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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)

CONNECTED TRANSACTION – EARLY TERMINATION OF 2023 TENANCY AGREEMENTS

This announcement is made pursuant to Rule 14A.35 of the Listing Rules.

Reference is made to the announcements dated 30 June 2023 and 7 July 2023 (the “**Announcements**”) of Yue Da International Holdings Limited (the “**Company**”) in relation to connected transactions relating to the 2022 Tenancy Agreements and the 2023 Tenancy Agreements. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

EARLY TERMINATION OF 2023 TENANCY AGREEMENTS

The Board hereby announces that on 29 February 2024 (after trading hours), the Company as tenant and Yue Da HK as landlord entered into a termination agreement, pursuant to which the parties agreed to terminate the 2023 Tenancy Agreements (the “**Termination Agreement**”).

Pursuant to the Termination Agreement, the 2023 Tenancy Agreements shall be terminated with effect from the date of the Termination Agreement and the parties agreed to unconditionally and absolutely release and discharge each other from all present and future obligations and liabilities, actual and contingent, known or unknown, anticipated or unanticipated, suspected or unsuspected, which arise out of or relate to, directly or indirectly, under the 2023 Tenancy Agreements and the parties shall have no claims against each other relating to the 2023 Tenancy Agreements.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

Due to the resources reallocation of the Company, the Company decided that the 2023 Tenancy Agreements should be early terminated.

In view that no compensation is payable by the Group for the early termination of the 2023 Tenancy Agreements, the Directors (including the independent non-executive Directors) consider that the Termination Agreement is entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Termination Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE TERMINATION AGREEMENT

Pursuant to HKFRS 16, the Company has recognised a right-of-use asset in respect of the 2023 Tenancy Agreements, which was measured at the present value of the total base rent payable in the term of the 2023 Tenancy Agreements, discounted using an incremental borrowing rate and is depreciated over the term less accumulated impairment loss. As at the date of this announcement, the carrying amount of right-of-use asset and its lease liabilities in respect of the 2023 Tenancy Agreements is approximately HK\$2,669,000 and HK\$2,723,000 respectively.

It is estimated that the Company will record a profit before taxation attributable to the owners of the Company of approximately HK\$54,000 from the entering into the Termination Agreements. Therefore, the entering into of the Termination Agreement will not result in any material impact to the financial position of the Company.

INFORMATION OF THE PARTIES TO THE TERMINATION AGREEMENT

The Company is an investment holding company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange. The Group is principally engaged in the provision of factoring, accounts receivable management and collection and factoring consultancy services.

Yue Da HK is a substantial shareholder of the Company and is ultimately wholly-owned by Jiangsu Yue Da Group Company Limited, a state-owned enterprise established in the PRC. The principal businesses of Yue Da HK include investment holding and trading of marketable securities. Yue Da HK is the registered owner of the STC Office and the Paterson Property.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company recognised the execution of the Termination Agreement as a disposal of right-of-use of assets in its consolidated statement of financial position, and the transactions contemplated thereunder shall be regarded as disposal 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 Company is owned as to 17.88% by Yue Da HK. Accordingly, Yue Da HK is a substantial shareholder of the Company and thus a connected person of the Company, and the entering into of the Termination Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Termination Agreement is less than 5% and the total consideration is less than HK\$3,000,000, the Termination Agreement and the transactions contemplated thereunder is fully exempt from the Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c) of the Listing Rules.

Mr. Li Biao (a non-executive Director and a director of Yue Da HK) abstained from voting on the relevant board resolution approving the Termination Agreement.

By Order of the Board
Yue Da International Holdings Limited
Wu Yinghua
Executive Director

Hong Kong, 29 February 2024

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

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