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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS: TENANCY AGREEMENTS FOR OFFICE PREMISES AND STAFF QUARTER

Reference is made to the Company's announcement dated 30 June 2023 ("**Announcement**") in relation to, among others, the entering into by the Company of the 2022 Tenancy Agreements and the 2023 Tenancy Agreements which constituted continuing connected transactions for the Company. Terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

In addition to the information disclosed in the Announcement, the Company wishes to provide further information in relation to the 2023 Tenancy Agreements. This announcement is supplemental to and should be read in conjunction with the Announcement.

LISTING RULES IMPLICATIONS

The Company would like to clarify that the transactions under the 2023 Tenancy Agreements shall be classified as connected transactions of the Company instead of continuing connected transactions of the Company under the application of Hong Kong Financial Reporting Standard 16 ("**HKFRS 16**") issued by the Hong Kong Institute of Certified Public Accountants.

Pursuant to HKFRS 16, leases entered into by lessees will be recognised as right-of-use assets. Accordingly, the 2023 Tenancy Agreements will be treated as a one-off acquisition of the right-of-use assets by the Group.

The transactions under the 2023 Tenancy Agreements should be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1)(a) and Rule 14A.24(1) of the Listing Rules. The value of the right-of-use assets recognised by the Company under the 2023 Tenancy Agreements is approximately HK\$4,805,000, which is the present value of aggregated rental payments throughout the lease term under the 2023 Tenancy Agreements.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate value of the right-of-use assets under the 2023 Tenancy Agreements exceeds 5% but is less than 25% and the aggregate value of the right-of-use assets is less than HK\$10,000,000, pursuant to Rule 14A.76(2)(b) of the Listing Rules, the 2023 Tenancy Agreements remain subject to announcement and reporting requirements only and are exempt from independent shareholders' approval under Chapter 14A of the Listing Rules. Furthermore, as the 2023 Tenancy Agreements are now regarded as acquisition of assets, the annual cap and annual review requirements under Chapter 14A of the Listing Rules are no longer applicable.

Further, as the highest applicable percentage ratio in respect of the aggregate value of the right-of-use assets recognised by the Group under the 2023 Tenancy Agreements exceeds 5% but is less than 25%, the recognition of the right-of-use assets under 2023 Tenancy Agreements constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Save for the information stated above, all the information in the Announcement remains unchanged.

By Order of the Board of
Yue Da International Holdings Limited
Pan Mingfeng
Executive Director

Hong Kong, 7 July 2023

As the date of this announcement, the Board comprises the following members: (a) as non-executive Directors, Mr. Liu Debing, Mr. Li Biao, Mr. Hu Huaimin and Mr. Yu Guangshan; (b) as executive Directors, Mr. Pan Mingfeng and Mr. Wu Shengquan; and (c) as independent non-executive Directors, Dr. Liu Yongping and Mr. Cheung Ting Kee.