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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 TRANSACTION REVERSE FACTORING AGREEMENTS**

#### **REVERSE FACTORING AGREEMENTS**

The Board hereby announces that on 15 September 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into reverse factoring agreements separately with Yancheng Huanghai and Funing Fuhai (the “**Reverse 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 reverse revolving factoring financing credit limits to Yancheng Huanghai and Funing Fuhai (the “**Parties**” and “**Party**” means any of them).

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the (i) Yancheng Huanghai Reverse Factoring Agreement and (ii) Funing Fuhai Reverse Factoring Agreement respectively is more than 25% but less than 100%, the entering into of the Reverse Factoring Agreements constitutes major transactions respectively for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders’ approval requirements under the Listing Rules.

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

Pursuant to Rule 14.44 of the Listing Rules, Shareholders’ approval of the Reverse Factoring Agreements may be given by way of written Shareholders’ approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Reverse Factoring Agreements and the transactions contemplated thereunder; and (2) the written Shareholders’ approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Reverse Factoring 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 Reverse Factoring Agreements and the transactions contemplated thereunder. As of the date of the announcement, Yueda Capital (HK) Limited, holding 600,000,000 Shares, representing 51.34% of the issued share capital of the Company, has provided written shareholder's approvals on the Reverse Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, details of the Reverse Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 9 October 2023.

## **REVERSE FACTORING AGREEMENTS**

The Board hereby announces that on 15 September 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Reverse Factoring Agreements, pursuant to which Yueda Commercial Factoring agreed to provide Accounts Receivable Services and granted reverse revolving factoring financing credit limits to the Parties and the Parties are entitled to apply for accounts receivables transfer and factoring services. If the Party needs financing facility from Yueda Commercial Factoring, it will make an application for factoring services. If the credit assessment is to the satisfaction of Yueda Commercial Factoring, Yueda Commercial Factoring will grant the factoring financing within the reverse revolving factoring financing credit limits.

The principal terms of the Reverse Factoring Agreements entered into between the Company and the Parties are set out below:

### **A. Yancheng Huanghai Reverse Factoring Agreement**

|  |   |   |
|--|---|---|
| Date   | : | 15 September 2023   |
| Parties  | : | (1) Yancheng Huanghai (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Huanghai and its ultimate beneficial owner are Independent Third Parties.)<br><br>(2) Yueda Commercial Factoring |
| Revolving Credit limit   | : | RMB50,000,000 (equivalent to approximately HK\$54,520,000)  |
| Annual rate of return<br>(composed of interest rate and factoring administration fees) | : | 8% to 9%  |

Guarantor : Yancheng Shengzhou Group Company Limited (“**Yancheng SG**”) (鹽城盛州集團有限公司)

Availability period of the factoring facilities : From 15 September 2023 to 14 September 2024

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

Yancheng SG directly wholly owns Yancheng Huanghai.

Yancheng SG is beneficially owned as to 100% by Yandu District People’s Government with independent management and operation.

## **B. Funing Fuhai Reverse Factoring Agreement**

Date : 15 September 2023

Parties : (1) Funing Fuhai (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Funing Fuhai and its ultimate beneficial owner are Independent Third Parties.)

(2) Yueda Commercial Factoring

Revolving Credit limit : RMB50,000,000 (equivalent to approximately HK\$54,520,000)

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

Guarantors : Funing Chengfa Holding Group Company Limited (“**Funing CHG**”) (阜寧縣城發控股集團有限公司) and Jiangsu Kaiyuan Investment Development Company Limited (“**Jiangsu Kaiyuan**”) (江蘇開源投資集團有限公司)

Availability period of the factoring facilities : From 15 September 2023 to 14 September 2024

The annual rate of return of the Funing Fuhai Reverse Factoring Agreement is determined by the parties through arm’s length negotiation taking into account: (i) the credit rating of Funing Fuhai; (ii) the credit period; and (iii) the guarantee by Funing CHG and Jiangsu Kaiyuan.

Funing CHG indirectly wholly owns Funing Fuhai.

Funing CHG and Jiangsu Kaiyuan are beneficially owned as to 100% by Funing County People’s Government with independent management and operation.

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

Yancheng Huanghai is a company established in the PRC and is principally engaged in the new energy project development and construction.

Funing Fuhai is a company established in the PRC and is principally engaged in the engineering construction.

## **REASONS FOR AND BENEFITS OF THE REVERSE FACTORING AGREEMENTS**

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

Given that the Reverse 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 the Reverse Factoring Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the (i) Yancheng Huanghai Reverse Factoring Agreement, and (ii) Funing Fuhai Reverse Factoring Agreement respectively is more than 25% but less than 100%, the entering into of the Reverse Factoring Agreements constitutes major transactions respectively for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Reverse Factoring Agreements may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Reverse Factoring Agreements and the transactions contemplated thereunder; and (2) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Reverse Factoring 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 Reverse Factoring Agreements and the transactions contemplated thereunder. As of the date of the announcement, Yueda Capital (HK) Limited, holding 600,000,000 Shares, representing 51.34% of the issued share capital of the Company, has provided written shareholder's approvals on the Reverse Factoring Agreements and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Reverse Factoring Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

## GENERAL

A circular, containing among other things, details of the Reverse Factoring Agreements and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 9 October 2023.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

|  |   |
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| “Board”                                    | the board of Directors of the Company   |
| “Company”                                  | Yue Da International Holdings Limited, a company incorporated with limited liability in the Cayman Islands, whose Shares are listed on the of the Stock Exchange  |
| “connected person(s)”                      | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”                              | the director(s) of the Company  |
| “Funing Fuhai”                             | Funing Fuhai Construction Development Company Limited (阜寧阜海建設發展有限公司), a company established in the PRC, which is principally engaged in the engineering construction  |
| “Funing Fuhai Reverse Factoring Agreement” | the reverse factoring agreement dated 15 September 2023 entered into between Yueda Commercial Factoring and Funing Fuhai  |
| “Group”                                    | the Company and its subsidiaries  |
| “HK\$”                                     | Hong Kong Dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                                | The Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)”             | the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company |
| “Listing Rules”                            | the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited  |
| “PRC”                                      | the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan   |
| “RMB”                                      | Renminbi, the lawful currency of the PRC  |

|   |   |
|---|---|
| “Shareholders”                                  | the holders of Shares   |
| “Shares”  | ordinary share(s) having a par value of HK\$0.1 each in the capital of the Company  |
| “Stock Exchange”                                | The Stock Exchange of Hong Kong Limited   |
| “subsidiary(ies)”                               | has the meaning ascribed to it under the Listing Rules  |
| “Yancheng Huanghai”                             | Yancheng Huanghai New Energy Development and Operation Company Limited (鹽城黃海新能源開發運營有限公司), a company established in the PRC, which is principally engaged in the new energy project development and construction |
| “Yancheng Huanghai Reverse Factoring Agreement” | the reverse factoring agreement dated 15 September 2023 entered into between Yueda Commercial Factoring and Yancheng Huanghai   |
| “Yueda Commercial Factoring”                    | Yueda (Shenzhen) Commercial Factoring Co., Ltd., a company established in the PRC and a subsidiary of the Group, which principal business is, among other things, commercial factoring                          |
| “%”   | per cent  |

By order of the Board  
**Yue Da International Holdings Limited**  
**Pan Mingfeng**  
*Executive Directors*

Hong Kong, 15 September 2023

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

*Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.0904 and is for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*