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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)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Yue Yuen Industrial (Holdings) Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the preliminary review of the unaudited consolidated financial statements of the Group for the three months ended March 31, 2021 (the “Period”), the Group is expected to record an unaudited consolidated profit attributable to owners of the Company of approximately US\$80 million to US\$90 million as compared to the unaudited consolidated loss attributable to owners of the Company of approximately US\$56 million for the corresponding three-month period in 2020.

The expected turnaround of operating performance for the Period was attributable to a number of reasons, including increased orders, enhanced production utilization and efficiency amidst the ongoing recovery of global demand for the Group’s products, on top of a low-base effect due to the novel coronavirus (“COVID-19”) pandemic in 2020. In addition, the Group’s retail subsidiary, Pou Sheng International (Holdings) Limited (“Pou Sheng”) recorded a decent turnaround due to the recovery of the sportswear markets in mainland China since the end of COVID-19 lockdowns in 2020.

* For identification purpose only

Even though the Group's results for the Period is expected to turnaround, the Board wishes to remind the Shareholders and potential investors that there are still uncertainties in the remaining part of the year 2021, as to the volatility of demand amidst the uneven growth across the globe, which could possibly disrupt the momentum of the recovery on the manufacturing order book. In respect of the retail business of Pou Sheng, the Group will closely monitor the upheaval in consumer sentiment in mainland China and the potential drawback of growth. The Group will continue to swiftly adapt to the changing operational environment, and invest in strategic areas, so as to sustain a stable recovery and long-term growth prospects.

The Company is in the process of preparing the unaudited consolidated results of the Group for the Period. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated financial statements of the Group for the Period currently available which have not been audited nor reviewed by the auditors of the Company. Details of the financial information of the Group will be disclosed in the announcement of the unaudited consolidated results for the Period to be announced on May 13, 2021.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Yue Yuen Industrial (Holdings) Limited
Lu Chin Chu
Chairman

Hong Kong, April 27, 2021

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Lu Chin Chu (Chairman), Ms. Tsai Pei Chun, Patty (Managing Director), Mr. Chan Lu Min, Mr. Lin Cheng-Tien, Mr. Hu Chia-Ho, Mr. Liu George Hong-Chih and Mr. Yu Huan-Chang.

Independent Non-executive Directors:

Mr. Wong Hak Kun, Mr. Ho Lai Hong, Ms. Yen Mun-Gie (also known as Teresa Yen) and Mr. Chen Chia-Shen.

Website: www.yueyuen.com