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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 – REVERSE 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 4 to 11 of this circular.

This circular will remain on the Stock Exchange's website at www.hkexnews.hk and, in the case of this circular, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This circular will also be published on the Company's website at www.yueda.com.hk.

25 October 2023

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DEFINITIONS

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

“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
“Jiangsu Yue Da”	Jiangsu Yue Da Group Company Limited, a substantial shareholder of the Company interested in 100% interests in Yue Da HK and deemed interested in 69.22% 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

DEFINITIONS

“Latest Practicable Date”	19 October 2023, 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
“Parties”	Yancheng Huanghai, Funing Fuhai and Yancheng Dongfang
“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
“Reverse Factoring Agreements”	collectively, Yancheng Huanghai Reverse Factoring Agreement, Funing Fuhai Reverse Factoring Agreement and Yancheng Dongfang Reverse Factoring Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“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
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yancheng Dongfang”	Yancheng Dongfang Construction Investment Company Limited (鹽城東方建設投資股份有限公司), a company established in the PRC, which is principally engaged in the business of various engineering construction
“Yancheng Dongfang Reverse Factoring Agreement”	the reverse factoring agreement dated 20 September 2023 entered into between Yueda Commercial Factoring and Yancheng Dongfang

DEFINITIONS

“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
“YDRE”	Yueda Real Estate Group Company Limited (悅達地產集團有限公司), which is held as to approximately 66.36% by Yue Da HK, a directly wholly-owned subsidiary of Jiangsu Yue Da
“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 is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

Unless otherwise stated, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.0903 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.

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. Pan Mingfeng
Mr. Wu Shengquan

Non-executive Directors

Mr. Liu Debing
Mr. Li Biao
Mr. Hu Huaimin
Mr. Yu Guangshan

Independent non-executive Directors

Dr. Liu Yongping
Mr. Cheung Ting Kee
Ms. Zhang Yan

Registered Office

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Sheung Wan
Hong Kong

25 October 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS – REVERSE FACTORING AGREEMENTS

INTRODUCTION

References are made to the announcements of the Company dated 15 September 2023 and 20 September 2023 in relation to the entering into of the Reverse Factoring Agreements.

On 15 September 2023, Yueda Commercial Factoring, an indirect wholly owned subsidiary of the Company, entered into Yancheng Huanghai Reverse Factoring Agreement and Funing Fuhai Reverse Factoring Agreement, 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 revolving reverse factoring financing credit limits to Yancheng Huanghai and Funing Fuhai.

LETTER FROM THE BOARD

On 20 September 2023, Yueda Commercial Factoring, entered into Yancheng Dongfang Reverse Factoring Agreement, pursuant to which Yueda Commercial Factoring agreed to provide the Accounts Receivable Services and granted revolving reverse factoring financing credit limits to Yancheng Dongfang.

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.) (2) Yueda Commercial Factoring
Revolving Credit limit	: RMB50,000,000 (equivalent to approximately HK\$54,515,000)
Annual rate of return	: 8% to 9% (composed of interest rate and factoring administration fees)
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.

LETTER FROM THE BOARD

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\$54,515,000)
- Annual rate of return : 8% to 9%
(composed of interest rate and factoring administration fees)
- Guarantor : 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.

LETTER FROM THE BOARD

C. Yancheng Dongfang Reverse Factoring Agreement

- Date : 20 September 2023
- Parties : (1) Yancheng Dongfang (To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yancheng Dongfang and its ultimate beneficial owners (save as YDRE and its ultimate beneficial owner) are Independent Third Parties.)
- (2) Yueda Commercial Factoring
- Revolving Credit limit : RMB50,000,000 (equivalent to approximately HK\$54,515,000)
- Annual rate of return : 7.8% to 8.2%
(composed of interest rate and factoring administration fees)
- Guarantors : Yancheng Dongfang Investment and Development Group Company Limited (“**Yancheng Dongfang ID**”)(鹽城東方投資開發集團有限公司)
- Availability period of the factoring facilities : From 1 November 2023 to 31 October 2024

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

Yancheng Dongfang is held as to approximately 74.99% by Yancheng Dongfang ID, 12.33% by YDRE, 12.18% by ICBC Financial Asset Investment Company Limited (工銀金融資產投資有限公司) and 0.5% by Yancheng Dongfang Property Management Limited (鹽城市東方物業管理有限公司).

Yancheng Dongfang ID is beneficially owned as to 100% by Yancheng City People’s Government with independent management and operation.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES TO 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.

Yancheng Dongfang is a company established in the PRC and is principally engaged in the business of various engineering construction.

ACCOUNTS RECEIVABLE SERVICES AND PRICING POLICY

The Company provides accounts receivable services of both factoring and reverse factoring. Factoring means provision of factoring credit limit to suppliers with high credit rating, and to provide factoring services based on the accounts receivables, which represent the amounts for supply of goods and services to be received by these suppliers. Reverse Factoring means provision of reverse factoring limit to customers with high credit rating, and to provide factoring services based on the accounts payables, which represent the amounts for purchase of goods and services to be paid by these customers. There is no material difference between factoring and reverse factoring in the process of granting factoring financing, where suppliers transfer the accounts receivables to the Company, the Company pays on behalf of the customers to the suppliers and the customers repay the Company upon maturity of the factoring financing. The only difference is the identity of applicants. Since the Company provides the revolving credit limit to Yancheng Huanghai, Funing Fuhai and Yancheng Dongfang, who will apply for the credit limit to settle the accounts payables to be its suppliers in the operations, the Reverse Factoring Agreements are reverse factoring in nature.

LETTER FROM THE BOARD

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 point, and such margin is based on the assessment factors above.

COMMITMENTS UNDER THE REVERSE FACTORING AGREEMENTS

According to the Reverse 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 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 Reverse 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 REVERSE FACTORING AGREEMENTS

Taking into account the interest and factoring administration fee income which could be derived from the factoring receivables as contemplated under the Reverse 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.

The Company expects that the factoring receivables under the Reverse 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. 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 Reverse Factoring Agreements.

LETTER FROM THE BOARD

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 and the Reverse 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 highest applicable percentage ratio as calculated under Rule 14.07 of the Listing Rules in relation to each of the (i) Yancheng Huanghai Reverse Factoring Agreement, (ii) Funing Fuhai Reverse Factoring Agreement and (iii) Yancheng Dongfang Reverse Factoring Agreement respectively is more than 25% but less than 100%, the entering into 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 (i) 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 (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 Reverse Factoring Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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.

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
Pan Mingfeng
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three years ended 31 December 2020, 2021 and 2022 were set out in the Company's annual reports for the each of three years ended 31 December 2020, 2021 and 2022, which can be accessed on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0414/2021041401420.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0413/2022041300468.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600305.pdf>

2. INDEBTEDNESS

As at the close of business on 31 August 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has total outstanding borrowings of approximately RMB348.6 million, comprising unsecured and unguaranteed amounts due to related parties of approximately RMB74.2 million; bank and other borrowings of approximately RMB95.0 million which are secured by Group's factoring receivables and guaranteed by Jiangsu Yue Da; and obligations arising from asset-backed financing arrangements with principal amount of approximately RMB179.4 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 August 2023, the Group has outstanding lease payments not yet paid for the remainder of the lease terms amounting to approximately RMB4.9 million in aggregate, comprising approximately HK\$0.4 million (equivalent to approximately RMB0.4 million) and approximately RMB0.4 million, which are secured by the Group's rental deposits and unguaranteed; and approximately HK\$4.5 million (equivalent to approximately RMB4.1 million) which are unsecured 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 August 2023, 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, guarantees or any material contingent liabilities.

3. WORKING CAPITAL STATEMENT

After taking into account (i) the effect of the transactions contemplated under the Reverse 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 has sufficient working capital for its requirements, that is for at least the next twelve months from the date of publication of this circular.

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 2022, 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 and will explore business opportunities in the area of communications factoring. 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 (Note i)	Approximate percentage of issued share capital of the Company (Note ii)
Mr. Hu Huaimin	Beneficial owner	2,209,666 (L)	0.19%
Mr. Li Biao	Beneficial owner	690,640 (L)	0.06%

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.

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' Interest

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	600,000,000 (L)	51.34%
Yueda Capital Company Limited (Note iii)	Interest of a controlled corporation	600,000,000 (L)	51.34%
Jiangsu Yue Da (Note iii)	Interest of a controlled corporation	808,976,333 (L)	69.22%

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. Liu Debing	Yueda Capital (HK) Limited	Director
	Yueda Capital Company Limited	Director
Mr. Li Biao	Yue Da HK	Director
Mr. Yu Guangshan	Yueda Capital Company Limited	Director

3. 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 2022 (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) have 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 AVAILABLE FOR DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yueda.com.hk) from the date of this circular up to 14 days thereafter:

- (i) the Reverse Factoring Agreements;
- (ii) the memorandum and articles of association of the Company;
- (iii) the annual reports of the Company for each of the three years ended 31 December 2022; and
- (iv) 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, Hong Kong Registrars Limited, is located at 17M 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.