
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Yue Yuen Industrial (Holdings) Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00551)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalized terms used in the lower portion of this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the AGM to be held at 2:00 p.m. on Friday, May 24, 2024 at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong is set out on pages AGM-1 to AGM-5 in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no later than 2:00 p.m. on Wednesday, May 22, 2024 (Hong Kong Time), or not less than 48 hours before the time for holding the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

No refreshment or corporate souvenir will be provided at the AGM.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

* *For identification purpose only*

April 23, 2024

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DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 2:00 p.m. on Friday, May 24, 2024 at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong or any adjournment hereof, the notice of which is set out on pages AGM-1 to AGM-5 in this circular
“Audit Committee”	the audit committee of the Company
“Board	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended, modified or otherwise supplemented from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Yue Yuen Industrial (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the Issue Mandate will be extended to add any Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Issue Mandate”	a general and unconditional mandate authorising the Directors to issue Shares as described in the section headed “Proposed General Mandates to Issue and to Repurchase Shares”

DEFINITIONS

“Latest Practicable Date”	April 16, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information continued herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“PCC”	Pou Chen Corporation, a company with its shares listed and traded on the TWSE (stock code: 9904) and a controlling shareholder of the Company, which indirectly owns or controls approximately 51.11% of the Company’s issued Shares as at the Latest Practicable Date
“Pou Sheng”	Pou Sheng International (Holdings) Limited (stock code: 3813), an exempted company incorporated in Bermuda with limited liability and a non wholly-owned subsidiary of the Company, whose ordinary shares are listed on the main board of the Stock Exchange
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate authorising the Directors to repurchase Shares as described in the section headed “Proposed General Mandates to Issue and to Repurchase Shares”
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.25 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“TWSE”	the Taiwan Stock Exchange Corporation
“Wealthplus”	Wealthplus Holdings Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of PCC
“Win Fortune”	Win Fortune Investments Limited, a company incorporated in British Virgin Islands, with limited liability and a wholly-owned subsidiary of PCC
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“US\$”	United States dollars, the lawful currency of the United States of America
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“%”	per cent

LETTER FROM THE BOARD



YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00551)

Board of Directors:

Executive Directors:

Mr. Lu Chin Chu (*Chairman*)

Ms. Tsai Pei Chun, Patty (*Managing Director*)

Mr. Chan Lu Min

Mr. Lin Cheng-Tien

Mr. Liu George Hong-Chih

Mr. Shih Chih-Hung (*Chief Financial Officer*)

Independent Non-executive Directors:

Mr. Wong Hak Kun

Mr. Ho Lai Hong

Mr. Lin Shei-Yuan

Dr. Yang Ju-Huei

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

**Principal Place of Business
in Hong Kong:**

22nd Floor

C-Bons International Center

108 Wai Yip Street

Kwun Tong, Kowloon

Hong Kong

April 23, 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

* For identification purpose only

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 84 of the Bye-laws, Mr. Lu Chin Chu, Ms. Tsai Pei Chun, Patty and Mr. Wong Hak Kun shall retire by rotation at the AGM. Dr. Yang Ju-Huei, who was appointed as an independent non-executive Director by the Board with effect from June 1, 2023, shall also retire at the AGM pursuant to the Bye-law 83(2) of the Bye-laws. All of them, being eligible, shall offer themselves for re-election thereat.

The Nomination Committee had reviewed the structure, size and composition of the Board, as well as the biographical details of Mr. Lu Chin Chu, Ms. Tsai Pei Chun, Patty, Mr. Wong Hak Kun and Dr. Yang Ju-Huei and their meeting of nomination criteria (including but not limited to, character and integrity, accomplishment, experience and knowledge in the relevant industry and commitment to devote sufficient time and attention to the Company's affairs as Board member) as set out in the nomination policy of the Company and considered the diversity aspects (including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of services) as set out in the Board diversity policy of the Company, and took the view that all of them have been contributing to the Group effectively and committed to their role as Directors. The Nomination Committee had also assessed the independence of all independent non-executive Directors with reference to the criteria as set out under Rule 3.13 of the Listing Rules, and was satisfied with their independence. Taking into consideration of the above, the Nomination Committee recommended to the Board the re-election of Mr. Lu Chin Chu, Ms. Tsai Pei Chun, Patty, Mr. Wong Hak Kun and Dr. Yang Ju-Huei as the Directors at the AGM. Ms. Tsai Pei Chun, Patty, who is the member of the Nomination Committee, abstained from voting on her nomination at the Nomination Committee's meeting.

The Board accepted the Nomination Committee's recommendation and separate ordinary resolutions relating to the re-election of each retiring Director will be proposed at the AGM for Shareholders' consideration and approval. Each retiring Director abstained from voting on the relevant resolutions at the Board meeting regarding his/her own re-election.

Details of the said Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on May 25, 2023, ordinary resolutions were passed to grant general mandates to the Directors to repurchase Shares and issue new Shares. No Shares had been issued nor repurchased by the Company pursuant to these mandates. Accordingly, there were 1,612,183,986 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

These mandates will lapse at the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to renew these general mandates in order to give the Directors flexibility to repurchase or issue Shares in the circumstances as they consider appropriate. The relevant resolutions, in summary, are:

- (a) the Issue Mandate to allot, issue or deal with Shares up to a maximum of 10% of the total number of the Shares in issue as at the date of passing such resolution (i.e. a maximum amount of 161,218,398 Shares) on the basis that no further Shares are issued or repurchased prior to the date of the AGM;
- (b) the Repurchase Mandate to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of the Shares in issue as at the date of passing such resolution (i.e. a maximum amount of 161,218,398 Shares) on the basis that no further Shares are issued or repurchased prior to the date of the AGM; and
- (c) the Extension Mandate to increase the total number of the Shares which may be allotted and issued under the Issue Mandate by an additional number of the Shares which may be repurchased under the Repurchase Mandate.

Such proposed resolutions are set out in resolutions 5A, 5B and 5C in the notice of the AGM respectively.

The explanatory statement containing all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution concerning the Repurchase Mandate as required by the Listing Rules is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM is set out in pages AGM-1 to AGM-5 in this circular.

A form of proxy for the AGM is enclosed herewith. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no later than 2:00 p.m. on Wednesday, May 22, 2024 (Hong Kong Time), or not less than 48 hours before the time for holding the adjourned meeting (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the AGM will be voted by way of poll. The chairman of the AGM will therefore demand voting on the resolutions set out in the notice of the AGM be taken by way of poll pursuant to Bye-law 66 of the Bye-laws. An explanation of the detailed procedures of voting by poll will be provided to Shareholders at the AGM.

LETTER FROM THE BOARD

Pursuant to Bye-law 66(1) of the Bye-laws, on a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

The trustee of the share award scheme (adopted by the Company on January 28, 2014) held 1,313,000 Shares as at the Latest Practicable Date, and shall not exercise the voting rights at the AGM in respect of these Shares under the trust. Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, no Shareholder will be required to abstain from voting under the Listing Rules in respect of any of the resolution to be proposed at the AGM.

After the conclusion of the AGM, the poll results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yueyuen.com) in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

5. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the AGM to be held on Friday, May 24, 2024 at 2:00 p.m. (and at any adjournment thereof), the register of members of the Company will be closed from Monday, May 20, 2024 to Friday, May 24, 2024 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, May 17, 2024.

6. RECOMMENDATIONS

The Directors consider that the re-election of retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

Your attention is drawn to the additional information set out in Appendix I (Particulars of Directors Proposed for Re-election) and Appendix II (Explanatory Statement) to this circular.

Yours faithfully,
For and on behalf of
Yue Yuen Industrial (Holdings) Limited
Lu Chin Chu
Chairman

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Details of the Directors proposed to be re-elected at the AGM, as required to be disclosed under Rule 13.51(2) of the Listing Rules, are set out below:

(1) Mr. Lu Chin Chu

Mr. Lu Chin Chu, aged 70, has been an executive Director and the chairman of the Board since March 26, 2014 as well as an executive Director from February 15, 1996 to March 4, 2011. He is also a director of certain subsidiaries of the Company. Mr. Lu is in charge of the management of the real estate of the Group. He graduated from National Chung Hsing University in Taiwan with a Master Degree in Business Administration. Mr. Lu has over 46 years of experience in the manufacturing of footwear and footwear materials. He joined PCC in 1977. Mr. Lu is currently the president and a director as well as the president of the real estate department of PCC involving primarily in board level and strategic issues. He is also a director of Wealthplus and Win Fortune, both are wholly-owned subsidiaries of PCC. PCC, through Wealthplus and Win Fortune, has interests in the Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO. Mr. Lu is also currently a director of San Fang Chemical Industry Co., Ltd., a company listed on TWSE, involving in its board level activities and is not engaged in its day-to-day management. He was a director of Evermore Chemical Industry Co., Ltd., a company listed on TWSE, from June 19, 2006 to January 16, 2018. Mr. Lu was also a non-executive director of Prosperous Industrial (Holdings) Limited from March 29, 2018 to March 31, 2020 and a non-executive director of Luen Thai Holdings Limited from September 17, 2007 to February 15, 2017, both companies being listed on the main board of the Stock Exchange. As at the Latest Practicable Date, Mr. Lu was under Part XV of the SFO interested in (a) 256,000 Shares; and (b) 1,143,770 PCC shares, comprising 1,070,470 PCC shares and 73,300 PCC shares owned by him and his spouse respectively.

Save as disclosed above, Mr. Lu (a) does not have any former name or alias; (b) did not hold other position in any members of the Group; and (c) did not hold any directorship in other listed public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (d) does not have other major appointments or professional qualifications; (e) does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders of the Company; and (f) did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Pursuant to the service agreement entered into between the Company and Mr. Lu, Mr. Lu is appointed for a fixed term of three years commencing from March 26, 2023. His term of service is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws and the Listing Rules or at such time as may be required by resolution of the Board. Mr. Lu is not entitled to receive any Director's fee but is entitled to (a) receive an annual salary of NT\$3,936,000 plus discretionary bonus; and (b) be granted options to subscribe for Shares under the Company's share option scheme or awarded Shares under the Company's share award scheme for holding his office as an executive Director. The remuneration (including the salary and discretionary bonus) and the terms under such service agreement are determined by the Board with the recommendation of the Remuneration Committee with reference to the Company's profitability, individual performance as well as the Company's remuneration policy and guidelines. For the financial year ended December 31, 2023, Mr. Lu received a total of approximately US\$583,000 as Director's emoluments, details of which were set out in Note 11 to the consolidated financial statements in the Company's 2023 Annual Report.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Lu.

(2) Ms. Tsai Pei Chun, Patty

Ms. Tsai Pei Chun, Patty, aged 44, has served as an executive Director and managing Director since January 18, 2005 and June 28, 2013 respectively, focusing on the strategic planning and enterprise developments of the Group. She is also a member of the Nomination Committee. Ms. Tsai graduated from the Wharton School of the University of Pennsylvania in the United States of America in May 2002 with a Bachelor of Science Degree in Economics with a concentration in Finance and a College Minor in Psychology. Ms. Tsai joined PCC in 2002. She is currently a director of PCC as well as its subsidiary namely Wealthplus. Both PCC and Wealthplus are having interests in the Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO. Ms. Tsai also serves as a non-executive director of Pou Sheng. She previously served as a board director of Mega Financial Holding Company Limited, a company listed on the TWSE. As at the Latest Practicable Date, Ms. Tsai was under Part XV of the SFO interested in (a) 19,523,000 Pou Sheng shares; and (b) 4,177,779 PCC shares.

Save as disclosed above, Ms. Tsai (a) does not have any former name or alias; (b) did not hold other position in any members of the Group; and (c) did not hold any directorship in other listed public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (d) does not have other major appointments or professional qualifications; (e) does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders of the Company; and (f) did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Pursuant to the service agreement entered into between the Company and Ms. Tsai, Ms. Tsai is appointed for a fixed term of three years commencing from March 3, 2022. Her term of service is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws and the Listing Rules or at such time as may be required by resolution of the Board. Ms. Tsai is not entitled to receive any Director's fee but is entitled to (a) receive a salary of HK\$780,000 and NT\$1,334,000 per annum plus discretionary bonus; and (b) be granted options to subscribe for Shares under the Company's share option scheme or awarded Shares under the Company's share award scheme for holding her office as an executive Director. The remuneration (including the salary and discretionary bonus) and the terms under the service agreement are determined by the Board with the recommendation of the Remuneration Committee with reference to the Company's profitability, individual performance as well as the Company's remuneration policy and guidelines. For the financial year ended December 31, 2023, Ms. Tsai received a total of approximately US\$347,000 as Director's emoluments, details of which were set out in Note 11 to the consolidated financial statements in the Company's 2023 Annual Report.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Ms. Tsai.

(3) Mr. Wong Hak Kun

Mr. Wong Hak Kun, aged 67, has been an independent non-executive Director, the chairman of the Audit Committee as well as Remuneration Committee since June 1, 2018. He is graduated from The University of Hong Kong with a Bachelor Degree in Social Sciences. Mr. Wong is a member of Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, Chartered Institute of Management Accountants as well as The Hong Kong Chartered Governance Institute. He is also a fellow of The Hong Kong Institute of Directors. Mr. Wong has over 36 years of audit, assurance and management experiences with Deloitte China ("**Deloitte**"), of which he was a partner since 1992, and Managing Partner of Deloitte Audit and Assurance practice before his retirement from Deloitte in May 2017. Mr. Wong is currently an independent non-executive director of (a) Lung Kee (Bermuda) Holdings Limited and (b) Hangzhou SF Intra-city Industrial Co., Ltd (both companies are listed on the Stock Exchange), (c) Guangzhou Automobile Group Co., Ltd. (a company listed on the Stock Exchange and the Shanghai Stock Exchange) and Haier Smart Home Co., Ltd., (a company listed on the Stock Exchange, the Shanghai Stock Exchange and the Frankfurt Stock Exchange). Mr. Wong was previously an independent non-executive director of Zhejiang Cangnan Instrument Group Company Limited (shares of which are delisted on the Stock Exchange), from June 21, 2018 to July 24, 2021.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Wong (a) does not have any former name or alias; (b) did not hold other position in any members of the Group; (c) did not hold any directorship in other listed public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (d) does not have other major appointments or professional qualifications; (e) does not have any relationship with any Director, senior management, substantial shareholders as defined in the Listing Rules or controlling shareholders of the Company; and (f) did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to the appointment letter entered into between the Company and Mr. Wong, Mr. Wong is appointed for a fixed term of three years commencing from June 1, 2021. His term of service is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws and the Listing Rules or at such time as may be required by resolution of the Board. Mr. Wong is entitled to (a) receive a Director's fee of HK\$300,000 (equivalent to approximately US\$38,000) per annum; and (b) be granted options to subscribe for Shares under the Company's share option scheme or awarded Shares under the Company's share award scheme for holding his office as an independent non-executive Director. The Director's fee and the terms under the appointment letter are determined by the Board with the recommendation of the Remuneration Committee with reference to the Company's profitability as well as the Company's remuneration policy and guidelines.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Wong.

(4) Dr. Yang Ju-Huei

Dr. Yang Ju-Huei (also known as Steffi Yang), aged 47, has been an independent non-executive Director, the member of the Audit Committee as well as Remuneration Committee since June 1, 2023. She graduated from University of Cambridge in United Kingdom with a Doctor of Philosophy Degree in Economics in 2005. She had been elected as a distinguished scholar of Gates Cambridge Trust, and had worked as a research fellow at British Academy. Dr. Yang is currently an associate professor at Financial Management College of CTBC Business School, having previously served as an adjunct associate professor for College of Management in National Taiwan University. Dr. Yang has a strong academic background, specializing in behavioral economics. Dr. Yang is currently a director of CTBC Investment Co., Ltd., which is a subsidiary of CTBC Financial Holding Co., Ltd., a company listed on TWSE.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Dr. Yang (a) does not have any other former name or alias; (b) did not hold other position in any members of the Group; (c) did not hold any directorship in other listed public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (d) does not have other major appointments or professional qualifications; (e) does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders of the Company; and (f) did not have any interest in the Shares within the meaning of Part XV of the SFO Securities and Futures Ordinance as at the Latest Practicable Date.

Pursuant to the appointment letter entered into between the Company and Dr. Yang, Dr. Yang is appointed for a fixed term of three years commencing from June 1, 2023. Her term of service is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws and the Listing Rules or at such time as may be required by resolution of the Board. Dr. Yang is entitled to (a) receive a Director's fee of HK\$285,000 (equivalent to approximately US\$36,000) per annum; and (b) be granted options to subscribe for Shares under the Company's share option scheme or awarded Shares under the Company's share award scheme for holding her office as an independent non-executive Director. The Director's fee and the terms under the appointment letter are determined by the Board with the recommendation of the Remuneration Committee with reference to the Company's profitability as well as the Company's remuneration policy and guidelines.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Dr. Yang.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate to be proposed at the AGM.

At the AGM, an ordinary resolution will be proposed to approve the Repurchase Mandate. Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the number of the Shares in issue on the date the resolution granting the Repurchase Mandate is passed. As at the Latest Practicable Date, there were in issue an aggregate of 1,612,183,986 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, would accordingly result in up to 161,218,398 Shares being repurchased by the Company.

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(a) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction. The Shares to be repurchased must be fully paid up.

(b) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(c) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association and Bye-laws and the applicable laws in Bermuda. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of any premium payable on such repurchase, from funds of the Company otherwise available for dividend or distribution or from the Company's share premium account.

(d) Impact of repurchases

There might be a material adverse impact on the working capital requirements of the Company or the gearing level (as compared with the position disclosed in the audited financial statements of the Company for the year ended December 31, 2023 as set out in the Company's annual report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Takeovers Code

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights according to Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, PCC, a controlling shareholder of the Company, was interested in 824,143,835 Shares, representing approximately 51.11% of the number of issued Shares. If the Repurchase Mandate was exercised in full, the shareholding of PCC in the Company would be increased to approximately 56.80%. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. In addition, the Company will not purchase its Shares which will reduce the total number of issued shares of the Company in public hands to below 25%.

(f) Undertaking

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda. Neither this explanatory statement nor the proposed Repurchase Mandate has any unusual features.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is approved by the Shareholders.

(g) Share prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	11.98	10.56
May	11.78	9.51
June	10.50	9.69
July	11.38	10.24
August	11.02	9.50
September	10.36	8.52
October	9.20	8.50
November	9.61	8.31
December	9.23	8.43
2024		
January	8.71	7.34
February	8.72	7.32
March	11.96	7.92
April (Up to the Latest Practicable Date)	12.10	10.82

(h) Share repurchases made by the Company

No Share has been repurchased by the Company during the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

NOTICE OF ANNUAL GENERAL MEETING



YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00551)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Yue Yuen Industrial (Holdings) Limited (the “**Company**”) will be held at 2:00 p.m. on Friday, May 24, 2024 at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited financial statements and the reports of the directors and independent auditors of the Company for the year ended December 31, 2023.
2. To declare a final dividend of HK\$0.7 per share of the Company (“**Shares**”) for the year ended December 31, 2023.
3.
 - (a) To re-elect Mr. Lu Chin Chu as an executive director of the Company (“**Director**”).
 - (b) To re-elect Ms. Tsai Pei Chun, Patty as an executive Director.
 - (c) To re-elect Mr. Wong Hak Kun as an independent non-executive Director.
 - (d) To re-elect Dr. Yang Ju-Huei as an independent non-executive Director.
 - (e) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors for the year ending December 31, 2024.
4. To re-appoint Deloitte Touche Tohmatsu as the external auditor of the Company to hold office until the conclusion of next AGM and to authorize the Board to fix their remuneration.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

5A. **“That:**

- (a) subject to paragraph (c), the exercise by the Director during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such power in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which might require the exercise of such power after the end of the Relevant Period (as defined below);
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of the subscription rights under the share option scheme or similar arrangements of the Company; or (c) (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of the dividend on Shares in accordance with the bye-laws of the Company (the “**Bye-laws**”) in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 10% of the number of the Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next AGM; or
- (ii) the expiry of the period within which the next annual general meeting of the Company is required to be held under the laws of Bermuda or the Bye-laws or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong Special Administrative Region of the People’s Republic of China).”

5B. **“That:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its own Shares, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the number of the Shares in issue as at the date of passing this resolution and the said approval be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next AGM; or
- (ii) the expiry of the period within which the next annual general meeting of the Company is required to be held under the laws of Bermuda or the Bye-laws or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5C. “**That** conditional upon the ordinary resolution designated “5B” above being passed (with or without amendments), the aggregate number of Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in that resolution shall be added to the aggregate number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the ordinary resolution designated “5A” above.”

For and on behalf of
Yue Yuen Industrial (Holdings) Limited
Lu Chin Chu
Chairman

Hong Kong, April 23, 2024

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

22nd Floor, C-Bons International Center
108 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote in his/her stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, no later than 2:00 p.m. on Wednesday, May 22, 2024 (Hong Kong Time), or not less than 48 hours before the time for holding the adjourned meeting (as the case may be).
- (2) **The register of members of the Company will be closed from Monday, May 20, 2024 to Friday, May 24, 2024, both dates inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, May 17, 2024 in order to establish the identity of the shareholders who are entitled to attend and vote at the AGM ("Entitlement to AGM"). The record date for the Entitlement to AGM will be on Monday, May 20, 2024.**
- (3) **The register of members of the Company will be closed from Monday, June 3, 2024 to Wednesday, June 5, 2024, both dates inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, May 31, 2024 in order to establish the identity of the shareholders who are entitled to qualify for the final dividend ("Entitlement to Final Dividend"). The record date for the Entitlement to Final Dividend will be on Monday, June 3, 2024.**
- (4) If a tropical cyclone warning signal No. 8 or above is hoisted, or "extreme conditions" caused by super typhoons exist, or a black rainstorm warning signal is in force at or at any time after 11:00 a.m. on the date of the AGM, the AGM will be postponed and members will be informed of the date, time and venue of the postponed AGM by a supplementary notice, posted on the respective websites of the Company and The Stock Exchange of Hong Kong Limited.

The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, members should decide whether they would attend the AGM under bad weather condition and if they do so, they are advised to exercise care and caution.

- (5) **No refreshment or corporate souvenir will be provided at the AGM.**
- (6) References to time and dates in this notice are to Hong Kong time and dates.
- (7) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.