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## **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)**

### **PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every ten (10) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM. As at the date of this announcement, there are 1,334,160,000 Existing Shares of par value HK\$0.01 each in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 133,416,000 Consolidated Shares will be in issue as fully paid or credited as fully paid.

#### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. It is proposed that, subject to and upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.16 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$3,200.

#### **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

A circular containing, among other matters, further details of the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before 17 October 2024.

**The Share Consolidation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## SHARE CONSOLIDATION

The Board proposes that every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value HK\$0.10 each.

### Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value HK\$0.01 each, of which 1,334,160,000 Existing Shares have been allotted and issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 1,000,000,000 Consolidated Shares of par value HK\$0.10 each, of which 133,416,000 Consolidated Shares will be in issue as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

### Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on 8 November 2024, being the second Business Day immediately following the date of the EGM.

## **Proposed Change in Board Lot Size**

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.16 per Existing Share (equivalent to the theoretical closing price of HK\$1.60 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$3,200.

## **Application for the listing of the Consolidated Shares**

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Adjustments to outstanding share options**

As at the date of this announcement, there are no outstanding options granted under the share scheme(s) of the Company.

The Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

## **OTHER ARRANGEMENTS**

### **Exchange of share certificates for the Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be on 8 November 2024, being the second Business Day immediately following the date of the EGM, Shareholders may between 9:00 a.m. and 4:30 p.m. on any Business Day during the period from 8 November 2024 to 16 December 2024 (both days inclusive), submit share certificates for the Existing Shares in blue colour to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange for new share certificates for the Consolidated Shares in green colour at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on 12 December 2024, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

### **Arrangement on odd lot trading**

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Entitlement of Fractional Consolidated Shares**

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Reasons for the Share Consolidation and the Change in Board Lot Size**

The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 (the "**Guide**") stated that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Shares are currently traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. It is proposed that the board lot size will be amended to 2,000 Consolidated Shares when the Shares Consolidation becomes effective. Based on the closing price of HK\$0.16 per Existing Share (equivalent to the theoretical closing price of HK\$1.60 per Consolidation Share) as quoted on the Stock Exchange as at the date of this announcement, the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$3,200.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will increase the board lot value of the Existing Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares and an increase in the net asset value per Share, the Board believes that the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of prospective investors, and therefore further broaden the shareholder base of the Company.

Furthermore, it is expected that the value of each board lot of the Consolidated Shares will substantially increase if the board lot size remains unchanged at 10,000 Shares. It is believed that the Change in Board Lot Size to 2,000 Consolidated Shares upon the Share Consolidation becoming effective would improve the liquidity of the Consolidated Shares.

The Company explores equity fund raising opportunities from time to time to replenishing its cash reserves and strengthen its financial position. The Company considers that it is desirable and necessary to comply with the trading requirements under the Listing Rules through the proposed Share Consolidation. The Company cannot rule out the possibility of issuing Shares to finance its acquisition and/or the conducting of fund-raising activities which involves the issue of Shares or other securities of the Company. The Company wishes to emphasize, however, that as at the date of this announcement, no binding agreement has been finalized as to any of these acquisition or fund-raising opportunities. Further announcement(s) will be made by the Company if any of these opportunities materialize as a result of which any disclosure obligation arises on the part of the Company. The Company has no current plans for any other corporate actions (such as share consolidation, subdivision or change in board lot size) which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next twelve months.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will not, by itself, alter the underlying assets, business operation, management or financial position of the Group or the proportionate interests or rights of the Shareholders. Accordingly, the Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

<b>Event</b>	<b>Date and time</b>
Despatch date of circular with notice of the EGM .....	on or before 17 October 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM .....	4:30 p.m. on 31 October 2024
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive).....	1 November 2024 to 6 November 2024
Latest date and time for lodging the proxy form for the EGM.....	2:00 p.m. on 4 November 2024
Record date for the EGM.....	6 November 2024
Date and time of the EGM.....	2:00 p.m. on 6 November 2024
Announcement of results of the EGM.....	6 November 2024
<b>The following events are conditional upon the results of the EGM and therefore the dates are tentative only:</b>	
Effective date of the Share Consolidation .....	8 November 2024
First day of free exchange of existing share certificates into new share certificates for Consolidated Shares .....	8 November 2024
Dealings in Consolidated Shares commence.....	9:00 a.m. on 8 November 2024
Original counter for trading in Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes .....	9:00 a.m. on 8 November 2024

<b>Event</b>	<b>Date and time</b>
Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on 8 November 2024
Original counter for trading in Consolidated Shares in board lot of 2,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens.....	9:00 a.m. on 22 November 2024
Parallel trading in the Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences.....	9:00 a.m. on 22 November 2024
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares.....	9:00 a.m. on 22 November 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares.....	4:00 p.m. on 12 December 2024
Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) closes.....	4:10 p.m. on 12 December 2024
Parallel trading in Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends.....	4:10 p.m. on 12 December 2024
Last day for free exchange of existing share certificates into new share certificates for Consolidated Shares.....	16 December 2024

## GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation. A circular containing, among other matters, further details of the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before 17 October 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

**The Share Consolidation is conditional upon the fulfilment of certain conditions set out herein. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 2,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	Yues International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Directors”	the director(s) of the Company



“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation and the matters contemplated thereunder
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be, whether issued or unissued
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.10 each
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 26 September 2024

*As at the date of this announcement, the Board consists of six executive Directors, Mr. Le Kang, Mr. Li Jiahao, Mr. Li Jiali, Mr. Du Yingyou, Mr. Li Zhigang and Ms. Liu Ping, and four independent non-executive Directors, Mr. Lau Wai Piu Patrick, Dr. Wang Yi, Mr. Chan Koon Yung and Mr. Zhang Yao.*