism Industry Development Group Company Limited* (“ Sheyang Danhe ”)(射陽丹鶴文化旅遊產業發展集團有限公司) and Sheyang CID
Availability period of the factoring facilities	:	From 3 December 2025 to 9 December 2026

LETTER FROM THE BOARD

The annual rate of return of the Danhe Greening First Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Danhe Greening and the counterparty of the relevant transaction provided by Danhe Greening; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Sheyang Danhe and Sheyang CID.

Danhe Greening is beneficially wholly owned by Sheyang Danhe.

Sheyang Danhe and Sheyang CID are beneficially owned as to 100% by Sheyang County People's Government with independent management and operation.

8. Danhe Greening Second Factoring Agreement

Date	:	17 December 2025
Parties	:	(1) Danhe Greening (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Danhe Greening and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB60,000,000 (equivalent to approximately HK\$68,597,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 8.5%
Guarantors	:	Sheyang Danhe and Sheyang County Coastal Investment Company Limited* (“ Sheyang CCI ”)(射陽縣沿海投資有限公司)
Availability period of the factoring facilities	:	From 17 December 2025 to 18 June 2027

The annual rate of return of the Danhe Greening Second Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Danhe Greening and the counterparty of the relevant transaction provided by Danhe Greening; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Sheyang Danhe and Sheyang CCI.

Danhe Greening is beneficially wholly owned by Sheyang Danhe.

Sheyang Danhe and Sheyang CCI are beneficially owned as to 100% by Sheyang County People's Government with independent management and operation.

LETTER FROM THE BOARD

9. Yancheng Port Supply Chain Factoring Agreement

Date	:	19 December 2025
Parties	:	(1) Yancheng Port Supply Chain (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Port Supply Chain and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$57,164,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	6.0% – 6.2%
Guarantor	:	Yancheng Port
Availability period of the factoring facilities	:	From 19 December 2025 to 19 December 2026

The annual rate of return of the Yancheng Port Supply Chain Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Yancheng Port Supply Chain and the counterparty of the relevant transaction provided by Yancheng Port Supply Chain; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Yancheng Port.

Yancheng Port Supply Chain is beneficially owned as to 100% by Yancheng Port.

Yancheng Port is beneficially owned as to (i) 40.8% by Yancheng City People's Government with independent management and operation, (ii) 25.3% by Yancheng City Dafeng District People's Government with independent management and operation; (iii) 9.9% by Sheyang County People's Government with independent management and operation; (iv) 9.9% by Xiangshui County People's Government with independent management and operation; (v) 9.7% by Binhai County People's Government with independent management and operation; and (vi) 4.4% by Jiangsu Provincial Department of Finance.

LETTER FROM THE BOARD

10. Yancheng Port Development Factoring Agreement

Date	:	19 December 2025
Parties	:	(1) Yancheng Port Development (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Port Development and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$57,164,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	6.0% – 6.2%
Guarantor	:	Yancheng Port
Availability period of the factoring facilities	:	From 19 December 2025 to 19 December 2026

The annual rate of return of the Yancheng Port Development Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Yancheng Port Development and the counterparty of the relevant transaction provided by Yancheng Port Supply Chain; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Yancheng Port.

Yancheng Port Development is beneficially owned as to 100% by Yancheng Port.

Yancheng Port is beneficially owned as to (i) 40.8% by Yancheng City People's Government with independent management and operation, (ii) 25.3% by Yancheng City Dafeng District People's Government with independent management and operation; (iii) 9.9% by Sheyang County People's Government with independent management and operation; (iv) 9.9% by Xiangshui County People's Government with independent management and operation; (v) 9.7% by Binhai County People's Government with independent management and operation; and (vi) 4.4% by Jiangsu Provincial Department of Finance.

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11. Binhai ED Factoring Agreement

Date	:	19 December 2025
Parties	:	(1) Binhai ED (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Binhai ED and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB50,000,000 (equivalent to approximately HK\$57,164,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% to 9%
Guarantors	:	Binhai THG
Availability period of the factoring facilities	:	From 19 December 2025 to 23 December 2026

The annual rate of return of the Binhai ED Factoring Agreement is determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Binhai ED and the counterparty of the relevant transaction provided by Binhai ED; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee by Binhai THG.

Binhai ED is directly owned as to 100% by Jiangsu Binhai Economic Development Zone Industrial Park Service Center* (江蘇濱海經濟開發區工業園服務中心) (“**Binhai EDZIP Service Center**”).

Binhai EDZIP Service Center is organised by Jiangsu Binhai Economic Development Zone Industrial Park* (江蘇濱海經濟開發區工業園) which is organised by Binhai County People's Government.

Binhai THG is beneficially owned as to 96.98% by Binhai County People's Government with independent management and operation.

LETTER FROM THE BOARD

12. Binhai Chijin Reverse Factoring Agreement

Date	:	9 January 2026
Parties	:	(1) Binhai Chijin (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Binhai Chijin and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB43,000,000 (equivalent to approximately HK\$49,161,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8.2%
Guarantor	:	Binhai CAT
Availability period of the factoring facilities	:	From 9 January 2026 to 9 January 2027

The annual rate of return of the Binhai Chijin Reverse Factoring Agreement was determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Binhai Chijin and the counterparty of the relevant transaction provided by Binhai Chijin; (ii) the credit period; and (iii) the guarantee provided by Binhai CAT.

Binhai Chijin is indirectly beneficially owned as to 100% by Binhai County State-owned Assets Operation and Service Center* (濱海縣國有資產經營服務中心).

Binhai CAT is indirectly beneficially owned as to 100% by Binhai County People's Government, with independent management and operations.

13. Jiangsu Huating Factoring Agreement

Date	:	9 January 2026
Parties	:	(1) Jiangsu Huating (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiangsu Huating and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB40,000,000 (equivalent to approximately HK\$45,731,000)

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Annual rate of return : 8% – 9%
(composed of interest
rate and factoring
administration fees)

Guarantor : Yancheng UCI

Availability period of the : From 9 January 2026 to 28 February 2028
factoring facilities

The annual rate of return of the Jiangsu Huating Factoring Agreement was determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Jiangsu Huating and the counterparty of the relevant transaction provided by Jiangsu Huating; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee provided by Yancheng UCI.

Jiangsu Huating is directly owned as to 100% by Yancheng UCI.

Yancheng UCI is directly owned as to 100% by Yancheng City People's Government with independent management and operations.

14. Jiangsu Runzhou Reverse Factoring Agreement

Date : 9 January 2026

Parties : (1) Jiangsu Runzhou (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiangsu Runzhou and its ultimate beneficial owner are Independent Third Parties.)
(2) Yueda Commercial Factoring

Revolving Credit limit : RMB33,000,000 (equivalent to approximately HK\$37,728,000)

Annual rate of return : 8% – 9%
(composed of interest
rate and factoring
administration fees)

Guarantor : Funing ADG

Availability period of the : From 9 January 2026 to 28 February 2028
factoring facilities

The annual rate of return of the Jiangsu Runzhou Reverse Factoring Agreement was determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Jiangsu Runzhou and the counterparty of the relevant transaction provided by Jiangsu Runzhou; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee provided by Funing ADG.

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Jiangsu Runzhou is indirectly beneficially wholly owned by Funing County People's Government with independent management and operations.

Funing ADG is beneficially wholly owned by Funing County People's Government with independent management and operations.

15. Xiangshui Water Reverse Factoring Agreement

Date	:	9 January 2026
Parties	:	(1) Xiangshui Water (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Xiangshui Water and its ultimate beneficial owner are Independent Third Parties.) (2) Yueda Commercial Factoring
Revolving Credit limit	:	RMB40,000,000 (equivalent to approximately HK\$45,731,000)
Annual rate of return (composed of interest rate and factoring administration fees)	:	8% – 9%
Guarantor	:	Xiangshui Guanjiang
Availability period of the factoring facilities	:	From 9 January 2026 to 28 February 2028

The annual rate of return of the Xiangshui Water Reverse Factoring Agreement was determined by the parties through arm's length negotiation taking into account: (i) the credit rating of Xiangshui Water and the counterparty of the relevant transaction provided by Xiangshui Water; (ii) the credit period; (iii) the factoring is with recourse; and (iv) the guarantee provided by Xiangshui Guanjiang.

Xiangshui Water and Xiangshui Guanjiang are indirectly beneficially owned as to 100% by Xiangshui County People's Government, with independent management and operations.

INFORMATION ON THE PARTIES TO FACTORING AGREEMENTS

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.

Chendu Construction is a company established in the PRC and is principally engaged in the business of construction engineering.

Hengtai Port is a company established in the PRC and is principally engaged in the business of port operation.

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Xiangshui Chengqi is a company established in the PRC and is principally engaged in the business of construction engineering.

Runfu Water is a company established in the PRC and is principally engaged in the business of construction engineering.

Hengfa is a company established in the PRC and is principally engaged in the business of property development.

New Cooperative Grain is a company established in the PRC and is principally engaged in the sales of grain.

Danhe Greening is a company established in the PRC and is principally engaged in the business of municipal construction.

Yancheng Port Supply Chain is a company established in the PRC and is principally engaged in the business of import and export.

Yancheng Port Development is a company established in the PRC and is principally engaged in the business of port operations.

Binhai ED is a company established in the PRC and is principally engaged in the business of the construction projects.

Binhai Chijin is a company established in the PRC and is principally engaged in the business of construction projects.

Jiangsu Huating is a company established in the PRC and is principally engaged in the business of construction engineering.

Jiangsu Runzhou is a company established in the PRC and is principally engaged in the business of landscaping projects.

Xiangshui Water is a company established in the PRC and is principally engaged in the business of water conservancy and waterway engineering.

ACCOUNTS RECEIVABLE SERVICES AND PRICING POLICY

The Company provides accounts receivable services of both factoring and reverse factoring. Factoring refers to the provision of factoring credit limits to certain suppliers with strong credit ratings, together with factoring services based on their accounts receivables, which represent amounts due to such suppliers for supply of goods and services. Reverse factoring, on the other hand, involves granting reverse factoring credit limits to customers with strong credit ratings, together with factoring services based on their accounts payables, which represent amounts payable by such customers for the purchase of goods and services to be paid by these customers.

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In practice, there is no material difference in the financing process between factoring and reverse factoring. Under both arrangements, suppliers transfer the accounts receivables to the Company, the Company pays the suppliers on behalf of the customers, and the customers subsequently repay the Company upon maturity of the financing. The only distinction lies in the role of the applicant. Since the Company provides the revolving credit limits to Hengtai Port, Hengfa, Binhai Chijin, Jiangsu Runzhou and Xiangshui Water, which apply for the credit limit in order to settle their accounts payables to its suppliers in course of operations, the Hengtai Port Reverse Factoring Agreement, the Hengfa Reverse Factoring Agreement, the Binhai Chijin Reverse Factoring Agreement, the Jiangsu Runzhou Reverse Factoring Agreement and the Xiangshui Water Reverse Factoring Agreement are all reverse factoring in nature.

The general pricing policy of the Company is based on the assessment of the factors including the credit rating of the factoror, the factoree and the guarantor, the quality of the accounts receivables or securities, structure of the transaction, tenure, repayment schedule, conditions precedent, expected bad debt ratio, fulfilment of obligations of factoror and factoree under commercial contracts, and events and amounts of default. The final internal rate of return is determined by the actual borrowing cost of the Company in the market, plus a margin ranging from 250 to 450 basis points, with the specific margin depending on the assessment factors above.

COMMITMENTS UNDER THE FACTORING AGREEMENTS

According to the Factoring Agreements, Yueda Commercial Factoring has granted revolving factoring financing credit limits to the relevant Parties which may or may not be utilised by the Parties. Yueda Commercial Factoring has the sole discretion to decide whether to approve the Parties' applications 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 revolving credit limit. In assessing whether to approve the Parties' factoring financing applications, Yueda Commercial Factoring will review a number of factors including the latest credit rating of the Parties, the counterparty of the relevant transaction provided by the Parties and guarantor under Factoring Agreements, the quality of the accounts receivable or securities, structure of the transaction, tenure, repayment schedule, conditions precedent, expected bad debt ratio, fulfilment of obligations of factoror and factoree under commercial contracts, events and amounts of default and whether the Group has sufficient source of funds for granting the financing and the costs of the funds.

The Company expects that the factoring financing under the Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring financing.

FINANCIAL EFFECT OF THE FACTORING AGREEMENTS

Taking into account the interest and factoring administration fee income which could be derived from the factoring receivables as contemplated under the Factoring Agreements and that the interest and factoring administration fee income from the Parties would cover all necessary expense, the Company expects to have positive effect on its earnings and earnings per share for the Shareholders.

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The Company expects that the factoring receivables under the Factoring Agreements will be funded by the internal resources of the Group, possible external financing obtained by the Group, the factoring assets provided by the customers and the money repaid by the customers of the Group to whom the Group provided factoring services. Any utilised factoring financing credit limits under the Factoring Agreements will be recorded as factoring receivables in the Group's consolidated financial statements, whereas there will be no impact on the Group's consolidated financial statements for any unutilised factoring financing credit limits thereunder. Save for the aforesaid, there would be no material effect on the Group's assets and liabilities as a result of the transactions contemplated under the Factoring Agreements.

REASONS FOR AND BENEFITS OF THE FACTORING AGREEMENTS

The Group is principally engaged in factoring related business in the PRC. The Directors consider that the Factoring Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Given that the Factoring Agreements are 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 the Parties, the Directors are of the view that the terms of and the Factoring Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Parties and their respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the transactions under the Factoring Agreements 1 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. (i) Danhe Greening is a party to both the Danhe Greening First Factoring Agreement and the Danhe Greening Second Factoring Agreement; and (ii) Sheyang CID is a guarantor to both the Danhe Greening First Factoring Agreement and the New Cooperative Grain Factoring Agreement), the transactions contemplated under the Factoring Agreements 1 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the transactions under the Factoring Agreements 2 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Yancheng Port is the guarantor to both the Yancheng Port Supply Chain Factoring Agreement and the Yancheng Port Development Factoring Agreement), the transactions contemplated under the Factoring Agreements 2 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

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As the transactions under the Factoring Agreements 3 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Binhai THG is a guarantor to both the Binhai ED Factoring Agreement and the Hengtai Port Reverse Factoring Agreement), the transactions contemplated under the Factoring Agreements 3 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the transactions under the Factoring Agreements 4 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Binhai CAT is a guarantor to all of the Binhai Chijin Reverse Factoring Agreement, Hengtai Port Reverse Factoring Agreement and the Hengfa Reverse Factoring Agreement), the transactions contemplated under the Factoring Agreements 4 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the transactions under the Factoring Agreements 5 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Yancheng UCI is a guarantor to both the Jiangsu Huating Factoring Agreement and the Chendu Construction Factoring Agreement), the transactions contemplated under the Factoring Agreements 5 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the transactions under the Factoring Agreements 6 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Funing ADG is a guarantor to both the Jiangsu Runzhou Reverse Factoring Agreement and the Runfu Water Factoring Agreement), the transactions contemplated under the Factoring Agreements 6 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the transactions under the Factoring Agreements 7 are entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period or represent amounts that remained outstanding under agreements with such connected or associated parties (i.e. Xiangshui Guanjiang is a guarantor to both the Xiangshui Water Reverse Factoring Agreement and the Xiangshui Chengqi Reverse Factoring Agreement), the transactions contemplated under the Factoring Agreements 7 and such outstanding amounts are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

For the purpose of such aggregation, any outstanding amounts under agreements with the same party or with parties connected or otherwise associated with one another are also aggregated.

As the highest applicable percentage ratio (as calculated under Rule 14.07 of the Listing Rules) in relation to each of the Factoring Agreements 1, Factoring Agreements 2, Factoring Agreements 3, Factoring Agreements 4, Factoring Agreements 5, Factoring Agreements 6 and Factoring Agreements 7 when aggregated respectively, is more than 25% but less than 100%, the entering into of each of the Factoring Agreements 1, Factoring Agreements 2, Factoring Agreements 3, Factoring Agreements 4, Factoring Agreements 5, Factoring Agreements 6 and Factoring Agreements 7 respectively constitute as major transactions of the Company under the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Under the revised basis of aggregation, (i) the Dafeng Harbour Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 19 December 2024; (ii) the Yanxi Jingxuan First Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 25 December 2024; (iii) the Yancheng Lianyang Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 26 March 2025; (iv) the Yile Trading Reverse Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 27 March 2025; (v) the Yancheng Guannan Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 30 July 2025; (vi) the Xingang Construction Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 30 September 2025; (vii) the Yanxi Jingxuan Second Factoring Agreement, details of which have been disclosed in the announcement of the Company dated 25 December 2025; (viii) the Xingzhou Jiayuan Factoring Agreement; (ix) the Haiying Tengfei Factoring Agreement; and (x) the Xiangshui Port Development Reverse Factoring Agreement, details of each of which have been disclosed in the announcement of the Company dated 9 January 2026, have been reclassified. Whereas they were previously treated as major transactions, they are now regarded as discloseable transactions under the Listing Rules, whether considered on a standalone basis or aggregated with other factoring agreements involving the same counterparty or guarantor.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Factoring Agreements and the transactions contemplated thereunder; and (ii) 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 Factoring Agreements 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 Factoring Agreements and the transactions contemplated thereunder. As of the Latest Practicable Date, Yueda Capital (HK) Limited, holding 608,311,000 Shares, representing 52.05% of the issued share capital of the Company, has provided written shareholder's approvals (as recommended by the Directors) on the Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

* For identification purposes only

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The published consolidated financial statements, together with the accompanying notes, of the Group for each of the three years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 were set out in the Company's annual reports for the each of three years ended 31 December 2023, 2024 and 2025 and the Company's interim report for the six months ended 30 June 2025, respectively, which can be accessed on the website of the Stock Exchange:

Annual report of the Company for the year ended 31 December 2023 dated 20 March 2024 (pages 71 to 127)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024041801165.pdf>

Annual report of the Company for the year ended 31 December 2024 dated 20 March 2025 (pages 74 to 133)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0417/2025041700453.pdf>

Annual report of the Company for the year ended 31 December 2025 dated 20 March 2026 (pages 117 to 199)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0416/2026041601566.pdf>

Interim report of the Company for the six months ended 30 June 2025 dated 31 July 2025 (pages 4 to 19)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0821/2025082100318.pdf>

2. INDEBTEDNESS

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of this circular, the Group has total outstanding borrowings of approximately RMB614.0 million, comprising unsecured and unguaranteed amounts due to related parties of approximately RMB245.3 million, bank and other borrowings of approximately RMB87.6 million which are secured by Group's factoring receivables and guaranteed by Jiangsu Yue Da; unsecured bank and other borrowings of approximately RMB100 million which are guaranteed by Jiangsu Yue Da; and obligations arising from asset-backed financing arrangements with principal amount of approximately RMB181.1 million in aggregate, which are secured by the Group's factoring receivables and its obligations payable to the priority tranches which are guaranteed by Jiangsu Yue Da.

As at 31 March 2026, the Group has outstanding lease payments not yet paid for the remainder of the lease terms amounting to approximately RMB0.9 million which are secured by the Group's rental deposits and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 March 2026, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, other outstanding mortgages, charges, bank overdrafts, loans or other similar indebtedness, lease obligations, liabilities under acceptance or acceptance credits, hire purchase commitments, guarantees or any material contingent liabilities.

3. WORKING CAPITAL STATEMENT

After taking into account (i) the effect of the transactions contemplated under the Factoring Agreements; and (ii) the Group's presently available financial resources, including internally generated funds from operation and available facilities of the Group, the Directors after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date of which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group will focus on the factoring business and other business with prospects for the Group in the future. We will actively expand the customer base. The Directors endeavour to seek more opportunities in the finance industry and other businesses with prospects to diversify the Group's existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(a) Directors' Interests in Shares, Underlying Shares and Debentures or any Associated Corporation of the Company

As at the Latest Practicable Date, the interests of each Director and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO)), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of ordinary Shares <i>(Note i)</i>	Approximate percentage of issued share capital of the Company <i>(Note iii)</i>
Mr. Ji Hulin	Beneficial owner	166,666 (L)	0.01%
Mr. Xue Zhicheng	Deemed interest	650,000 (L) <i>(Note ii)</i>	0.06%
Mr. Hu Huaimin	Beneficial owner	2,424,666 (L)	0.21%

Notes:

- (i) The letter "L" represents the Director's long position in the ordinary shares of the Company.
- (ii) The spouse of Mr. Xue Zhicheng, Ms. Mu Rongrong, holds 650,000 shares of the Company. By virtue of Part XV of the SFO, Mr. Xue Zhicheng is deemed to be interested in the abovementioned 650,000 shares of the Company.
- (iii) The percentage of issued share capital of the Company is calculated by reference to 1,168,626,516 shares in issue as at the Latest Practicable Date.

Other than as disclosed above, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations as at the Latest Practicable Date.

(b) Controlling and Substantial Shareholders' and Other Persons' Interests

The register of controlling and substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that as at the Latest Practicable Date, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Name	Capacity	Number of issued ordinary Share (Note i)	Approximate percentage of issued share capital of the Company (Note ii)
Yue Da HK	Beneficial owner	208,976,333 (L)	17.88%
Yueda Capital (HK) Limited	Beneficial owner	608,311,000 (L)	52.05%
Yueda Capital Company Limited (Note iii)	Interest of a controlled corporation	608,311,000 (L)	52.05%
Jiangsu Yue Da (Note iii)	Interest of a controlled corporation	817,290,333 (L)	69.94%

Notes:

- (i) The letter "L" represents the Director's long position in the ordinary shares of the Company.
- (ii) The percentage of issued share capital of the Company is calculated by reference to 1,168,626,516 shares in issue as at the Latest Practicable Date.
- (iii) Jiangsu Yue Da holds 100% interests in Yue Da HK and 61.03% interests in Yueda Capital Company Limited which holds 100% interest in Yueda Capital (HK) Limited and is accordingly deemed to be interested in the shares of the Company beneficially owned by Yue Da HK and Yueda Capital (HK) Limited under the SFO.

Other than as disclosed above, the Company has not been notified of any other persons who as at the Latest Practicable Date, had interests of 5% or more in any shares or underlying shares of the Company.

(c) Other Directors' Interest

As at the date of the Latest Practicable Date, the following Directors were also a director or an employee of the following companies, each of which had or was deemed to have an interest or short position in the shares or underlying shares in respect of equity derivatives of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of substantial shareholder of the Company	Position in substantial shareholder of the Company
Mr. Ji Hulin	Yueda Capital Company Limited	Member of the party committee and deputy general manager

Name of Director	Name of substantial shareholder of the Company	Position in substantial shareholder of the Company
Mr. Xue Zhicheng	Yueda Capital Company Limited	Deputy secretary of the party committee, vice chairman and general manager
Mr. Pan Mingfeng	Yueda Capital Company Limited	Assistance to general manager
Mr. Yan Bingde	Yue Da HK	Member of the party committee and deputy general manager

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The term of office of each of the non-executive Directors and the independent non-executive Directors is the period up to his retirement by rotation as required by the Company's articles of association.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (i) none of the Directors had any interests, direct or indirect, in any assets which have been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete either directly or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

6. MATERIAL CONTRACTS

No contract (not being a contract entered into in the ordinary course of business) has been entered into by the member of the Group within two years immediately preceding the date of this circular and are or may be material.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, there were no litigations or claims of material importance pending or threatened against any member of the Group which was known to the Directors.

8. DOCUMENTS ON DISPLAY

A copy of each of the Factoring Agreements will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yueda.com.hk) for a period of 14 days from the date of this circular.

9. MISCELLANEOUS

- (i) The head office and principal place of business of the Company in Hong Kong is located at Office nos. 3321-3323 and 3325, 33/F, China Merchants Tower, Shun Tak Centre, No. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.
- (ii) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (iii) The Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) The company secretary of the Company is Mr. Cheng Man Hung who is a fellow member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (v) The English text of this circular shall prevail over the Chinese text.