

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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

This is a voluntary announcement made by Yues International Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders and potential investors of the Company an update on the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board of directors of the Company (the “**Board**”) is pleased to announce that on 3 May 2023, the Company and Mr. Wang Haixi (王海曦) (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”), pursuant to which the parties agreed to enter into a negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by the Vendor, of the controlling interest in Zhongshan Haihui Technology Logistics (Group) Co., Ltd. (中山海慧科企物流(集團)有限公司) (the “**Target Company**”) (the “**Proposed Acquisition**”). Subject to the finalization and entering into of a definitive agreement by the Company (or a wholly-owned subsidiary of the Company nominated by the Company) and the Vendor (the “**Definitive Agreement**”), upon completion of the Proposed Acquisition, the Target Company will become a subsidiary of the Company.

Preliminary Framework of the Proposed Acquisition

The Company intends to acquire and the Vendor intends to dispose of the controlling interest in the Target Company.

The consideration for the Proposed Acquisition, the basis of consideration and the detailed payment methods shall be determined in the Definitive Agreement, which the parties shall enter into within six months upon signing of the MOU or such later date which the Company and the Vendor may otherwise agree. Pursuant to the MOU, the Vendor and the Company intended that the consideration of the Proposed Acquisition to be agreed between the Company and the Vendor shall be determined with reference to, among other things, the valuation of the Target Company prepared by an independent professional valuer to be appointed by the Company.

Exclusivity Period and Due Diligence

Pursuant to the MOU, the Vendor has agreed and undertaken that it shall not, directly or indirectly, engage in any discussion or negotiation or enter into any agreement, arrangement or understanding with any third party in respect of any sale of share, asset or interest of the Target Company commencing from the date of signing of the MOU and terminating (a) on the date falling six months after the signing of the MOU or such later date which the Company and the Vendor may otherwise agree; (b) upon written confirmation from both parties confirming that the Proposed Acquisition shall not proceed; or (c) upon a breach of the confidentiality clause(s) of the MOU by either party (whichever occurs earlier) (the “**Exclusivity Period**”).

Within the Exclusivity Period, the Company shall be entitled to conduct business, financial and legal due diligence on the Target Company. The Vendor shall provide to the Company and/or procure the Company’s access to all records and documents of the Target Company forthwith upon request for due diligence purpose and to respond forthwith to the enquiries of the Company.

Legal effect

Save for the terms of preliminary framework in relation to the Proposed Acquisition set out in the MOU, the MOU is legally binding on the Company and the Vendor.

Costs

Each party shall bear its own transaction costs, including but not limited to the costs incurred in relation to the preparation of all documents and the execution of due diligence in the sale and purchase transaction. All taxes, costs or government charges incurred in the sale and purchase transaction shall be borne by the related party in accordance with applicable laws and regulations.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC. The Target Company 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.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquires, each of the Vendor, the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

INFORMATION ON 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.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Board considers that the Proposed Acquisition is in line with the Group's investment strategy and is expected to enrich the Company's existing business by utilizing the resources and business development capabilities of the Target Company. The Board considers that the Proposed Acquisition, if materialized, would immediately bring in a new income stream to the Company and enable the Company to further strengthen its revenue and client base and therefore is in the interests of the Company and its shareholders as a whole.

GENERAL

If the Proposed Acquisition materialises, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

There is no assurance that any transactions referred to in this announcement will materialise or eventually be consummated. Shareholders and potential investors of the Company should note that the Proposed Acquisition is subject to, among other things, the signing of the Definitive Agreement, the terms and conditions of which are yet to be agreed. The Proposed Acquisition may or may not proceed and the final structure and terms of the Proposed Acquisition, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from those set out in the MOU. In the event that the Definitive Agreement is signed, further announcement(s) will be made by the Company in compliance with the Listing Rules and all other applicable laws and regulations. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 May 2023

As at the date of this announcement, the Board consists of four executive Directors, Mr. Le Kang, Mr. Li Jiahao, Mr. Li Jiali and Mr. Song Ruipeng, one non-executive Director, 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.