

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Yues International Holdings Group Limited (the “Company”), you should at once hand this Prospectus 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, 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 the Prospectus Document.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “14. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, this Prospectus and the PAL should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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)

RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial Adviser to the Company



軟庫中華

SBI China Capital

SBI China Capital Hong Kong Securities Limited

Placing Agent to the Rights Issue



軟庫中華

SBI China Capital

SBI China Capital Financial Services Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Wednesday, 26 March 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 10 April 2025 to Thursday, 17 April 2025 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 10 April 2025 to Thursday, 17 April 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. Any Unsubscribed Rights Shares remain not placed after the completion of the Placing under the Compensatory Arrangements will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

The Latest Time for Acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 24 April 2025. The procedures for acceptance and payment and/or transfer are set out on pages 11 to 12 of this Prospectus.

8 April 2025

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
LETTER FROM THE BOARD	7
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III — GENERAL INFORMATION	III-1

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue, which has been prepared on the assumption that all the conditions to the Rights Issue, will be fulfilled or otherwise waived, 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 Prospectus refer to the Hong Kong local times and dates:

Event	Time and Date
	Year 2025
Despatch of Prospectus and the PAL (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Tuesday, 8 April
First day of dealings in nil-paid Rights Shares	Thursday, 10 April
Latest time for splitting of the PAL	4:30 p.m. on Monday, 14 April
Last day of dealings in nil-paid Rights Shares	Thursday, 17 April
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements.....	4:00 p.m. on Thursday, 24 April
Latest time for acceptance of and payment for the Rights Shares.....	4:00 p.m. on Thursday, 24 April
Announcement of the number of the Unsubscribed Rights Shares subject to the Compensatory Arrangements	Friday, 2 May
Commencement of the placing of the Unsubscribed Rights Shares by the Placing Agent	Tuesday, 6 May
Latest time for the placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Thursday, 8 May
Latest time for terminating the Placing Agreement	4:00 p.m. on Friday, 9 May
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares).....	Thursday, 15 May

EXPECTED TIMETABLE

Event	Time and Date
	Year 2025
Despatch of refund cheques, if any (if the Rights Issue is terminated), and despatch of share certificates for the fully-paid Rights Shares	Friday, 16 May
Commencement of dealings of fully-paid Rights Shares	9:00 a.m. on Monday, 19 May
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders and net proceeds from the sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders (if any).....	Monday, 26 May

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” is announced by the Government of Hong Kong:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of Latest Time for Acceptance. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of Latest Time for Acceptance. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Thursday, 24 April 2025, the dates mentioned in the expected timetable in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

DEFINITIONS

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

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement issued by the Company dated 14 February 2025 in relation to the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays, public holidays and days on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which banks are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Circular”	the circular of the Company dated 7 March 2025 in respect of among other things, the Rights Issue
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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 (stock code: 1529)
“Completion”	completion of the Rights Issue and the Placing

DEFINITIONS

“Compensatory Arrangements”	the arrangement involving placing of the Unsubscribed Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Independent Financial Adviser”	Mango Financial Limited, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder, and as to voting
“Independent Shareholders”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“independent third party(ies)”	has the meaning ascribed to it pursuant to the Listing Rules
“Last Trading Day”	Friday, 14 February 2025, being the last trading day of the Shares on the Stock Exchange immediately before the publication of the Announcement

DEFINITIONS

“Latest Practicable Date”	28 March 2025, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information herein
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 24 April 2025 (or such other time and date as the Company may determine), being the latest time and date for acceptance of and payment for the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Friday, 9 May 2025 (or such other time and date as the Company and the Placing Agent may determine in writing), being the latest time for termination of the Placing Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the Placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) (under the PALs or their renounees or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) (if any) whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“NQS Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“NQS Unsold Rights Shares”	the NQS Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company as described in the paragraph headed “Arrangements for the NQS Rights Shares” in this Prospectus
“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is/are in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Placee(s)”	professional persons, institutional, corporate or individual investor(s), who and whose respective ultimate beneficial owner(s) shall be independent third party(ies) and are independent of and not acting in concert with any of the connected persons of the Company and their respective associates, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of Unsubscribed Rights Shares by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	SBI China Capital Financial Services Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 14 February 2025 entered into between the Company and the Placing Agent in relation to the Placing

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Prospectus only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL(s)
“Prospectus Posting Date”	Tuesday, 8 April 2025 or such other date as may be determined by the Company, being the expected date the Prospectus Documents will be made available and/or sent (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Public Float Requirement”	the public float requirement under Rule 8.08(1) of the Listing Rules which requires, inter alia, at least 25% of the issuer’s total number of issued shares (excluding treasury shares) must at all times be held by the public
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Monday, 7 April 2025 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of four (4) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 533,664,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.13 per Rights Share
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Unsold Rights Shares

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
Ms. Liu Ping

Independent non-executive Directors:

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

Registered Office:

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

Principal Place of Business:

Office C, 23rd Floor,
Centre Mark II,
305–313 Queen's Road Central,
Hong Kong

8 April 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES
FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement and the Circular.

The Company proposed to raise gross proceeds of up to approximately HK\$69.4 million before expenses by way of the Rights Issue of a maximum of 533,664,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.13 per Rights Share on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date.

At the EGM, the resolutions for approving, among other things, the Rights Issue, the Placing and the transactions contemplated thereunder, were duly passed by the Independent Shareholders by way of poll.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among other things, (i) further information on the Rights Issue; and (ii) other certain financial and other general information of the Group as required under the Listing Rules.

RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$69.4 million before expenses by way of the Rights Issue of a maximum of 533,664,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.13 per Rights Share on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$67.6 million (assuming no change in the number of Shares in issue on or before the Record Date).

Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of Rights Issue	:	Four (4) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.13 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	133,416,000 Shares
Maximum number of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed)	:	533,664,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Maximum total number of issued Shares upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	667,080,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum amount to be raised before expenses (assuming the Rights Issue is fully subscribed)	:	Approximately HK\$69.4 million before deducting of the costs and expenses which the Company will incur in the Rights Issue

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into or confer any right to subscribe for Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming that there is no change in the number of issued Shares on or before the Record Date and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 533,664,000 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents 400% of the issued share capital of the Company as at the Latest Practicable Date and will represent 80% of the total number of issued Shares of the Company as enlarged by the allotment and issue of the Rights Shares (assuming the Rights Issue is fully subscribed).

The Subscription Price

The Subscription Price of HK\$0.13 per Rights Share is payable in full upon the acceptance of the relevant provisional allotment of Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 7.14% to the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20.25% to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.163 per Share;
- (iii) a discount of approximately 34.67% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.199 per Share;
- (iv) a discount of approximately 1.52% to the theoretical ex-rights price of approximately HK\$0.132 per Share based on the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 88.68% to the latest published unaudited consolidated net asset value per Share as at 30 June 2024 of approximately RMB1.070 or equivalent to approximately HK\$1.148 (based on the net asset value attributable to the owners of the Company as at 30 June 2024 of approximately RMB142.7 million as disclosed in the interim report of the Company for the six months ended 30 June 2024 and 133,416,000 Shares (as adjusted for the share consolidation effective on 8 November 2024) in issue as at 30 June 2024);

LETTER FROM THE BOARD

- (vi) a discount of approximately 87.54% to the latest published audited consolidated net asset value per Share as at 31 December 2024 of approximately RMB0.974 or equivalent to approximately HK\$1.043 (based on the net asset value attributable to the owners of the Company as at 31 December 2024 of approximately RMB129.9 million as disclosed in the annual results announcement of the Company for the year ended 31 December 2024 and 133,416,000 Shares in issue as at 31 December 2024); and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 21.47%, represented by a discount of the theoretical diluted price of approximately HK\$0.139 per Share to the benchmarked price of approximately HK\$0.177 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.14 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days preceding the Last Trading Day of approximately HK\$0.177 per Share).

The net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.127 (assuming no change in the number of Shares in issue on or before the Record Date). Assuming full acceptance of the Rights Shares by the Qualifying Shareholders, the aggregate nominal value of the Rights Shares of HK\$0.1 each, will be HK\$53,366,400 (assuming no change in the number of Shares in issue on or before the Record Date).

The Subscription Price was determined by the Company with reference to the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for the Rights Issue and the Use of Proceeds” below in this Prospectus.

The Directors considered the Subscription Price with following assessment: (i) given the closing price of the Shares was on a downward trend since the second half of year 2024 and the Group’s loss-making position for two consecutive years ended 31 December 2023 and the six months ended 30 June 2024, it is necessary to increase the attractiveness of the Rights Issue by offering Qualifying Shareholders the opportunity to participate in the Rights Issue at a reasonable discount to the current market prices of the Shares; (ii) market conditions in the beginning of year 2025 still have many uncertainties, for instance, trade and/or fiscal policies of United States could have significant and unpredictable effects on global markets; and (iii) additional funding needs for development of the new goat milk product business and building of warehouse(s) and/or other logistic related facilities in the TCM logistics industry park in Jiangxi, PRC.

LETTER FROM THE BOARD

The Directors are of the view that market price of the Shares is the fundamental reference for the Qualifying Shareholders to consider whether to subscribe Rights Shares. Shares traded at market prices between HK\$0.14 and HK\$0.54 from 1 November 2024 to the Last Trading Day, which are much lower than its net asset value attributable to the owners of approximately RMB1.070 (or equivalent to approximately HK\$1.148) as at 30 June 2024 (as adjusted for the share consolidation effective on 8 November 2024). If the Subscription Price is set at a level close to the Company's unaudited net asset value per Share as at 30 June 2024 (i.e. approximately RMB1.070 or equivalent to approximately HK\$1.148), it will represent a very large premium of 720 times as compared to the closing price of HK\$0.14 on the Last Trading Day. In order to maintain the attractiveness of the Rights Issue and offer Qualifying Shareholders the opportunity to participate in the Rights Issue, it is necessary to set the Subscription Price at a discount to the current market prices of the Shares.

Based on assessments mentioned above, the Directors are of the view that the Subscription Price is fair and reasonable and in the interest of the Company and its shareholders as a whole in view of the discount to the benchmarked price and the unaudited consolidated net asset value per Share as at 30 June 2024.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of provisional allotment of Rights Shares will be four (4) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing a PAL (in accordance with the instructions printed thereon) and lodging the same with a cheque, banker's cashier order or remittance for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Thursday, 24 April 2025.

Undertakings

The Board has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

In order to be registered as a member of the Company on the Record Date, all transfer documents for Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Thursday, 27 March 2025.

The last day for dealing in Shares on a cum-rights basis was Tuesday, 25 March 2025, and the Shares have been dealt on an ex-rights basis from Wednesday, 26 March 2025.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in their own names prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Non-Qualifying Shareholders (if any)

The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

LETTER FROM THE BOARD

Overseas Shareholders (if any)

Based on the register of members of the Company as of the Latest Practicable Date, there are eighteen Shareholders with registered addresses located in the PRC, which in total interested in 34,088,200 Shares, representing approximately 25.55% of the total issued share capital of the Company. Save for the Overseas Shareholders with registered address located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC from the Rights Issue. Therefore, such Overseas Shareholders are not Non-Qualifying Shareholders and the Rights Issue will be extended to such Overseas Shareholders.

The Prospectus Documents will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong. For the avoidance of doubt, the Overseas Shareholders (if any) are entitled to attend and vote at the EGM.

The Company notes and confirms that it has complied with the requirements under Rule 13.36(2)(a) of the Listing Rules. As the register of members of the Company will close from the Latest Practicable Date and would remain closed up to the Record Date, there would be no additional Overseas Shareholder on the Record Date.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdiction(s) of Overseas Shareholder(s), if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL) to the Non-Qualifying Shareholders for information purposes only.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Arrangements for the NQS Rights Shares

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be offered for subscription by the Placing Agent to the Placees under the Placing.

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to Placees for the benefit of the No Action Shareholders. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the commission and expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 8 May 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

LETTER FROM THE BOARD

Net Gain (if any) will be paid (without interest) on a pro-rata basis (based on all Unsubscribed Rights Shares) to the No Action Shareholders and Non-Qualifying Shareholders (but rounded down to the nearest cent) as set out below:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Non-Qualifying Shareholders, the relevant Non-Qualifying Shareholders whose name and address appeared on the register of members of the Company on the Record date with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) and Non-Qualifying Shareholder(s) mentioned above which is in an amount more than HK\$100 will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of HK\$100 or less for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and Non-Qualifying Shareholders may or may not receive any Net Gain.

Placing Agreement

On 14 February 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Principal terms of the Placing Agreement are as follow:

Date : 14 February 2025 (after trading hours)

Placing Agent : SBI China Capital Financial Services Limited

To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are independent third parties and neither the Placing Agent nor any of its associates hold any Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

- Placing fee and expenses : The commission payable to the Placing Agent shall be HK\$100,000 or 1.0% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares actually procured by the Placing Agent (whichever is higher). The Company shall be responsible for all costs and expenses reasonably incurred in connection with or arising out of the Placing.
- Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price.
- The final price will be determined based on the demand for the Unsubscribed Rights Shares and market conditions at the time of placement.
- Placees : The Placing Agent undertakes to use its best endeavour to procure that (i) the Unsubscribed Rights Shares shall only be placed to professional persons, institutional, corporate or individual investor(s) who and whose respective ultimate beneficial owner(s) shall be independent third parties and are not acting in concert with any of the connected persons of the Company and their respective associates; (ii) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) the Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.
- Ranking of Unsubscribed Rights Shares : The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

LETTER FROM THE BOARD

- Placing conditions : The Placing is subject to and conditional upon (i) the Rights Issue having become unconditional; (ii) the listing of, and permission to deal in, the Rights Shares granted by the Listing Committee of the Stock Exchange not having been withdrawn or revoked; (iii) the representations and warranties of the Company in the Placing Agreement remaining true and accurate in all material respects and none of the undertakings of the Company in the Placing Agreement having been breached in any material respect; (iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and (v) the Placing Agreement not having been terminated in accordance with the terms thereof.
- Placing end date : 4:00 p.m. on Thursday, 8 May 2025 or such other date as the Company and the Placing Agent may agree.
- Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:
- (a) the Company fails to comply with its obligations under the Placing Agreement;

LETTER FROM THE BOARD

- (b) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion date of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;
- (c) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Placing;
- (d) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (e) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Placing Agent is likely to materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

LETTER FROM THE BOARD

- (f) there is any change in the circumstances of the Company which in the reasonable opinion of the Placing Agent will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company;
- (g) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;
- (h) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing;
- (i) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Placing Agent, a material omission in the context of the Rights Issue; or
- (j) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Prospectus Documents or other announcements in connection with the Rights Issue.

Further, if all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nil-paid rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither Party shall be under any liability to the other Party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

LETTER FROM THE BOARD

The terms of the Placing Agreement (including the placing commission) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue. The Directors consider that the terms of the Placing Agreement, including the placing commission, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Placing Agreement.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the relevant No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the Compensatory Arrangements are in the interest of the minority Shareholders.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of four (4) Rights Shares for every one (1) Share held, no fractional entitlement to Rights Shares shall arise.

Odd lot arrangement

On the basis of provisional allotment of four (4) Rights Shares for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services will be provided.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an under-subscription of the Rights Issue, any Unsubscribed Rights Shares will be placed on a best effort basis by the Placing Agent to Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Subject to fulfillment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other

LETTER FROM THE BOARD

than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not cause the Company's public float to decrease to below 25%.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company the record dates of which fall on or after the date of issue of the fully-paid Rights Shares.

Application for listing of the Rights Shares

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The board lot size of the nil paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 2,000 Shares in one board lot.

No securities of the Company in issue or the Rights Shares for which listing or permission to deal in is to be sought is or will be listed or dealt in on any other stock exchange.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be 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. Shareholders whose Shares are held through CCASS should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, subscribing, exercising, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceed, if any, from the sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for Rights Issues

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or about Friday, 16 May 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. Shareholders, excluding HKSCC Nominees Limited, will receive a single share certificate representing all the Rights Shares issued to them. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Friday, 16 May 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (a) the passing of all necessary resolutions to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder;

LETTER FROM THE BOARD

- (b) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors no later than the Prospectus Posting Date of the Prospectus Documents and other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Listing Rules and the Companies (WUMP) Ordinance;
- (c) the Prospectus Documents having been made available to the Qualifying Shareholders on the Prospectus Posting Date, and the Prospectus having been made available to the Non-Qualifying Shareholders, if any, for information purpose only within two Business Days after the Prospectus Posting Date (where applicable);
- (d) the Listing Committee of the Stock Exchange having granted or agreed to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) before the first day of dealings of the Rights Shares in their nil-paid forms;
- (e) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (f) the Placing Agreement not being terminated pursuant to the terms thereof and remains in full force and effect before completion of the Placing; and
- (g) the Company having complied with the requirements under all applicable laws and regulations.

All conditions set out above cannot be waived. As at the Latest Practicable Date, condition (a) was fulfilled. Save as disclosed above, none of the above other conditions has been fulfilled. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 133,416,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to the completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all the Unsubscribed Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all the Unsubscribed Rights Shares have been placed by the Placing Agent	
	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>
Placees*	—	—	—	—	533,664,000	80
Other public shareholders	<u>133,416,000</u>	<u>100</u>	<u>667,080,000</u>	<u>100</u>	<u>133,416,000</u>	<u>20</u>
Total	<u><u>133,416,000</u></u>	<u><u>100</u></u>	<u><u>667,080,000</u></u>	<u><u>100</u></u>	<u><u>667,080,000</u></u>	<u><u>100</u></u>

* According to the terms of the Placing Agreement, all the placees are independent of the Company and its connected persons at the time of the Placing.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares.

The Public Float Requirement shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with Rule 8.08 of the Listing Rules.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcements	Description of fund-raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
19 April 2024 and 30 April 2024	Placing of 192,880,000 placing shares under general mandate at the placing price of HK\$0.097 per placing share	Approximately HK\$18.52 million	For investment in infrastructure of the logistic business	Approximately HK\$10.8 million has been paid in October and November 2024 to acquire the land use right of a land situated at Jiangxi Province, the PRC. The remaining net proceeds will be applied as intended ^(Note 1, 2)

Notes:

1. The land use right acquired by the Company is substantially related to its existing logistic business. As mentioned in the announcement dated 22 October 2024 of the Company, the land covers an area of 13,597.53 square meters, which includes Type A logistics warehousing area of up to 10,937.53 square meters; and is considered to be related to the existing logistic business. The remaining area of up to 2,660 square meters is the hotel area, which will be considered as an ancillary facility but will not have much relevance to the existing logistic business.
2. Approximately HK\$7.72 million representing the entire amount of the remaining net proceeds from the placing will be used up in the second half of year 2026 for development of the first phase of the logistics industrial park for TCM, including warehouses and/or other logistics-related facilities; and it is currently expected that such first phase construction will be completed in second half of year 2026.

Save as disclosed above, the Company did not conduct any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company closed from Friday, 28 March 2025 to Monday, 7 April 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

INFORMATION ON THE GROUP

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.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Assuming that there is no change in the number of issued Shares on or before the Record Date and all Rights Shares to be issued under the Rights Issue have been taken up in full, it is expected that the maximum gross proceeds and net proceeds from the Rights Issue will be approximately HK\$69.4 million and approximately HK\$67.6 million respectively. The Company intends to use the net proceeds from the Rights Issue in the following manner:

- (i) approximately HK\$27.6 million, representing approximately 40.8% of the net proceeds, will be used for the Group's general working capital including employee benefits expenses, subcontracting expenses for certain transportation, warehousing and customisation services; and other expenses (such as professional fees, fleet operating expenses and outsourced labour costs where appropriate);
- (ii) approximately HK\$20.0 million, representing approximately 29.6% of the net proceeds, will be used for the Group's newly developed goat milk product business in Inner Mongolia Autonomous Region. The Group currently intends to apply such amount of net proceeds in the following manner: (a) approximately HK\$1.2 million on strengthening research and development capabilities such as purchasing equipment and/or retaining talents to develop goat milk products; (b) approximately HK\$6.0 million on exploring and developing marketing channels for sales of goat milk products; and (c) approximately HK\$12.8 million on sourcing goat milk for processing by subcontractors to goat milk powder. Development of goat milk product business is a strategic move for the Group to the health sector for business diversification, having considered that health awareness is the market trend. Goat milk is gradually gaining more favor among consumers due to its low allergenicity and high nutritional value; and the middle-aged and elderly groups have become the driving force for the growth of the goat milk powder market. The Group currently intends to commence sales of goat milk powder in the first half of year 2025:

LETTER FROM THE BOARD

Background and business development plan of the goat milk product business

The chairman of the Company, Mr. Le Kang has extensive experience in the health and wellness industry (as disclosed in paragraphs below); and he is keen to explore business opportunities in this field for diversification of the Group's business. Having considered that goat milk products have become more popular among consumers in the healthcare market and after having conducted further market researches, Mr. Le Kang and the Group decided to utilize natural resources of the Inner Mongolia Autonomous Region to develop the goat milk product business. The Company's operating subsidiary for goat milk product business locates in the Inner Mongolia Autonomous Region and is incorporated in November 2024 with registered capital of HK\$5.0 million. As at the Latest Practicable Date, the goat milk product business has commenced and started accepting orders from customers.

Below is the Company's business development plan for the new goat milk product business:

Business development of goat milk business	Description	Expected timelines	Estimated costs (approx.)	Amount to be funded by proceeds from the Rights Issue
Purchases of plant and machinery	High pressure spray drying tower, centrifugal atomizer	In or before 31 December 2025	HK\$3.5 million	—
Research and development	Goat milk product formula development and craftsman improvement to be conducted by employees of the Company and/or external institution(s)	On monthly basis	HK\$0.1 to HK\$0.2 million each month	HK\$1.2 million
Expansion of marketing channels	Establish online sales channels, purchase online traffic and hire broadcaster for marketing, which will target middle-aged and elderly customers nationwide in the PRC	In or before December 2025	HK\$6.0 million	HK\$6.0 million
Strengthening goat milk supply chain	Procure goat milk for processing by subcontractors to goat milk powder	On monthly basis	HK\$1.2 million each month	HK\$12.8 million

LETTER FROM THE BOARD

Apart from commitments arising from ordinary and usual course of business, there is no further commitment in relation to the new goat milk product business.

The operation and development of goat milk product business is primarily led by Mr. Le Kang, the chairman and executive director of the Company. Mr. Le Kang has over 11 years of experience in marketing and corporate management, primarily covering cultural tourism consulting, wellness tourism, TCM retail and health management. Mr. Le Kang's extensive experience in the health and wellness industry has equipped him with a deep understanding of market trends in health-related products, consumer demand, and supply chain integration. Additionally, his expertise in trade and sales, brand promotion, and market expansion provides strong support for the Company's development of the goat milk business.

At the same time, Mr. Le Kang's management experience in the healthcare sector enables him to coordinate resources, optimize the supply chain, and drive the market positioning and business development of goat milk products, ensuring that the Company's business strategies align with market demand and industry trends.

The Company will also continue to enhance its management team by bringing in professionals with specialized knowledge and technical expertise in the goat milk industry to ensure the sustainable and stable development of the business.

Based on the above factors, the Board of Directors believes that Mr. Le Kang has sufficient experience and capability to lead the Company's operations and development in the goat milk product business.

- (iii) approximately HK\$20.0 million, representing approximately 29.6% of the net proceeds, will be used for building warehouse(s) and/or other logistic related facilities in the traditional Chinese medicine (TCM) logistics industry park in Jiangxi, PRC aiming to provide quality warehousing and logistic services to customers for TCM products.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

LETTER FROM THE BOARD

The respective expected time line of each of the intended use of proceeds from the Rights Issue sets out below:

Intended use proceeds	Amount <i>(Approx.)</i>	Expected timeline
(i) General working capital including employee benefits expenses, subcontracting expenses for certain transportation, warehousing and customisation services; and other expenses	HK\$27.6 million	12 months
(ii) Goat milk product business		
— Strengthening research and development capabilities such as purchasing equipment and/or retaining talents to develop goat milk products	HK\$1.2 million	In second half of year 2025
— Exploring and developing marketing channels for sales of goat milk products	HK\$6.0 million	In or before December 2025
— Sourcing goat milk for processing by subcontractors to goat milk powder	HK\$12.8 million	In or before December 2025
(iii) Building warehouse(s) and/or other logistic related facilities in the TCM logistics industry park in Jiangxi, PRC	HK\$20.0 million	In or before December 2026
Total:	HK\$67.6 million	

Despite the Group maintained a cash and cash equivalent of approximately RMB82.8 million as at 30 June 2024, the Directors consider that the Company has the funding needs to enhance its working capital and to facilitate its business development in view of the following:

- (i) the historical weak operating cash flow position. The Group recorded net cash used in operating activities of approximately RMB33.8 million for the year ended 31 December 2023 and net cash used in operating activities of approximately RMB25.7 million for the six months ended 30 June 2024;
- (ii) the Group acquired a land use right in October 2024 for establishment of a TCM logistic industry park to serve other business sectors of the Group, including TCM warehousing, distribution, healthcare and wellness. Besides, the Group has newly developed the goat milk product business since end of year 2024 for business diversification. Both the development of the TCM logistic industry park (such as TCM warehousing and/or other logistic facilities) and the goat milk product business are at early stage and will require additional funding; and

LETTER FROM THE BOARD

- (iii) the existing logistic business is labour intensive and incurs large amount of employee benefits expenses and sub-contracting expenses to cope with business growth. Employee benefits expenses and sub-contracting expenses of the Group in total amounted to approximately RMB100.5 million for the year ended 31 December 2023 and approximately RMB84.9 million for the six months ended 30 June 2024. The Directors believe that it is in the interest of the Company to maintain sufficient funds for at least 12 months of operations to achieve a healthy cash flow and reserve funds when market opportunities arise.

The Directors considered different types of fund-raising alternatives available to the Group including but not limited to debt financing and other equity fund raising such as placement of shares. The Directors are of the view that obtaining debt financing (such as bank borrowings) will depend on the prevailing market condition and may involve a lengthy due diligence and loan application processes. In addition, debt financing will impose an interest burden on the Group which will in turn worsen the Group's financial performance and position. In the case of placement of shares, the Company is of the view that it will have a significant dilution effect on the equity interests of the existing Shareholders as a substantial number of new shares will be issued at a discount; and the existing Shareholders would not have the opportunity to participate in a placement.

Compared with other fund-raising alternatives, the Rights Issue will provide each and every Qualifying Shareholders with the opportunity to participate in the future development of the Group without material dilution of their interest in the Company. On the other hand, the Rights Issue also allows the Qualifying Shareholders the flexibility to sell off some or all of their rights entitlements in the open market (subject to the market demand) and realise the cash value therefrom. The Rights Issue represents a good opportunity to raise additional funds through the equity market and will enhance the Group's financial strength without the ongoing burden of interest expenses, and also offer all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

Based on the above, the Directors consider that raising capital through the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As mentioned in the announcement dated 22 October 2024, the Group planned to establish a TCM logistic industry park on the land located in Dongxiang District, Fuzhou City, Jiangxi Province, PRC. Besides, the Company may from time to time explore any opportunities to acquire new businesses or make strategic investments for business development. As of the Latest Practicable Date, the Company has not identified any suitable targets for acquisition or business injection. However, it does not rule out the possibility of making acquisition or injecting businesses when appropriate opportunities arise in future.

LETTER FROM THE BOARD

The Company advised that as of the Latest Practicable Date, it has no plan/ intention, or has entered into any negotiation, agreement, arrangement and understanding (formal or informal; express or implied) in relation to the acquisition or injection of any new business, and/or disposal or downsizing of the existing business of the Company.

The Company is subject to the filing requirements under the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies 《境內企業境外發行證券和上市管理試行辦法》 and related guidelines issued by the China Securities Regulatory Commission and will comply with such filing requirements.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within 12 months period immediately preceding the Latest Practicable Date, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue was made conditional on approval by the Shareholders by way of poll at the EGM. At the EGM, resolution(s) approving the Rights Issue, the Placing Agreement and the transactions contemplated thereunder have been duly passed by the Independent Shareholders as ordinary resolutions. The Company does not have any controlling shareholder. None of the Directors and the chief executive of the Company and their respective associates holds any Shares. Accordingly, no Shareholder was abstained from voting in favour of the resolution approving the Rights Issue at the EGM and no Director was abstained from voting in favour of the Rights Issue at the meeting of the Board.

The Rights Issue is in compliance with the theoretical dilution limit under Rule 7.27B of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

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

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Listing Committee of the Stock Exchange having granted or agreed to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus for further details. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Any Unsubscribed Rights Shares remain not placed after the completion of the Placing under the Compensatory Arrangements will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

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

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following annual reports of the Company for the years ended 31 December 2022 and 2023 and the annual result announcement for the year 31 December 2024 respectively, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.goalrise-china.com).

- (i) 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>

- (ii) 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.

Please see below the link to the annual report:

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

- (iii) The annual results announcement of the Company for the year ended 31 December 2024 published on 28 March 2025 (pages 2 to 20) in relation to the financial information of the Group for the year of 2024.

Please see below the link to the annual results announcement:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0328/2025032802068.pdf>

2. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into account the financial resources available to the Group and taking into account the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, and for at least twelve months from the date of this Prospectus.

The Company has obtained the relevant confirmations as required under rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS STATEMENT

As at the close of business on 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group has certain lease contracts for leased assets. As at 28 February 2025, the Group recognised aggregate lease liabilities of approximately RMB10,618,000 under HKFRS 16 “Leases” in respect of non-cancellable 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 28 February 2025, the Group did not have any other 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 28 February 2025, being the latest practicable date for determining the Group’s indebtedness up to the date of this Prospectus.

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 2024 (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 GROUP

The financial and operational outlook of the Group remains positive, especially considering that the transportation and warehousing industry in China is expected to maintain robust growth trends in 2024 and beyond. This growth is mainly driven by economic recovery, ongoing innovation, and favorable national policy support. Despite these growth opportunities, the Group faces multiple challenges, including intensified competition in the logistics industry, rising operational and labor costs, technological gaps, and a shortage of technical talent. To address these challenges, the Group will focus on several key strategies, including enhancing the competitiveness of its logistics core business through more emphasis on operational excellence, particularly in the fields of automation and artificial intelligence, to close technological gaps. These investments will facilitate a transition to more efficient and intelligent logistics solutions.

By integrating internal resources and leveraging the business network of the Group’s chairman, who has extensive experience in traditional Chinese medicine, the Group also plans to provide warehousing and logistics services for traditional Chinese medicine products in Fuzhou City of Jiangxi Province of China. Fuzhou’s traditional Chinese medicine industry has

a rich resource base, profound cultural heritage and spectacular natural conditions. Coupled with a series of supportive policies from the mainland Chinese government for the development of the traditional Chinese medicine industry, this has generated substantial logistics demand for local traditional Chinese medicine products. A wholly-owned subsidiary of the Group has successfully acquired the land use rights for a logistics warehousing site in Fuzhou City through public bidding in October 2024, and plans to establish a logistics industrial park for traditional Chinese medicine, including warehouses and/or other logistics-related facilities. The first phase will focus on constructing two pharmaceutical warehouses to enhance the quality of warehousing services for traditional Chinese medicine products, while also serving the Group's other businesses, including warehousing and distribution of traditional and general pharmaceuticals, as well as healthcare services, to explore broader markets.

In addition to existing businesses, the Group has been actively seeking diversified investment projects to mitigate risks. Since the second half of 2024, the Group has commenced developing its goat milk processing and sales project in Inner Mongolia. According to data from the National Bureau of Statistics (<https://data.stats.gov.cn/easyquery.htm?cn=A01&zb=A020908&sj=202501>), the production of dairy products in 2024 reached 29.6 million tons. The market for goat milk powder in China continues to grow rapidly and is expected to reach RMB16.71 billion in 2024 with projections to exceed RMB35 billion by 2028. This forecast indicates a broad future outlook and significant business opportunities in the goat milk market. In terms of competition, the concentration of China's dairy industry is gradually increasing; however, the goat milk segment is still in its infancy with no oligopoly present.

As market education deepens and consumers pursue healthier options, goat milk is gradually becoming more popular. Despite declining birth rates, the low allergenic properties and nutritional value of goat milk continue to attract a large number of emerging consumers, particularly among the middle-aged and elderly population, who have become the main drivers of growth in the goat milk powder market due to the rise of the silver economy.

Based on the above, the Group intends to leverage its regional advantages in the domestic market and strategically invest in the goat milk division through a locally established subsidiary. Initial efforts will focus on strengthening research and development and expanding marketing channels, primarily through technology licensing and contract processing to achieve rapid product launches.

Supported by an optimistic industry outlook, strategic technological investments, and a focus on innovation, the Group is well-positioned to achieve stable financial growth. As it continues to provide high-quality services and expand into other business areas, the Group expects to maintain a competitive advantage in the ever-changing logistics environment and achieve sustainable business development.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Company and its subsidiaries (collectively referred to as the “**Group**”) attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company (the “**Directors**”) in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the rights issue on the basis of four (4) rights shares for every one (1) share held on the record date on a non-underwritten basis (the “**Rights Issue**”) on the audited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 31 December 2024.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2024 or at any future date.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, as extracted from the published annual results announcement of the Group for the year ended 31 December 2024, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 <i>(Note 1)</i> <i>RMB'000</i>	Unaudited estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 <i>(Note 3)</i> <i>RMB'000</i>
127,785	63,758	191,543

Audited consolidated net tangible assets of the Group per existing share as at 31 December 2024 immediately before completion of the Rights Issue *(Note 4)*

RMB0.958

Unaudited pro forma adjusted consolidated net tangible assets of the Group per adjusted share immediately after completion of the Rights Issue *(Note 5)*

RMB0.287

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 is extracted from the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately RMB129,943,000 as adjusted by exclusion of goodwill and intangible assets of approximately RMB2,158,000 as shown in the annual results announcement of the Group for the year ended 31 December 2024.
2. The estimated gross proceeds from the Rights Issue of approximately HK\$69,376,000 are based on 533,664,000 Rights Shares at the Subscription Price of HK\$0.13 per Rights Share. The estimated net proceeds from the Rights Issue after deducting all necessary estimated expenses of approximately HK\$1,786,000 which are directly attributable to the Rights Issue are approximately HK\$67,590,000 (equivalent to RMB63,758,000). The exchange rate (RMB/HKD: 1.0601) used was made reference to the exchange rate table issued by the Hong Kong Monetary Authority.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue represents the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 plus the estimated net proceeds from the Rights Issue as set out in note 2 above, as appropriate.
4. The audited consolidated net tangible assets per existing shares before completion of the Rights Issue is determined based on the amount as disclosed in note 1 above, divided by 133,416,000 existing shares immediately before completion of the Rights Issue.
5. The unaudited pro forma adjusted consolidated net tangible assets per adjusted share immediately after completion of the Rights Issue is determined based on the amount as disclosed in note 3 above, divided by 667,080,000 adjusted shares, assuming that the Rights Issue had been completed on 31 December 2024.
6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants of the Company, Baker Tilly Hong Kong Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group as set out in Section A of Appendix II to this Prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**



To The Directors of Yues International Holdings Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yues International Holdings Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-3 of the Company’s prospectus date 8 April 2025, in connection with the Rights Issue of the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-3 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of four (4) rights shares for every one (1) share held on the record date on a non-underwritten basis (the “**Rights Issue**”) on the Group’s consolidated net tangible assets attributable to owners of the Company as at 31 December 2024 as if the Rights Issue had taken place at 31 December 2024. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the Group’s audited consolidated financial statements for the year ended 31 December 2024, on which an annual results announcement has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 4.29(1) of the Listing Rules.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Leung Yun Wa

Practising certificate number P08096

Hong Kong, 8 April 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>1,000,000,000</u> Ordinary Shares of HK\$0.10 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>	
<u>133,416,000</u> Ordinary Shares* of HK\$0.10 each	<u>13,341,600</u>

* including 0 treasury shares

(ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company on or before the Record Date)

<i>Authorised:</i>	<i>HK\$</i>
<u>1,000,000,000</u> Ordinary Shares of HK\$0.10 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>	
133,416,000 Ordinary Shares of HK\$0.10 each	13,341,600
533,664,000 Rights Shares of HK\$0.10 each to be issued pursuant to the Rights Issue	53,366,400
<u>667,080,000</u> Ordinary Shares* of HK\$0.10 each to be issued pursuant to the Rights Issue	<u>66,708,000</u>

* including 0 treasury shares

All the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Rights Shares in issue and to be issued are or will be listed on Main Board of the Stock Exchange.

As at the Latest Practicable Date, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

Interests of Directors

Mr. Li Jiahao's interests in 800,000 share options, granted to him pursuant to the share option scheme of the Company approved at an extraordinary general meeting of the Company held on 23 November 2023, were canceled on 2 July 2024. 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 2024, 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.

4. 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.

5. 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 Prospectus which is or may be material:

- (i) The Placing Agreement;
- (ii) The sale and purchase agreement dated 20 December 2024 entered into between 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 (the “**Vendor**”), Mr. Wang Haixi (王海曦) (“**Purchaser I**”), Ms. Guo Chonghui (郭崇慧) (“**Ms. Guo**”), and Zhongshan Haihui Technology Logistics (Group) Co., Ltd.* (中山海慧科企物流(集團)有限公司) (the “**Target Company**”) in relation to the disposal 60% equity interest in the Target Company at the consideration of RMB1;

- (iii) The loan transfer agreement dated 20 December 2024 entered into between the Vendor, Guangzhou Fengyou Packaging Products Co., Ltd.* (廣州豐優包裝製品有限公司) (“**Purchaser II**”), and the Target Company pursuant to which, Purchaser II shall acquire from the Vendor a shareholder’s loan in the principal amount of RMB7,500,000 and relevant interests at a consideration of RMB7,000,000;
- (iv) 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 (as defined below) and the put option under the 2023 Agreements at nil consideration;
- (v) 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;
- (vi) The agreements (the “**2023 Agreements**”) entered between Purchaser I, the Vendor and the Target Company in respect of the sale and purchase of 60% equity interest in the Target Company 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. As disclosed in the circular of the Company dated 10 January 2025, the Vendor has not paid any consideration to Purchaser I pursuant to the terms of the 2023 Agreements; and
- (vii) 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 placees 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.

6. EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this Prospectus:

Name	Qualification
Baker Tilly Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up).

7. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including Independent Financial Adviser fees, placing commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.8 million.

8. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Directors:*Mr. Le Kang (*Chairman*)Mr. Li Zhigang (*Chief Executive Officer*)

Mr. Li Jiahao

Ms. Liu Ping

Independent non-executive Directors:

Mr. Lau Wai Piu Patrick

Dr. Wang Yi

Mr. Chan Koon Yung

Mr. Zhang Yao

Registered office

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman

KY1-1108

Cayman Islands

Headquarters

Units 1301 and 1302,

13/F, Citic Plaza,

No. 233, Tianhe Road North,

Guangzhou, PRC

**Principal place of business in
Hong Kong**

Office C, 23rd Floor,

Centre Mark II,

305–313 Queen's Road Central,

Hong Kong

Authorised representatives

Mr. Li Zhigang

Mr. Chan Tsang Mo

Company secretary

Mr. Chan Tsang Mo

Mr. Chan Tsang Mo is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Principal share registrar and transfer office in the Cayman Islands	Ocorian Trust (Cayman) Limited Windward 3 Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Industrial and Commercial Bank of China (Guangzhou Branch) Nanyang Commercial Bank, Limited
Auditors and reporting accountants	Baker Tilly Hong Kong Limited <i>Certified Public Accountants</i> <i>(Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)</i>
Legal adviser to the Company as to Hong Kong laws	Pillsbury Winthrop Shaw Pittman (HK) LLP Suite 1704, 17/F, Alexandra House, 18 Charter Road, Central, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Mango Financial Limited Units 2305–2306, 23/F Grand Millennium Plaza 181 Queen’s Road Central Hong Kong
Placing Agent	SBI China Capital Financial Services Limited

The business address of the Directors, the senior management and authorised representatives is the same as the Company’s principal place of business in Hong Kong located at Office C, 23rd Floor, Centre Mark II, 305–313 Queen’s Road Central, Hong Kong.

9. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Le Kang was appointed as an executive Director and the chairman of the Board on 6 December 2021 and 30 December 2021 respectively. He is the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). He has over 11 years of experience in marketing and company management, mainly covering cultural tourism consulting, tourism and wellness, Chinese medicine retailing, health management, etc. Mr. Le is currently the legal representative and partner of a number of domestic companies, and has served as the legal representative of Shanghai Leshi Medical Technology Group Co., Ltd.* (上海樂氏醫藥科技集團有限公司) and Shanghai Leshi Tourism Development Group Co., Ltd.* (上海樂氏旅遊發展集團有限公司). Since 2020, he has been the partner of Shanghai Didi Technology Partnership (Limited Partnership)* (上海帝帝科技合夥企業(有限合夥)), the legal representative of Panjin Liaohu Leqin Health Care Management Co., Ltd.* (盤錦遼滬樂沁健康養生管理有限公司) and Leshi Materia Medica (Shanghai) Cosmetics Technology Co., Ltd.* (樂氏本草(上海)化妝品科技有限公司).

Mr. Le Kang was the leader of the new era of Chinese brands in 2019. He also served as the secretary-general of the Shanghai International Volunteer Service Station* (上海國際志願者服務站) of the International Peace Exchange Foundation.

Mr. Li Zhigang was appointed as executive Director on 9 December 2023 and chief executive officer of the Company on 9 September 2024. He is currently the chief executive officer, an executive Director and general manager of Suzhou Institute of Traditional Chinese Medicine Co., Ltd.* (蘇州中藥研究所有限公司) and a director of Jiangsu Kangda Testing Technology Co., Ltd. Mr. Li Zhigang has served as an external tutor at Xi’an Jiaotong-Liverpool University since March 2019. Mr. Li Zhigang worked in various positions at Suzhou Yuanchuang Pharmaceutical Research Co., Ltd.* (蘇州源創藥物研究有限公司), Suzhou Youseen New Drug Development Co., Ltd.* (蘇州玉森新藥開發有限公司), and ReneSola Ltd. (now known as Emeren Group Ltd) (NYSE: SOL).

Mr. Li Zhigang passed the National Unified Legal Professional Qualification Examination* (國家統一法律職業資格考試) of the PRC in April 2021. Mr. Li Zhigang is a non-practicing member of Shanghai Institute of Certified Public Accountants, a registered tax agent in the PRC, a certified internal auditor of the Institute of Internal Auditors and obtained the certification in risk management assurance from the Institute of Internal Auditors. He obtained a bachelor’s degree in engineering with major in biological engineering from Wuhan Technical Institute* (武漢工業學院) (now known as Wuhan Polytechnic University* (武漢輕工大學)) in June 2003, a master’s degree in business administration from Xi’an Jiaotong University in June 2017 and a master’s degree in laws with major in civil and commercial law from Renmin University of China in December 2023.

Mr. Li Jiahao was appointed as an executive Director on 4 August 2021. He is a member of the Remuneration Committee. He obtained the degree of Bachelor of Arts in International Trade and Business Communication from University of Portsmouth in 2012. He joined the operating subsidiary of the Company, namely Guangzhou World-Link (China) Co. Limited* (廣州中聯環宇現代物流有限公司) (“**Guangzhou World-Link**”) as assistant manager since September 2012. Mr. Li Jiahao was promoted as project manager of Guangzhou World-Link and assistant general manager of Guangzhou World-Link in April 2013 and April 2017 respectively. He has been promoted as a deputy general manager of Guangzhou World-Link since January 2019. Mr. Li Jiahao is mainly responsible for the business operations of the Group.

Ms. Liu Ping possesses extensive experience in investment and corporate management. Ms. Liu Ping is currently the chief executive officer of Shanghai Chengmai Investment Management Co., Ltd.* (上海誠勸投資管理有限公司), a company principally engaged in investment management, corporate management, asset management, business consulting, health consulting, and other related activities. Ms. Liu is responsible for its operations and overall management.

Independent Non-executive Directors

Mr. Lau Wai Piu Patrick was appointed as an independent non-executive Director on 28 June 2022. He is the chairman of the Audit Committee and a member of the Nomination Committee. Mr. Lau has over 20 years of experience in auditing and accounting. Mr. Lau founded Ascent Corporate Services Limited in December 2018 and has served as its director since its incorporation. He is currently the company secretary of Haina Intelligent Equipment International Holdings Limited (stock code: 1645) and Infinity Logistics and Transport Ventures Limited (stock code: 1442), whose shares are listed on the Main Board of the Stock Exchange. From December 2020 to January 2022 and July 2019 to August 2022, Mr. Lau was the company secretary of China Health Technology Group Holding Company Limited (formerly know as China Bozza Development Holdings Limited) (stock code: 1069) and MOG Digitech Holdings Limited (formerly known as MOG Holdings Limited) (stock code: 1942) respectively, whose shares are listed on the Main Board of the Stock Exchange. Mr. Lau was also the company secretary of Dragon King Group Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8493) for the period from March 2023 to September 2023.

Mr. Lau obtained his degree of Master of Arts in International Accounting in 2002 and Higher Diploma in Accountancy in 1997, both from City University of Hong Kong. Mr. Lau is currently a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Dr. Wang Yi was appointed as an independent non-executive Director on 17 October 2022. He is the chairman of the Remuneration Committee. He is a professor of the School of Economics of the Beijing Technology and Business University. He has completed PhD programme at the School of Economics and Business Administration of the Beijing Normal University, majoring in educational economy and management, and has obtained his Doctor of Management in June 2009. His main research areas include enterprise management, labour economics, educational economics, etc. Dr. Wang has published more than 50 high-level papers in the Chinese Higher Education Social Sciences Citation Index journals and has led more than 15 national- and provincial-level projects such as key projects of the National Social Science Fund.

Dr. Wang is also currently serving as a director of the Youth Branch of the Commerce Economy Association of China; a director of the China Association of Labour Economics; a director of the China Disabled Persons' Federation; a think tank expert of the National Rural Revitalisation Administration; a think tank expert of the National Bureau of Statistics of China; etc.

Mr. Chan Koon Yung was appointed as an independent non-executive Director on 19 October 2022. He is the member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Chan has more than 34 years of experience in management, audit, finance, taxation and accounting. He obtained a Diploma in Accounting from the Hong Kong Baptist University (formerly known as Hong Kong Baptist College) in 1982 and a Master degree of Business Administration from the University of Strathclyde in the United Kingdom in 1993. He worked for Tupperware (China) Company Limited from December 1987 to April 1998 with his last position as a financial director, and for Herbalife International of Hong Kong Limited from January 1999 to November 2005 as the general manager/director, where the holding companies for both companies are listed on the New York Stock Exchange. Mr. Chan later joined Synergy Worldwide (HK) Limited from March 2006 to August 2008 as a general manager. Besides, he has been working for Poon & Partners CPA Limited since September 2008 with his current position as a director, and has been the sole proprietor of his own accounting firm Chan Koon Yung & Co. since March 2013. Mr. Chan was the chief financial officer of Star Centurium Limited from January 2023 to December 2023. He is an independent non-executive director in Anxian Yuan China Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 00922), since June 2014. Mr. Chan is currently a practicing certified public accountant in Hong Kong and is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Zhang Yao was appointed as an independent non-executive Director on 9 September 2024. He has extensive experience in media and investment sectors. He has been the chairman of the board of Haitian Film and Television Media (Shanghai) Co., Ltd.* (海天影視傳媒(上海)有限公司) since 2016 and the general manager of Shanghai Haitian Asset Investment Co., Ltd.* (上海海天資產投資有限公司) since 2006. Mr. Zhang

served as an assistant manager at Shanghai New Huangpu (Group) Co., Ltd.* (上海新黃浦(集團)有限責任公司) from 2003 to 2006 and a human resources supervisor at Shanghai Yunpeng Industrial Company* (上海雲鵬實業公司) from 1999 to 2002. Mr. Zhang obtained his bachelor's degree of law from China University of Geosciences in July 2007.

10. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises three independent non-executive Directors, namely Mr. Lau Wai Piu Patrick, Dr. Wang Yi and Mr. Chan Koon Yung, being the primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

11. GENERAL

- (i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;
- (ii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities;
- (iii) As at the Latest Practicable Date, save as disclosed elsewhere in this Prospectus, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business; and
- (iv) In the event of any inconsistency, the English texts of this Prospectus shall prevail over their respective Chinese texts.

12. 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 Prospectus:

- (i) The second amended and restated memorandum of association and third amended and restated articles of association of the Company;
- (ii) The annual reports of the Company for the two financial years ended 31 December 2022 and 2023 and the annual results of the Company for the year ended 31 December 2024; and
- (iii) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;

- (iv) the material contracts referred to in the paragraph headed “5. Material Contracts” of this appendix; and
- (v) the letter of consent referred to the paragraph headed “6. Expert Qualification and Consent” in this appendix.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “6. EXPERT QUALIFICATION AND CONSENT” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

* *For identification purposes only*