

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Yues International Holdings Group Limited

樂氏國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1529)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 AND DISCLOSEABLE TRANSACTIONS PROVISION OF FINANCIAL ASSISTANCE

FURTHER INFORMATION IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the 2022 Annual Report. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2022 Annual Report.

In addition to the information provided in Note 3.1(b) “Financial Risk Management — 3.1 Financial Risk Factors — (b) Credit Risk” and Note 17 “Trade and Other Receivables” to the consolidated financial statements in the 2022 Annual Report, the Board would like to provide the following supplementary information to the shareholders of the Company regarding the loan receivables.

Major terms of the loan receivables

As at 31 December 2022, the Group had total outstanding loan principal amounts of approximately RMB57.2 million (2021: Nil) which is in relation to 10 loans which comprised of 9 corporate loans and 1 individual loans. Among the 10 loans as at 31 December 2022, 2 loans with outstanding principal amounts of approximately RMB14.2 million will be matured before 31 December 2023, and 8 loans with outstanding principal amounts of approximately RMB43.0 million will be matured after 31 December 2023 and before 31 December 2024. The interest rate of the outstanding principal amounts of the loans ranged from approximately 5% to 12% per annum. As at 31 December 2022, all the loan receivables of the Group were unsecured.

Reasons for granting the loans

Since the outbreak of COVID-19 in 2020, the Group’s operation had been severely disrupted. During the year ended 31 December 2022, the overall operation of the Group gradually recovered but had yet to resume to the normal level as in the period before the pandemic. The Group had sought to identify investment opportunities for the idle cash to generate better return to its shareholders, but no suitable targets can be identified having

considered the then market uncertainty and the sluggish global economic recovery. In the circumstances, given that (i) the interest income to be generated from the idle cash; (ii) the interest rates of the loan transactions are generally higher than the then prevailing interest rate for short-term fixed deposit; (iii) the Group could continue to identify investment opportunities to generate better return to its shareholders upon repayment of the loan transactions; and (iv) having considered the working capital need and projections of the Group, the provision of the loan transactions would not affect the ordinary business operation of the Group, the entering into of the loan transactions are fair and reasonable, meet the Group's business strategy and in the interest of the Company and its shareholders as a whole.

Save as disclosed and amended above, all other information and contents in the 2022 Annual Report remain unchanged.

DISCLOSEABLE TRANSACTION INVOLVING PROVISION OF FINANCIAL ASSISTANCE

The provision of (i) Loan A1; (ii) Loan A2; (iii) Loan B1; and (iv) Loan B2 as aggregated, constituted a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

THE PROVISION OF LOAN A

Loan Agreement A1

On 20 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) as lender, entered into Loan Agreement A1 with Borrower A as borrower, pursuant to which Guangzhou World-Link agreed to provide Borrower A with Loan A1 in the principal amount of RMB3,000,000.

The principal terms of Loan Agreement A1 are set out below:

Date	:	20 October 2022
Lender	:	Guangzhou World-Link
Borrower	:	Borrower A
Principal loan amount	:	RMB3,000,000
Interest rate	:	5.5% per annum
Default interest rate	:	1% per month
Repayment date	:	Borrower A shall repay the principal amount and the interest accrued thereon on 19 October 2025
Security	:	Loan A1 was unsecured

Supplemental Agreement A1

On 31 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) and Borrower A entered into Supplemental Agreement A1, pursuant to which, (i) the repayment date of Loan Agreement A1 was amended from 19 October 2025 to 19 April 2024; (ii) the interest rate was increased from 5.5% per annum to 8% per annum; and (iii) the interest accrued shall be repaid every three months rather than repaid at the maturity date. Save as aforesaid, other terms in Loan Agreement A1 remained unchanged.

Loan Agreement A2

On 20 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) as lender, entered into Loan Agreement A2 with Borrower A as borrower, pursuant to which Guangzhou World-Link agreed to provide Borrower A with Loan A2 in the principal amount of RMB3,000,000.

The principal terms of Loan Agreement A2 are set out below:

Date	:	20 October 2022
Lender	:	Guangzhou World-Link
Borrower	:	Borrower A
Principal loan amount	:	RMB3,000,000
Interest rate	:	5.5% per annum
Default interest rate	:	1% per month
Repayment date	:	Borrower A shall repay the principal amount and the interest accrued thereon on 19 October 2025
Security	:	Loan A2 was unsecured

Supplemental Agreement A2

On 31 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) and Borrower A entered into Supplemental Agreement A2, pursuant to which, (i) the repayment date of Loan Agreement A2 was amended from 19 October 2025 to 19 April 2024; (ii) the interest rate was increased from 5.5% per annum to 8% per annum; and (iii) the interest accrued shall be repaid every three months rather than repaid at the maturity date. Save as aforesaid, other terms in Loan Agreement A2 remained unchanged.

THE PROVISION OF LOAN B

Loan Agreement B1

On 20 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) as lender, entered into Loan Agreement B1 with Borrower B as borrower, pursuant to which Guangzhou World-Link agreed to provide Borrower B with Loan B1 in the principal amount of RMB3,000,000.

The principal terms of Loan Agreement B1 are set out below:

Date	:	20 October 2022
Lender	:	Guangzhou World-Link
Borrower	:	Borrower B
Principal loan amount	:	RMB3,000,000
Interest rate	:	5.5% per annum
Default interest rate	:	1% per month
Repayment date	:	Borrower B shall repay the principal amount and the interest accrued thereon on 19 October 2025
Security	:	Loan B1 was unsecured

Supplemental Agreement B1

On 31 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) and Borrower B entered into Supplemental Agreement B1, pursuant to which, (i) the repayment date of Loan Agreement B1 was amended from 19 October 2025 to 19 April 2024; (ii) the interest rate was increased from 5.5% per annum to 8% per annum; and (iii) the interest accrued shall be repaid every three months rather than repaid at the maturity date. Save as aforesaid, other terms in Loan Agreement B1 remained unchanged.

Loan Agreement B2

On 20 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) as lender, entered into Loan Agreement B2 with Borrower B as borrower, pursuant to which Guangzhou World-Link agreed to provide Borrower B with Loan B2 in the principal amount of RMB4,000,000.

The principal terms of Loan Agreement B2 are set out below:

Date	:	20 October 2022
Lender	:	Guangzhou World-Link
Borrower	:	Borrower B
Principal loan amount	:	RMB4,000,000
Interest rate	:	5.5% per annum
Default interest rate	:	1% per month
Repayment date	:	Borrower B shall repay the principal amount and the interest accrued thereon on 19 October 2025
Security	:	Loan B2 was unsecured

Supplemental Agreement B2

On 31 October 2022, Guangzhou World-Link (an indirect wholly-owned subsidiary of the Company) and Borrower B entered into Supplemental Agreement B2, pursuant to which, (i) the repayment date of Loan Agreement B2 was amended from 19 October 2025 to 19 April 2024; (ii) the interest rate was increased from 5.5% per annum to 8% per annum; and (iii) the interest accrued shall be repaid every three months rather than repaid at the maturity date. Save as aforesaid, other terms in Loan Agreement B2 remained unchanged.

INFORMATION ON THE PARTIES

The Group

The Company is an investment holding company. The Group has four operating segments: transportation service segment principally providing supply chain logistics services; warehousing service segment principally providing warehousing of cargoes and warehouse management services; in-plant logistics service segment principally providing transportation of in-plant cargoes; and customization service segment principally providing labeling and bundling services.

Borrower A and Borrower B

Borrower A is a company established in the PRC with limited liability and is principally engaged in the provision of advertising and promotion service and solution. Based on the information provided by Borrower A and as at the date of Loan Agreements A and Supplemental Agreements A respectively, the equity interest of the Borrower A was owned as to 75% by 廣州卓航投資控股集團有限公司 (Guangzhou Zhuohang Investment Holdings Group Co., Ltd.[#]) and as to 25% by 廣州卓航企業管理有限公司 (Guangzhou Zhuohang Corporate Management Co., Ltd.[#]).

Borrower B is a company established in the PRC with limited liability and is principally engaged in the provision of tourism service. Based on the information provided by Borrower B and as at the date of Loan Agreements B and Supplemental Agreements B respectively, the equity interest of Borrower B was owned as to 75% by 廣州卓航投資控股集團有限公司 (Guangzhou Zhuohang Investment Holdings Group Co., Ltd.[#]) and as to 25% by Borrower A.

Based on the information provided by Borrower A and Borrower B and as at the date of Loan Agreements A and Loan Agreements B, and Supplemental Agreements A and Supplemental Agreements B respectively, (i) 廣州卓航投資控股集團有限公司 (Guangzhou Zhuohang Investment Holdings Group Co., Ltd.[#]) was ultimately owned as to approximately 36.68% by 賀建斌 (He Jianbin[#]); 28.05% by 林斯昊 (Lin Sihao[#]); 22.95% by 段穎 (Duan Ying[#]); 6.16% by 劉立楓 (Liu Lifeng[#]); and 6.16% by 俞琳 (Yu Lin[#]); and (ii) 廣州卓航企業管理有限公司 (Guangzhou Zhuohang Corporate Management Co., Ltd.[#]) is owned as to 60% by 姚志平 (Yao Zhiping[#]) and as to 40% by 葉偉傑 (Ye Weijie[#]).

To the best of Directors' knowledge, information and belief having made all reasonable enquiries, each of Borrower A, Borrower B and their respective ultimate beneficial owner(s) is independent third party.

REASONS FOR AND BENEFITS OF THE PROVISION OF LOAN A AND LOAN B

The terms of each of (i) Loan Agreements A and Supplemental Agreements A; and (ii) Loan Agreements B and Supplemental Agreements B, were arrived at by Guangzhou World-Link and Borrower A, and by Guangzhou World-Link and Borrower B, respectively, after arm's length negotiations on normal commercial terms and is financed through the Group's internal resources.

Since the outbreak of COVID-19 in 2020, the Group's operation had been severely disrupted. During the year ended 31 December 2022, the overall operation of the Group gradually recovered but had yet to resume to the normal level as in the period before the pandemic. The Group had sought to identify investment opportunities for the idle cash to generate better return to its shareholders, but no suitable targets can be identified having considered the then market uncertainty and the sluggish global economic recovery. In the circumstances, given that (i) the interest income to be generated from the idle cash; (ii) the interest rates of Loan A and Loan B are generally higher than the then prevailing interest rate for short-term fixed deposit; (iii) the Group could continue to identify investment

opportunities to generate better return to its shareholders upon repayment of Loan A and Loan B; and (iv) having considered the working capital need and projections of the Group, the provision of Loan A and Loan B would not affect the ordinary business operation of the Group, the Directors consider that the terms of each of (i) Loan Agreements A and Supplemental Agreements A; and (ii) Loan Agreements B and Supplemental Agreements B, are fair and reasonable and the provision of financial assistance to Borrower A and Borrower B are in the interest of the Company and its shareholders as a whole.

LISTING RULE IMPLICATIONS

Loan A1 and Loan A2

As Loan A1 and Loan A2 were both provided by Guangzhou World-Link to Borrower A, Loan A1 was aggregated with Loan A2. As each of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of Loan A1 and the Loan A2 as aggregated is less than 5%, the grant of Loan A1 and Loan A2 as aggregated does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Loan B1 and Loan B2

As Loan B1 and Loan B2 were both provided by Guangzhou World-Link to Borrower B, Loan B1 was aggregated with Loan B2. As each of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of Loan B1 and Loan B2 as aggregated is less than 5%, the grant of Loan B1 and Loan B2 as aggregated does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Given that both Borrower A and Borrower B was owned as to 75% by 廣州卓航投資控股集團有限公司 (Guangzhou Zhuohang Investment Holdings Group Co., Ltd.[#]) as at the date of Loan Agreements A and Loan Agreements B, and as at the date of Supplemental Agreements A and Supplemental Agreements B respectively, Loan A was aggregated with Loan B.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of Loan A and Loan B as aggregated is more than 5% but less than 25%, the grant of Loan A and Loan B as aggregated constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

However, due to the inadvertent mistake of the management of Guangzhou World-Link in the computation of the size tests, the provision of Loan A and Loan B had not been announced by the Company in a timely manner in accordance with the Listing Rules which constituted a non-compliance with Chapter 14 of the Listing Rules at the material time.

REMEDIAL ACTIONS

The Company regrets the omission of such disclosure and in order to avoid the occurrence of similar non-compliance with the Listing Rules in the future, the Company has/will implement(ed) the following measures and procedures:

1. the Directors have instructed the management of the Company to take all necessary measures to examine the existing loan portfolio of Guangzhou World-Link and the Group and to ensure that such loans are in full compliance with the Listing Rules;
2. the Company will arrange to (i) hold regular departmental meetings to monitor notifiable transactions, (ii) strengthen the reporting system between department heads and Directors, and (iii) provide more guidance materials and trainings on compliance matters to the Directors, senior management and the financial staff of the Group on a regular basis to increase their awareness and knowledge of the Listing Rules; and
3. the Company will work more closely with its legal advisers on the legal and Listing Rules compliance issues.

It is always the intention of the Company to fully comply with the Listing Rules. The Board and senior management of the Group are now fully aware of the relevant requirements under the Listing Rules and will ensure that the Company will comply with the relevant Listing Rules in order to avoid the recurrence of similar events in the future.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“2022 Annual Report”	the annual report of the Company for the year ended 31 December 2022
“Borrower A”	廣州旭景創意廣告有限公司 (Guangzhou Xujing Creative Advertising Co., Ltd. [#]), a company established in the PRC with limited liability and the borrower of Loan A
“Borrower B”	廣州旭景文化旅遊發展有限公司 (Guangzhou Xujing Cultural Tourism Development Co., Ltd. [#]), a company established in the PRC with limited liability and the borrower of Loan B
“Borrowers”	collectively, Borrower A and Borrower B
“Company”	Yues International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou World-Link”	廣州中聯環宇現代物流有限公司 (Guangzhou World-Link (China) Co. Limited [#]), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Group
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	collectively, Loan A1 and Loan A2
“Loan A1”	the loan with a principal amount of RMB3,000,000 granted by Guangzhou World-Link to Borrower A pursuant to Loan Agreement A1 (as amended and supplemented by Supplemental Agreement A1)
“Loan A2”	the loan with a principal amount of RMB3,000,000 granted by Guangzhou World-Link to Borrower A pursuant to Loan Agreement A2 (as amended and supplemented by Supplemental Agreement A2)
“Loan Agreement A1”	the loan agreement dated 20 October 2022 entered into between Guangzhou World-Link as the lender and Borrower A as the borrower of Loan A1
“Loan Agreement A2”	the loan agreement dated 20 October 2022 entered into between Guangzhou World-Link as the lender and Borrower A as the borrower of Loan A2
“Loan Agreement B1”	the loan agreement dated 20 October 2022 entered into between Guangzhou World-Link as the lender and Borrower B as the borrower of Loan B1
“Loan Agreement B2”	the loan agreement dated 20 October 2022 entered into between Guangzhou World-Link as the lender and Borrower B as the borrower of Loan B2
“Loan Agreements A”	collectively, Loan Agreement A1 and Loan Agreement A2

“Loan Agreements B”	collectively, Loan Agreement B1 and Loan Agreement B2
“Loan B”	collectively, Loan B1 and Loan B2
“Loan B1”	the loan with a principal amount of RMB3,000,000 granted by Guangzhou World-Link to Borrower B pursuant to Loan Agreement B1 (as amended and supplemented by Supplemental Agreement B1)
“Loan B2”	the loan with a principal amount of RMB4,000,000 granted by Guangzhou World-Link to Borrower B pursuant to Loan Agreement B2 (as amended and supplemented by Supplemental Agreement B2)
“Loans”	collectively, Loan A and Loan B
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement A1”	the supplemental agreement dated 31 October 2022 entered into between Guangzhou World-Link and Borrower A to amend and supplement Loan Agreement A1
“Supplemental Agreement A2”	the supplemental agreement dated 31 October 2022 entered into between Guangzhou World-Link and Borrower A to amend and supplement Loan Agreement A2
“Supplemental Agreement B1”	the supplemental agreement dated 31 October 2022 entered into between Guangzhou World-Link and Borrower B to amend and supplement Loan Agreement B1
“Supplemental Agreement B2”	the supplemental agreement dated 31 October 2022 entered into between Guangzhou World-Link and Borrower B to amend and supplement Loan Agreement B2
“Supplemental Agreements A”	collectively, Supplemental Agreement A1 and Supplemental Agreement A2
“Supplemental Agreements B”	collectively, Supplemental Agreement B1 and Supplemental Agreement B2

“%”

per cent

By order of the Board
Yues International Holdings Group Limited
Le Kang
Chairman

Hong Kong, 4 July 2023

As at the date of this announcement, the Board consists of five executive Directors, Mr. Le Kang, Mr. Li Jiahao, Mr. Li Jiali, Mr. Song Ruipeng and Mr. Du Yingyou; and four independent non-executive Directors, Mr. Yu Chun Man, Mr. Lau Wai Piu Patrick, Dr. Wang Yi and Mr. Chan Koon Yung.