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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: 551)

CHANGE IN OPERATING RESULTS

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 (2)(a) of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group, the performance of the Group in the first three months ended 31 March 2013 has demonstrated a significant downturn year on year and therefore the Group's results are expected to be adversely and materially affected for the first interim period. To deal with the change in operating results of the Company, the Board will continue to undertake various production efficiency implementations and try every means to contain the rising costs with the aim to improving its business.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Yue Yuen Industrial (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company wishes to inform shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group, the performance of the Group in the first three months ended 31 March 2013 has demonstrated a significant downturn year on year and therefore the Group's results are expected to be adversely and materially affected for the first interim period. The change in operating results of the Group was mainly due to the following reasons: (i) rising input costs affecting manufacturing operations; ii) relocation and allocation of production capacity for the manufacturing operations which

affected operating efficiency and thus operating profit; and (iii) a significant portion of last year's net profit was derived from non-recurrent and one-off items. To deal with the change in operating results of the Company, the Board will continue to undertake various production efficiency implementations and try every means to contain the rising costs with the aim to improving its business.

The Company is in the process of preparing the first quarter results of the Group for the three months ended 31 March 2013. The statements made in this announcement arise from the preliminary assessment reached by the Board of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2013 currently available which have not been finalised as at the date of this announcement. Further details of the financial information of the Group will be disclosed in the first quarter results announcement which is expected to be published on 14 May 2013 while the interim results announcement are expected to be published in August 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

As at the date of this announcement, Mr. Tsai Chi Neng (Chairman), Mr. David N. F. Tsai (Managing Director), Mr. Kuo Tai Yu, Mr. Kung Sung Yen, Mr. Chan Lu Min, Mr. Li I Nan, Steve, Ms. Tsai Pei Chun, Patty, Ms. Kuo Li Lien and Mr. Lee Shao Wu are the Executive Directors, and Dr. Liu Len Yu, Mr. Leung Yee Sik, Mr. Huang Ming Fu, Mr. Chu Li-Sheng and Ms. Teresa Yen are the Independent Non-executive Directors.

By Order of the Board
Tsai Chi Neng
Chairman

Hong Kong, 6th May, 2013

Website: www.yueyuen.com

* For identification purposes only