YUE DA INTERNATIONAL HOLDINGS LIMITED
悅達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Yue Da International Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Current Period**"), together with the comparative figures for the six months ended 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		Six months ended	
		30.6.2026	30.6.2025
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	3		
Income from traditional factoring business		**37,270**	25,578
Income from communications factoring business		**1,228**	6,678
		38,498	32,256
Other income		**49**	44
Other losses, net	4	**(148)**	(1,090)
(Recognition of) reversal of impairment losses under expected credit losses model, net		**(94)**	1,137
Guarantee and service fees for communications factoring business		**(619)**	(1,046)
Staff costs		**(4,347)**	(2,846)
Depreciation expenses		**(361)**	(355)
Other expenses		**(2,528)**	(1,899)
Finance costs	5	**(4,926)**	(2,280)
Profit before tax	6	**25,524**	23,921
Income tax expenses	7	**(9,654)**	(8,568)
Profit and total comprehensive income for the period attributable to owners of the Company		**15,870**	15,353
Earnings per share			
– Basic and diluted	8	**RMB1.36 cents**	RMB1.31 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	**30.6.2026** *RMB'000* **(unaudited)**	31.12.2025 *RMB'000* (audited)
Non-current Assets			
Property, plant and equipment		**651**	50
Right-of-use assets		**473**	996
Deferred tax assets		**508**	485
Factoring receivables and other assets	10	**237,809**	308,439
		239,441	309,970
Current Assets			
Factoring receivables and other assets	10	**674,561**	460,571
Amounts due from related parties		**9,976**	10,066
Cash and cash equivalents		**86,909**	55,332
		771,446	525,969
Current Liabilities			
Accruals and other payables	11	**8,280**	8,833
Amounts due to related parties		**215,577**	75,439
Amounts due to directors		**–**	337
Income tax payable		**4,787**	3,622
Bank and other borrowings		**120,000**	117,600
Obligations arising from asset-backed financing arrangements	12	**126,626**	70,479
Lease liabilities		**487**	718
		475,757	277,028
Net Current Assets		**295,689**	248,941
Total Assets Less Current Liabilities		**535,130**	558,911

	NOTE	30.6.2026 RMB'000 (unaudited)	31.12.2025 RMB'000 (audited)
Capital and Reserves			
Share capital		**105,965**	105,965
Reserves		**361,610**	351,331
Equity Attributable to Owners of the Company		**467,575**	457,296
Non-current Liabilities			
Obligations arising from asset-backed financing arrangements	12	**51,428**	87,373
Lease liabilities		**–**	300
Deferred tax liabilities		**16,127**	13,942
		67,555	101,615
		535,130	558,911
Net Assets		**467,575**	457,296

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "**Interim Financial Reporting**" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") ("**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the preparation of condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

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:

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income from traditional factoring business	**37,270**	25,578
Income from communications factoring business	**1,228**	6,678
	38,498	32,256

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.

4. OTHER LOSSES, NET

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange gains (losses)	**3**	(86)
Loss on remeasurement of financial guarantee contracts	**(157)**	(1,004)
Gain on early termination of lease	**6**	–
	(148)	(1,090)

5. FINANCE COSTS

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank and other borrowings	**2,760**	2,245
Interest on obligations arising from asset-backed financing arrangements	**2,142**	–
Interest on lease liabilities	**24**	35
	4,926	2,280

6. PROFIT BEFORE TAX

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

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**31**	2
Depreciation of right-of-use assets	**330**	353
Interest income from bank deposits (included in other income)	**(35)**	(44)

7. INCOME TAX EXPENSES

	Six months ended 30.6.2026 *RMB'000* (unaudited)	30.6.2025 *RMB'000* (unaudited)
Current tax		
– People's Republic of China (the "**PRC**") Enterprise Income tax ("**EIT**")	**7,481**	6,600
– Under/(over) provision in prior years – PRC EIT	**11**	(157)
	7,492	6,443
Deferred tax	**2,162**	2,125
	9,654	8,568

8. EARNINGS PER SHARE

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

	Six months ended 30.6.2026 *RMB'000* (unaudited)	30.6.2025 *RMB'000* (unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**15,870**	15,353

	Six months ended 30.6.2026 *Number*	30.6.2025 *Number*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,168,626,516**	1,168,626,516

No diluted earnings per share for both periods were presented as there were no potential ordinary shares in issue during both periods.

9. DIVIDENDS

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2025 final dividend of 0.55 HK cent per ordinary share (six months ended 30 June 2025: 0.46 HK cent)	**5,591**	4,926

The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2026.

10. FACTORING RECEIVABLES AND OTHER ASSETS

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Factoring receivables:		
Traditional factoring business	**908,766**	759,942
Communications factoring business	**2,578**	7,237
	911,344	767,179
Reimbursement assets	**78**	235
Other receivables and prepayments	**948**	1,596
	912,370	769,010
Analysed as:		
Current portion	**674,561**	460,571
Non-current portion	**237,809**	308,439
	912,370	769,010

11. ACCRUALS AND OTHER PAYABLES

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accrued staff costs	**2,114**	2,563
Other payables and accrued charges	**6,166**	6,270
	8,280	8,833

12. OBLIGATIONS ARISING FROM ASSET-BACKED FINANCING ARRANGEMENTS

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
The carrying amounts of the above obligations are repayable:		
Within one year	**126,626**	70,479
More than one year but less than two years	**51,428**	87,373
	178,054	157,852

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 fellow subsidiaries 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 30 June 2026 and 31 December 2025, the priority tranches of the SPVs are still not fully settled. The Group has not subscribed any subordinated tranches and could not exercise control over the SPVs thus the SPVs are not consolidated.

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 30 June 2026, RMB181,895,000 (31 December 2025: RMB168,124,000) of the Group's traditional factoring receivables relate to these Financing Arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The factoring operations of the Group (the "**Factoring Operations**") recorded an operating revenue of RMB38,498,000 for the Current Period (the six months ended 30 June 2025 (the "**Previous Period**"): RMB32,256,000). The profit and total comprehensive income attributable to owners of the Company increased from RMB15,353,000 for the Previous Period to RMB15,870,000 for the Current Period and basic earnings per share increased from RMB1.31 cents for the Previous Period to RMB1.36 cents for the Current Period.

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.

INTERIM DIVIDEND

The Board of the Company does not recommend the payment of any interim dividend during the Current Period.

BUSINESS REVIEW

Overview

The Group is principally engaged in Factoring Operations. During the Current Period, the factoring related business (the "**Factoring Operations**") realised an operating revenue of RMB38,498,000 (the Previous Period: RMB32,256,000).

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		Interest income Six months ended		Service income Six months ended		Management fee income Six months ended	
	30.6.2026	31.12.2025	**30.6.2026**	30.6.2025	**30.6.2026**	30.6.2025	**30.6.2026**	30.6.2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Traditional Factoring	**908,320**	759,500	**37,270**	25,503	**–**	–	**–**	75
Communications Factoring	**2,662**	7,490	**–**	–	**1,228**	6,678	**–**	–
	910,982	766,990	**37,270**	25,503	**1,228**	6,678	**–**	75

Total average rate of return for the Current Period is 9.2% (the Previous Period: 9.7%).

Traditional Factoring

As at 30 June 2026, under Traditional Factoring business, total principal financing receivables amounted to approximately RMB908,320,000 (31 December 2025: RMB759,500,000), and recorded interest income and management fee income of approximately RMB37,270,000 (the Previous Period: RMB25,503,000) and nil (the Previous Period: RMB75,000) respectively during the Current Period.

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 30 June 2026, the Factoring Operations has approximately 13 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 income payments with comprehensive rates of return ranging from approximately 7.4% 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, including the Chairman, the General Manager 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 RMB908,320,000 as at 30 June 2026 (31 December 2025: RMB759,500,000), were not past due. As at 30 June 2026, all of the Traditional Factoring receivables are secured by receivables from the customers amounting to approximately RMB1,155,768,000 (31 December 2025: RMB988,183,000). 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 30 June 2026 and 31 December 2025:

	Gross principal financing receivables		**%**		**Number of customers**	
	30.06.2026	31.12.2025	**30.06.2026**	31.12.2025	**30.06.2026**	31.12.2025
	RMB'000	*RMB'000*				
Wholesale of building materials	**–**	50,000	**–**	6.6	**–**	1
Municipal construction	**70,000**	80,000	**7.7**	10.5	**1**	1
Sales of grain	**50,000**	50,000	**5.5**	6.6	**1**	1
Engineering construction	**788,320**	579,500	**86.8**	76.3	**19**	13
	908,320	759,500	**100.0**	100.0	**21**	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 Period, under the Communications Factoring business, service fee income of approximately RMB1,228,000 (the Previous Period: RMB6,678,000) is recorded. As at 30 June 2026, there were approximately 12,000 End Customers (as defined below) (31 December 2025: 36,000) with outstanding gross financing receivables with the Group in an aggregate amount of approximately RMB2,662,000 (31 December 2025: RMB7,490,000), of which nil (31 December 2025: RMB245,000) is fully secured by bank deposits from individual customers and approximately RMB2,662,000 (31 December 2025: RMB6,993,000) is guaranteed by guarantors. With the small amount of receivables (of approximately RMB30 to RMB700 (31 December 2025: RMB7.5 to RMB1,300)) 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 30 June 2026 and 31 December 2025 were as follows:

	Traditional Factoring business		Communications Factoring business		Total	
	30.06.2026	31.12.2025	**30.06.2026**	31.12.2025	**30.06.2026**	31.12.2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Aged within one year	**713,320**	759,500	**–**	–	**713,320**	759,500
Aged over one year but within two years	**195,000**	–	**–**	7,488	**195,000**	7,488
Aged over two years	**–**	–	**2,662**	2	**2,662**	2
	908,320	759,500	**2,662**	7,490	**910,982**	766,990

Note: The outstanding balance as at 30 June 2026 and 31 December 2025 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 Period were as follows:

	12m ECL (not-credit impaired)		
	Traditional Factoring business	**Communications Factoring business**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2026	1,685	253	1,938
Recognition of (reversal of) impairment losses, net	263	(169)	94
As at 30 June 2026	1,948	84	2,032

The basis of impairment assessment of Traditional Factoring business

The Group adopts individual assessment in estimating ECL factoring receivables for the Traditional Factoring business. The credit loss 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 guarantees from third parties and getting payment guarantees. The settlement patterns of customers are regularly monitored by the Group. As at 30 June 2026, the expected loss rate for Traditional Factoring principal financing receivables of RMB908,320,000 (31 December 2025: RMB759,500,000) is approximately 0.21% (31 December 2025: 0.22%).

The basis of impairment assessment of Communications Factoring business

The Group adopts collective assessment in estimating ECL on factoring receivables for the 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 the Communications Factoring receivables which are assessed on a collective basis with 12m ECL. End Customers with gross principal financing receivables under 12m ECL amounted to an aggregate of approximately RMB2,662,000 as at 30 June 2026 (31 December 2025: RMB7,490,000).

	As at 30 June 2026		As at 31 December 2025	
Internal credit rating	**Average loss rate**	**Communications factoring receivables** *RMB'000*	Average loss rate	Communications factoring receivables *RMB'000*
Low risk	**3.11%**	**2,362**	3.36%	6,663
Watch list	**3.41%**	**300**	3.49%	827
		2,662		7,490

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 state-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. 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 the second half of 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.

FINANCIAL POSITION

Liquidity and Financial Resources

As at 30 June 2026, the Group's current assets were RMB771,446,000 (31 December 2025: RMB525,969,000), of which RMB86,909,000 (31 December 2025: RMB55,332,000) were cash and cash equivalents. As at 30 June 2026, the net asset value of the Group amounted to RMB467,575,000, representing an increase of approximately 2.2% as compared to RMB457,296,000 as at 31 December 2025. The gearing ratio (total liabilities/total assets) of the Group was approximately 53.7% (31 December 2025: 45.3%).

As at 30 June 2026, the share capital of the Company was RMB105,965,000 (31 December 2025: RMB105,965,000). The Group's reserves were RMB361,610,000 (31 December 2025: RMB351,331,000). As at 30 June 2026, the Group had total current liabilities of RMB475,757,000 (31 December 2025: RMB277,028,000), 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 RMB67,555,000 (31 December 2025: RMB101,615,000), which mainly represented obligations arising from asset-backed financing arrangements 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 the Financing Arrangements, which 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. Details of the Financing Arrangements are set out in Note 12 to the condensed consolidated financial statements.

As at 30 June 2026, bank and other borrowings and obligations arising from asset-backed financing arrangements amounted to RMB120,000,000 (31 December 2025: RMB117,600,000) and RMB178,054,000 (31 December 2025: RMB157,852,000) respectively. As at 30 June 2026, 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 Period, 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 RMB50,000,000 (31 December 2025: RMB73,500,000) in aggregate as at 30 June 2026 and the Group has the contractual obligations to transfer the cashflows relating to the Group's traditional factoring receivables of RMB181,895,000 as at 30 June 2026 (31 December 2025: RMB168,124,000) 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 30 June 2026 (31 December 2025: nil).

EVENTS AFTER THE CURRENT PERIOD

Appointment of Independent Non-Executive Director, the chairman of the Remuneration committee and a member of the Audit committee and Nomination committee

The Board is pleased to announce that, with effect from 14 August 2026, Dr. Wang Li was appointed as an independent non-executive Director of the Company, the chairman of the Remuneration committee and a member of the Audit committee and Nomination committee. She will hold office as an independent non-executive Director until the Company's first general meeting after her 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 14 August 2026.

Factoring Agreement

On 23 July 2026, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into a factoring agreement with Dongtai Houyao Urban Development Company Limited* (東台厚耀城市發展有限公司), 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 announcement dated 23 July 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 Period and up to the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of approximately 23 employees (who were located in Hong Kong and the PRC) (31 December 2025: 22), 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 Period, the Group provided various training courses on relevant business or skills for its management and staff at different levels.

* *For identification purposes only*

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 Period.

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 Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the Code save for the following deviation:

Code Provision B.3.5

Under Code Provision B.3.5 of the Code, every listed issuer must appoint at least one director of a different gender to the nomination committee. Following the retirement of Mr. Cheung Ting Kee ("**Mr. Cheung**") and Ms. Zhang Yan ("**Ms. Zhang**") at the annual general meeting of the Company held on 15 May 2026, the Company did not have any female directors on the Nomination Committee, which deviates from Code Provision B.3.5.

On 14 August 2026, Dr. Wang Li was appointed as an independent non-executive Director of the Company, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. With this appointment, the Company has resumed full compliance with the requirements under Code Provision B.3.5.

The Company will continue to periodically review and monitor its corporate governance practices to ensure that the requirements of the Code are satisfied.

All non-executive Directors are subject to retirement and rotation once every three years in accordance with the Company's Articles of Association.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10A, 3.21, 3.25, 3.27A AND 13.92(2) OF THE LISTING RULES

Upon the retirement of Mr. Cheung and Ms. Zhang on 15 May 2026, Mr. Cheung also ceased to be the Chairman of the Audit Committee, while Ms. Zhang also ceased to be the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. As a result, the Company became non-compliant with Rules 3.10(1), 3.10A, 3.21, 3.25, 3.27A and 13.92(2) (the "**Relevant Requirements**").

On 15 June 2026, Ms. Tang Lo Nar was appointed as an independent non-executive Director of the Company and as chairman of the Audit Committee. Notwithstanding this appointment, as at 30 June 2026, the Company continued to be non-compliant with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A.

Following the appointment of Dr. Wang Li on 14 August 2026 as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committees, the Company has rectified the non-compliance and is, as at the date of this announcement, in full compliance with the Relevant Requirements. For further details, please refer to the section headed "Events After the Current Period" above and the announcements of the Company dated 15 May 2026, 15 June 2026 and 14 August 2026.

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 Period.

AUDIT COMMITTEE

The Company's Audit Committee currently comprises Ms. Tang Lo Nar (Chairman of the Audit Committee, an independent non-executive Director), Dr. Liu Yongping (an independent non-executive Director) and Dr. Wang Li (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 of the Company, has reviewed the accounting principles and policies adopted by the Group, the unaudited interim results of the Group for the Current Period, and discussed matters relating to internal control and financial reporting with the management and is of the view that the unaudited interim 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 Dr. Wang Li (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), Dr. Liu Yongping (an independent non-executive Director) and Dr. Wang Li (an independent non-executive Director). Duties of the Nomination Committee include reviewing the Board composition and identifying and nominating candidates for appointment to the Board such that it has the relevant blend of skills, knowledge and experience.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

The Company's interim report for the six months ended 30 June 2026 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, 14 August 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 Director, Mr. Yan Bingde; and (c) as independent non-executive Directors, Dr. Liu Yongping, Ms. Tang Lo Nar and Dr. Wang Li.