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If you have sold or transferred all your shares in Yues International Holdings Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST AND SHAREHOLDER'S LOAN IN A SUBSIDIARY; TERMINATION OF PUT OPTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the “**EGM**”) of Yues International Holdings Group Limited (the “**Company**”) to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Monday, 27 January 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible, but in any event not later than 48 hours before the time of the meeting or any adjourned meeting (as the case may be) to the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company. The completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof should you so wish.

10 January 2025

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DEFINITIONS

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

“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
“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
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of the Sale Interest from the Vendor to Purchaser I
“EGM”	an extraordinary general meeting of the Company to be convened and held to approve the SPA, the Loan Transfer Agreement and the Termination Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules
“Latest Practicable Date”	8 January 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Loan Transfer Agreement”	the sale and purchase agreement dated 20 December 2024 entered into between the Vendor, Purchaser II and the Target Company pursuant to which, Purchaser II shall acquire from the Vendor the Shareholder’s Loan in the principal amount of RMB7,500,000 at a consideration of RMB7,000,000
“Ms. Guo”	Ms. Guo Chonghui (郭崇慧), who owns 30% equity interest in the Target Company as at the Latest Practicable Date

DEFINITIONS

“Purchaser I”	Mr. Wang Haixi (王海曦), who owns 10% equity interest in the Target Company as at the Latest Practicable Date
“Purchaser II”	Guangzhou Fengyou Packaging Products Co., Ltd.* (廣州豐優包裝製品有限公司), a company incorporated in the PRC with limited liability
“Put Option”	the put option granted by Purchaser I to the Vendor under the 2023 Agreements, which allows the Vendor to request Purchaser I to repurchase the Sale Interest at nil consideration
“Sale Interest”	the 60% equity interest in the Target Company held by the Vendor as at the Latest Practicable Date
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Shareholder’s Loan”	shareholder’s loan owed by the Target Company to the Vendor in the principal amount of RMB7,500,000 and relevant interests
“SPA”	the sale and purchase agreement dated 20 December 2024 entered into between the Vendor, Purchaser I, Ms. Guo and the Target Company in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhongshan Haihui Technology Logistics (Group) Co., Ltd.* (中山海慧科企物流(集團)有限公司), a company established in the PRC with limited liability
“Target Group”	Target Company and its subsidiaries
“Termination Agreement”	the termination agreement dated 20 December 2024 entered into between the Vendor, Purchaser I and the Target Company in relation to the termination of the 2023 Agreements and the Put Option
“Vendor”	Guangdong Yues International Logistics Co., Ltd.* (廣東樂氏國際物流有限公司), a wholly-owned subsidiary of the Company

DEFINITIONS

“2023 Agreements”

the sale and purchase agreement and an amendment agreement entered between Purchaser I, the Vendor and the Target Company in respect of the sale and purchase of the Sale Interest from Purchaser I to the Vendor as well as the Put Option dated 31 July 2023 and 22 December 2023

* *For identification purposes only.*

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Le Kang (*Chairman*)
Mr. Li Zhigang (*Chief Executive Officer*)
Mr. Li Jiahao
Mr. Du Yingyou
Ms. Liu Ping

Registered Office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Independent non-executive Directors:

Mr. Lau Wai Piu Patrick
Dr. Wang Yi
Mr. Chan Koon Yung
Mr. Zhang Yao

Principal Place of Business:
Office C, 23rd Floor,
Centre Mark II,
305–313 Queen’s Road Central,
Hong Kong

10 January 2025

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTEREST AND
SHAREHOLDER’S LOAN IN A SUBSIDIARY
AND
TERMINATION OF PUT OPTION**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 20 December 2024 in relation to, among other matters, the SPA and the Disposal, the Loan Transfer Agreement and the Termination Agreement. The purpose of this circular is to provide you with more information on the SPA, the Loan Transfer Agreement and the Termination Agreement and the transactions contemplated thereunder and other information as required by the Listing Rules.

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2. THE SPA

On 20 December 2024, the Vendor, Purchaser I, Ms. Guo and the Target Company entered into the SPA pursuant to which Purchaser I has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Interest at a consideration of RMB1. After closing, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

The principal terms of the SPA are as follows:

- Date** : 20 December 2024
- Parties** : (i) the Vendor;
(ii) Purchaser I;
(iii) Ms. Guo; and
(iv) the Target Company.
- Subject matter** : The Vendor has conditionally agreed to sell, and Purchaser I has conditionally agreed to purchase, the Sale Interest, representing 60% issued share capital of the Target Company, subject to the terms and conditions of the SPA.
- Consideration** : RMB1, which is approximately RMB2,927,000 below the unaudited net asset value (including 60% net tangible asset attributable to the Group of approximately RMB1,400,000, goodwill of approximately RMB425,000, intangible assets of approximately RMB1,469,000 and deferred tax liabilities of approximately RMB367,000) of the Target Company as at 30 November 2024.
- Basis of consideration** : Pursuant to the terms of the 2023 Agreements, the Vendor has not paid any consideration to Purchaser I for the purchase of Sale Interest as at the Latest Practicable Date. As such, the consideration for the Disposal was set at RMB1. The payment obligation of the Group under the 2023 Agreements will be discharged upon completion of the Disposal.
- Conditions** : Closing of the SPA and the change of registrations and filings for the Target Company shall be conditional upon the following conditions being satisfied or waived (where applicable):
- (i) the SPA has come into effect;
 - (ii) the Loan Transfer Agreement has come into effect;

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(iii) the Stock Exchange has no further comment on the circular(s) to be issued by the Company as to the Disposal; and

(iv) the Disposal has been approved by the Shareholders.

Representation : Purchaser I agrees to fully cooperate with the Vendor and the Target Company to complete the transaction and undertakes to take control of the Target Company once the conditions of the SPA are met.

Right of first refusal : Ms. Guo agrees to waive her right of first refusal in respect of the Sale Interest.

3. LOAN TRANSFER AGREEMENT

As at the Latest Practicable Date, the Vendor has advanced the Shareholder's Loan in the principal amount of RMB7,500,000 to the Target Company. The annual interest rate of the Shareholder's Loan ranges from 5% to 10%. The total amount of interest incurred as of the Latest Practicable Date is approximately RMB648,000. On 20 December 2024, the Vendor, Purchaser II and the Target Company entered into the Loan Transfer Agreement pursuant to which, Purchaser II shall acquire from the Vendor the Shareholder's Loan at a consideration of RMB7,000,000.

The principal terms of the Loan Transfer Agreement are as follows:

Date : 20 December 2024

Parties : (i) the Vendor;
(ii) Purchaser II; and
(iii) the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Purchaser II and its ultimate beneficial owner(s) are independent third parties to the Group.

Subject matter : The Vendor has conditionally agreed to transfer, and Purchaser II has conditionally agreed to purchase the Shareholder's Loan subject to the terms and conditions of the Loan Transfer Agreement.

Consideration : RMB7,000,000, which shall be paid by Purchaser II to the Vendor within five Business Days after all the conditions set forth below have been satisfied.

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Above consideration is approximately RMB1,122,000 below the net book value of the Shareholder's Loan and interest receivable as of the Latest Practicable Date.

Basis of consideration

: The consideration was determined upon arm's length negotiations between the parties, taking into account the operational performance of the Target Company and the upcoming Disposal. An appropriate discount has been applied to the consideration, considering the difficulty and uncertainty of full recovery of the Shareholder's Loan.

The Shareholder's Loan matured on 6 February 2024 and 15 September 2024. Throughout the loan period and following its maturity, the Company has engaged in multiple discussions with the Target Company, but no concrete settlement or repayment plan has been reached. While the Board believes that the Target Company will eventually repay the Shareholder's Loan, full recovery of the loan amount may take some time. On the other hand, transferring the Shareholder's Loan to an independent third party, albeit at a discount, would facilitate an immediate repayment of approximately 93.3% of the principal amount, which would provide financial liquidity to support ongoing operations and address short-term financial needs of the Company.

Conditions

: Closing of the Loan Transfer Agreement, under which Purchaser II will become the new creditor of the Shareholder's Loan and will assume all rights associated with the Shareholder's Loan against the Target Company, shall be conditional upon the following conditions being satisfied or waived (where applicable):

- (i) the Loan Transfer Agreement has come into effect;
- (ii) the SPA has come into effect;
- (iii) the Stock Exchange has no further comment on the circular(s) to be issued by the Company as to the transfer of Shareholder's Loan; and
- (iv) the transfer of Shareholder's Loan has been approved by the Shareholders.

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4. TERMINATION AGREEMENT

On 20 December 2024, the Vendor, Purchaser I and the Target Company entered into the Termination Agreement pursuant to which all the parties to the Termination Agreement have agreed to terminate the 2023 Agreements and the Put Option, effective upon the following conditions being satisfied or waived (where applicable), at nil consideration:

- (i) the Termination Agreement has been duly signed by the parties;
- (ii) the SPA has come into effect;
- (iii) the change of registrations and filings for the Target Company in respect of the Disposal has been completed;
- (iv) the Loan Transfer Agreement has come into effect;
- (v) the Stock Exchange has no further comment on the circular(s) to be issued by the Company as to the Disposal and transfer of Shareholder's Loan; and
- (vi) the Disposal and the transfer of Shareholder's Loan have approved by the Shareholders.

5. INFORMATION OF PARTIES

The Company is an investment holding company and together with its subsidiaries are principally engaged in the provision of transportation, warehousing, in-plant logistics and customisation services. The Vendor is a wholly owned subsidiary of the Company.

The Target Company was established in the PRC on 8 April 2010 with limited liability. As at the Latest Practicable Date, the Target Company is owned as to 60% by the Vendor, 30% by Ms. Guo and 10% by Purchaser I. The Target Group is principally engaged in freight forwarding; freight loading and unloading; domestic trade agency; the non-vessel operating common carriers (NVOCC) business; international freight forwarding; general cargo storage services; packaging services; packing services for transported cargoes; storage equipment leasing services; international freight forwarding by land; road cargo terminal operation; road cargo transportation; international road cargo transportation; import and export of goods, etc.

Purchaser II is a company incorporated in PRC with limited liability and is principally engaged in sales of packaging materials and products. Purchaser II is owned as to 80% by Yan Huixiang (鄢惠香) and 20% by Zhou Xueping (周雪平). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Purchaser II and its ultimate beneficial owner(s) are independent third parties to the Group.

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6. FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the key unaudited financial information of the Target Group for the two financial years ended 31 December 2022 and 2023:

	For the year ended 31 December	
	2022	2023
	RMB	RMB
	(Unaudited)	(Unaudited)
	(Approximately)	(Approximately)
Profit before taxation	2,589,000	1,080,000
Profit after taxation	2,575,000	689,000

As at 31 December 2023, the unaudited net asset value of the Target Group was approximately RMB12,165,000. As at 30 November 2024, the unaudited net asset value of the Target Group was approximately RMB2,333,000.

7. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The management is of the view that the Disposal and termination of the 2023 Agreements as well as the Put Option will allow the Group to focus on core strategic areas, reduce exposure to market risks, thereby enhancing the operational efficiency of the Group. Due to the highly fragmented and competitive nature of the logistics market in China, especially in the road transport sector, the Target Company faces significant market pressure and has not demonstrated the expected level of synergy with the Group. As a result, the transactions contemplated under the SPA and Termination Agreement will allow the Group to deconsolidate the Target Group ahead of schedule, which will optimize the Group's gearing structure and overall profitability.

The consideration for the Termination Agreement (through the Company returning the 60% interest in the Target Company to the Vendor) will be the same as in the event the Target Company is unable to meet the performance targets stipulated in the SPA (being the Guaranteed Revenue and Guaranteed Profit as defined in the Company's announcement dated 31 July 2023), as in both cases the Company will be returning the said 60% interest to the Vendor without any payment to or from the Vendor. The Company's intention to return the said 60% interest to the Vendor is based on the lack of synergy between the Target Company and the Group, among other factors as explained in the preceding paragraph, which is regardless of whether the Vendor is a connected person or an independent third party. As such, considering that the consideration moving from or to the Company under the Termination Agreement would be the same as compared to (a) where the Target Company shall be unable to meet the performance targets stipulated in the SPA and (b) where the Vendor is an independent third party, and that the Company expects any such termination with an independent third party as vendor would not involve commercial terms more favorable to the Company compared to the Termination Agreement, the Company believes that the Termination Agreement is on normal commercial terms or better under the Listing Rules.

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The assignment of the Shareholder's Loan will mitigate the risk of financial loss and enable quicker recovery of funds. Full recovery of the Shareholder's Loan may be uncertain after the Target Company ceases to be a subsidiary of the Group upon completion of the Disposal. The assignment of the Shareholder's Loan will provide the Group with immediate access to cash, helping to maintain financial stability.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the SPA, the Loan Transfer Agreement and the Termination Agreement were determined after arm's length negotiation, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the Latest Practicable Date, none of the Directors has any material interests in the SPA, the Loan Transfer Agreement or the Termination Agreement or shall abstain from voting in respect of the relevant resolution.

8. FINANCIAL EFFECT ARISING FROM THE TRANSACTIONS

Earnings

Based on the currently available information, the Group expects to record unaudited gain of approximately RMB3,545,000 upon completion of the Disposal and the transactions contemplated under the Loan Transfer Agreement and the Termination Agreement (the "**Completion**"). This unaudited gain is estimated based on the total proceeds from the transactions, plus reversal of contingent consideration payable of approximately RMB8,115,000, minus the unaudited net asset value attributable to the Target Group as of 30 November 2024, the carrying amount of the Shareholder's Loan and interest receivable as of the Latest Practicable Date of approximately RMB2,927,000, RMB7,500,000 and RMB648,000, respectively, and after deducting relevant expenses and taxes of approximately RMB495,000. The actual loss/profit is subject to audit and therefore may be different from the amount mentioned above.

After completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and the Group will not hold any interest in the Target Group. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Assets and liabilities

Based on the estimated gain of approximately RMB3,545,000 expected to be recorded by the Group upon Completion, the Group's estimated net asset value is expected to increase by approximately RMB3,545,000. Consequently, the estimated total assets of the Group are expected to be decreased by approximately RMB78,918,000 after Completion, while the estimated total comprehensive liabilities are expected to be decreased by approximately RMB82,463,000. The actual amount is subject to audit and therefore may be different from the amount mentioned above.

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The proceeds from the Disposal and the assignment of the Shareholder's Loan are estimated to be RMB7,000,001 and are expected to be used for investing in the development of the healthcare sector and/or for the general working capital of the Group.

9. LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the SPA, the Loan Transfer Agreement and the Termination Agreement exceeds 25% but is less than 75%, the SPA, the Loan Transfer Agreement and the Termination Agreement constitute major transaction for the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Target Company, a non-wholly owned subsidiary of the Group, is 30% owned by Ms. Guo and 10% by Purchaser I. Accordingly, each of Ms. Guo and Purchaser I is a substantial shareholder of the Target Company and a connected person of the Company at the subsidiary level. As the transactions contemplated under the SPA and the Termination Agreement are connected transactions between the Group and a connected person at the subsidiary level on normal commercial terms or better, it is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the SPA, the Loan Transfer Agreement and the Termination Agreement; and therefore, none of them will be required to abstain from voting on the relevant resolution at the EGM.

10. EGM

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is also enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible, but in any event not later than 48 hours before the time of the meeting or any adjournment thereof (as the case may be) to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The completion and return of the form of proxy will not preclude you from subsequently attending, and voting in person at the EGM or any adjournment thereof should you so wish.

Record Date

The Board has fixed the close of business on 26 January 2025, Hong Kong time, as the record date of the EGM ("**Record Date**"). Shareholders as of the Record Date are entitled to attend and vote at the EGM and any adjourned meeting thereof.

LETTER FROM THE BOARD

11. VOTING AT EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

12. RECOMMENDATION

The Directors consider that the SPA, the Loan Transfer Agreement, the Termination Agreement and transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

13. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
On behalf of the Board
Yues International Holdings Group Limited
Le Kang
Chairman

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Details of (i) the audited consolidated financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 respectively; and (ii) the unaudited consolidated interim financial information of the Group for the six months ended 30 June 2024 is disclosed in the following interim report of the Company, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company.

- (i) The annual report of the Company for the year ended 31 December 2021 published on 26 April 2022 (pages 65 to 170) in relation to the financial information of the Group for the year of 2021.

Please see below the link to the annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600715.pdf>

- (ii) The annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 113 to 226) in relation to the financial information of the Group for the year of 2022.

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042703381.pdf>

- (iii) The annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 119 to 258) in relation to the financial information of the Group for the year of 2023.

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902258.pdf>

- (iv) The interim report of the Company for the six months ended 30 June 2024 published on 17 September 2024 (pages 4 to 27) in relation to the financial information of the Group for the corresponding period.

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0917/2024091700356.pdf>

2. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into account the financial resources available to the Group including the internally generated funds and the present available bank facilities, and taking into account the impact of the transactions contemplated under the SPA, the Loan Transfer Agreement and the Termination Agreement, the Group will have sufficient working capital for its present requirements, and for at least twelve months from the date of this circular.

The Company has obtained the relevant confirmation(s) as required under Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group was as follows:

(a) Bank and other borrowings

The Group had outstanding interest-bearing bank and other borrowings are set out below:

	Secured and guaranteed <i>RMB'000</i>	Unsecured and guaranteed <i>RMB'000</i>	Total <i>RMB'000</i>
Bank loans	7,500	40,682	48,182
Other borrowings	<u>2,890</u>	<u>—</u>	<u>2,890</u>
	<u>10,390*</u>	<u>40,682**</u>	<u>51,072</u>

* Secured by the pledge of equity interest in one of subsidiaries within the Group and certain property held by a non-controlling shareholder of the Group, and guaranteed by him and his close family member.

** Guaranteed by a non-controlling shareholder of the Group and his close family member.

(b) Lease liabilities

The Group has certain lease contracts for leased properties. As at 30 November 2024, the Group recognised aggregate lease liabilities of approximately RMB8,475,000 under HKFRS 16 “Leases” in respect of non-cancellable operating lease contracts.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the normal course of business, as at the close of business on 30 November 2024, the Group did not have any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

The Directors confirmed that there has been no material adverse change in the indebtedness and contingent liabilities of the Group since 30 November 2024, being the latest practicable date for determining the Group’s indebtedness up to the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The financial and trading prospects for the Group, following the completion of the Disposal and the transactions contemplated under the Loan Transfer Agreement and the Termination Agreement, remain positive, particularly in the context of China's transportation and warehousing industry, which is expected to sustain a stable growth trajectory through 2024 and beyond. This growth is largely driven by the economic recovery, continuous innovation and favorable national policies support. The transformation of China's manufacturing sector and the expansion of e-commerce will continue to fuel demand for transportation services. Additionally, the growing trend of globalization and international trade will further drive the need for cross-border logistics, encouraging the international expansion of logistics operations.

For the Group's warehousing sector, the introduction and adoption of smart warehouse systems, such as automation and sensor technologies, are expected to be key drivers of industry development. The focus on smart logistics, driven by technologies such as IoT, big data, cloud computing, and AI, will propel the industry towards higher productivity. This transition to digital and intelligent systems will enable the Group to offer enhanced services, improve operational efficiency, and reduce costs.

Despite these growth opportunities, the Group faces several challenges, including intensifying market competition in the logistics sector, rising operational and labor costs, technological gaps, and a shortage of skilled talent. To mitigate these challenges, the Group will focus on several key strategies, including strengthening core competencies by focusing on operational excellence, expanding service capabilities, and increasing investments in technology, particularly in automation and AI, to address technological gaps. These investments will support the transition to more efficient and intelligent logistics solutions. Additionally, the Group will focus on improving collaboration across the supply chain, optimizing information sharing, and integrating operations with upstream and downstream partners. A strong emphasis will also be placed on attracting and retaining top talent to address the shortage of skilled professionals.

Following the completion of the Disposal and the transactions contemplated under the Loan Transfer Agreement and the Termination Agreement, the Group is well-positioned for steady financial growth, supported by a positive industry outlook, strategic technological investments, and a focus on innovation. With its continued commitment to high-quality service and expansion into new service areas, the Group is expected to maintain a competitive position and achieve sustainable business growth in the evolving logistics landscape.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 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 INTERESTS

Interests of Directors

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 December 2023, being the date to which the latest published audited financial statements of the Company 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.

Service contracts

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

Interests in other competing business

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

3. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. MATERIAL CONTRACTS

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this circular which is or may be material:

- (i) The SPA dated 20 December 2024 entered into between the Vendor, Purchaser I, Ms. Guo and the Target Company in relation to the Disposal at the consideration of RMB1;
- (ii) The Loan Transfer Agreement dated 20 December 2024 entered into between the Vendor, Purchaser II and the Target Company pursuant to which, Purchaser II shall acquire from the Vendor the Shareholder's Loan in the principal amount of RMB7,500,000 at a consideration of RMB7,000,000;
- (iii) The Termination Agreement dated 20 December 2024 entered into between the Vendor, Purchaser I and the Target Company in relation to the termination of the 2023 Agreements and the Put Option at nil consideration;
- (iv) The 2023 Agreements entered between Purchaser I, the Vendor and the Target Company in respect of the sale and purchase of the Sale Interest from Purchaser I to the Vendor as well as the Put Option dated 31 July 2023 and 22 December 2023, details of which are set out in the announcements of the Company dated 31 July 2023 and 22 December 2023;
- (v) The placing agreement entered by the Company on 12 June 2023 with Grand China Securities Limited, the placing agent, pursuant to which Grand China Securities Limited procured not less than six independent places to subscribe for up to 176,880,000 shares of the Company at the placing price of HK\$0.196 per share. The placing agreement was completed on 7 July 2023. The net proceeds from the placing (after deduction of the placing commission and other related expenses including, among others, the professional fees) amounted to approximately HK\$34.15 million; and

- (vi) The placing agreement entered by the Company on 19 April 2024 with West Bull Securities Limited, the placing agent, pursuant to which West Bull Securities Limited procured not less than six independent placees to subscribe for up to 192,880,000 shares of the Company at the placing price of HK\$0.097 per share. The placing agreement was completed on 30 April 2024. The net proceeds from the placing (after deduction of the placing commission and other related expenses) amounted to approximately HK\$18.52 million.

5. GENERAL

- (i) The secretary of the Company is Mr. Chan Tsang Mo who is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (ii) The registered office of the Company is situated at Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands. The principal place of business in Hong Kong is situated at Office C, 23rd Floor, Centre Mark II, 305–313 Queen’s Road Central, Hong Kong.
- (iii) The Company’s branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, located at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) In the event of any inconsistency, the English texts of this circular shall prevail over their respective Chinese texts.

6. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company’s website (www.goalrise-china.com) and the Stock Exchange’s website (www.hkexnews.hk) up to and including the date which is 14 days from the date of this circular:

- (i) The SPA;
- (ii) The Loan Transfer Agreement;
- (iii) The Termination Agreement;
- (iv) This circular;
- (v) The 2023 Agreements;
- (vi) The placing agreement entered by the Company on 12 June 2023; and
- (vii) The placing agreement entered by the Company on 19 April 2024.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Yues International Holdings Group Limited (the “Company”) will be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Monday, 27 January 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution of the Company:

ORDINARY RESOLUTION

“(1) **THAT**

- (a) the entering into of the SPA (as defined in the circular of the Company dated 10 January 2025, the “Circular”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose by the Company be and is hereby approved, confirmed and ratified;
- (b) the entering into of the Loan Transfer Agreement (as defined in the Circular), a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose by the Company be and is hereby approved, confirmed and ratified;
- (c) the entering into of the Termination Agreement (as defined in the Circular), a copy of which is tabled at the meeting and marked “C” and initialled by the chairman of the meeting for identification purpose by the Company be and is hereby approved, confirmed and ratified; and
- (d) any one Director and/or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under the seal of the Company (where applicable), on behalf of the Company, as he/she may, in his/her absolute discretion, consider necessary, desirable or expedient to implement and give effect to the SPA, the Loan Transfer Agreement and the Termination Agreement and the matters contemplated thereunder.”

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

Hong Kong, 10 January 2025

As at the date of this notice, the Board consists of six executive Directors, Mr. Le Kang, Mr. Li Jiahao, 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Pursuant to the Listing Rules, all the resolutions are to be voted by poll at the EGM.
2. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as its/his/her proxy to attend and vote instead of it/him/her and so appointed shall have the same right as the member to speak at the EGM. A member who is the holder of two or more Shares may appoint one or more proxies to attend and vote instead of it/him/her. A proxy need not be a member of the Company.
3. To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company before 11:00 a.m. on Saturday, 25 January 2025 (Hong Kong Time), which is not later than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
4. Delivery of an instrument appointing a proxy should not preclude a member from attending the EGM or any adjournment thereof.
5. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
6. A form of proxy for use at the meeting is enclosed.