YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00551)

FINAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2018

GROUP FINANCIAL HIGHLIGHTS

Results for the year ended December 31, 2018

	2018	2017	Percentage increase/ (decrease)
Revenue *(US$'000)*	**9,695,282**	9,121,426	**6.29%**
Recurring profit attributable to owners of the Company *(US$'000)*	**325,658**	500,829	**(34.98%)**
Non-recurring (loss) profit attributable to owners of the Company *(US$'000)*	**(18,542)**	18,397	**N/A**
Profit attributable to owners of the Company *(US$'000)*	**307,116**	519,226	**(40.85%)**
Basic earnings per share *(US cents)*	**18.84**	31.55	**(40.29%)**
Dividend per share			
Interim dividend *(HK$)*	**0.40**	0.40	**–**
Special dividend *(HK$)*	**N/A**	3.50	**N/A**
Final dividend (proposed) *(HK$)*	**1.10**	1.10	**–**

* *For identification purpose only*

RESULTS

The directors (the "Directors") of Yue Yuen Industrial (Holdings) Limited (the "Company") are pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2018 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2018

	Notes	**2018**	2017
		US$'000	*US$'000*
Revenue	*3*	**9,695,282**	9,121,426
Cost of sales		**(7,249,224)**	(6,770,280)
Gross profit		**2,446,058**	2,351,146
Other income		**120,856**	126,340
Selling and distribution expenses		**(1,160,057)**	(986,160)
Administrative expenses		**(658,291)**	(635,759)
Other expenses		**(249,975)**	(256,935)
Finance costs		**(80,551)**	(45,309)
Share of results of associates		**12,489**	43,735
Share of results of joint ventures		**26,991**	20,851
Other gains and losses	*4*	**(17,956)**	17,391
Profit before taxation		**439,564**	635,300
Income tax expense	*5*	**(98,448)**	(85,967)
Profit for the year	*6*	**341,116**	549,333
Attributable to:			
Owners of the Company		**307,116**	519,226
Non-controlling interests		**34,000**	30,107
		341,116	549,333
		US cents	*US cents*
Earnings per share	*8*		
– Basic		**18.84**	31.55
– Diluted		**18.70**	31.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2018

	2018 *US$'000*	2017 *US$'000*
Profit for the year	**341,116**	549,333
Other comprehensive (expense) income		
Items that will not be reclassified subsequently to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income	**(23,715)**	–
Share of other comprehensive income of associates	**9,316**	–
Remeasurement of defined benefit obligations, net of tax	**2,450**	(9,670)
Gain on revaluation of properties transferred from property, plant and equipment and prepaid lease payments to investment properties, net of tax	**9,686**	4,698
	(2,263)	(4,972)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on the translation of foreign operations	**(49,197)**	54,939
Share of other comprehensive (expense) income of associates and joint ventures	**(22,074)**	15,924
Fair value gain on available-for-sale investments	**–**	11,993
Reserve released upon disposal of subsidiaries	**147**	(683)
Reserve released upon disposal of associates and joint ventures	**(2,074)**	(2,023)
Reserve released upon deemed disposal of associates	**(724)**	–
	(73,922)	80,150
Other comprehensive (expense) income for the year	**(76,185)**	75,178
Total comprehensive income for the year	**264,931**	624,511
Total comprehensive income for the year attributable to:		
Owners of the Company	**249,099**	573,099
Non-controlling interests	**15,832**	51,412
	264,931	624,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2018

	Note	**2018**	2017
		US$'000	*US$'000*
Non-current assets			
Investment properties		**109,725**	85,985
Property, plant and equipment		**2,351,690**	2,182,285
Deposits paid for acquisition of property, plant and equipment		**111,636**	187,731
Prepaid lease payments		**160,651**	150,078
Intangible assets		**103,775**	124,429
Goodwill		**273,834**	277,505
Interests in associates		**416,525**	480,598
Interests in joint ventures		**248,565**	249,773
Amount due from a joint venture		**437**	458
Available-for-sale investments		**–**	48,558
Equity instruments at fair value through other comprehensive income		**15,685**	–
Held-to-maturity investments		**–**	8,787
Financial assets at amortized cost		**6,740**	–
Financial assets at fair value through profit or loss		**19,988**	19,580
Rental deposits and prepayments		**24,562**	23,624
Deferred tax assets		**61,920**	46,212
		3,905,733	3,885,603
Current assets			
Inventories		**1,774,855**	1,603,928
Trade and other receivables	*9*	**1,741,464**	1,696,434
Prepaid lease payments		**4,830**	4,606
Equity instruments at fair value through other comprehensive income		**4,056**	–
Held-to-maturity investments		**–**	1,213
Financial assets at amortized cost		**1,806**	–
Financial assets at fair value through profit or loss		**20,195**	–
Investments held for trading		**–**	16,555
Derivative financial instruments		**–**	2,581
Taxation recoverable		**11,633**	11,777
Bank balances and cash		**851,420**	1,053,547
		4,410,259	4,390,641
Assets classified as held for sale		**–**	795
		4,410,259	4,391,436

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At December 31, 2018

	Note	**2018** *US$'000*	2017 *US$'000*
Current liabilities			
Trade and other payables	*10*	**1,388,514**	1,452,314
Contract liabilities		**44,592**	–
Financial liabilities at fair value through profit or loss		**20,048**	–
Taxation payable		**56,970**	50,017
Bank and other borrowings		**795,917**	679,347
Bank overdrafts		**–**	16,722
		2,306,041	2,198,400
Net current assets		**2,104,218**	2,193,036
Total assets less current liabilities		**6,009,951**	6,078,639
Non-current liabilities			
Bank and other borrowings		**1,328,006**	1,283,993
Deferred tax liabilities		**44,003**	39,532
Defined benefits obligations		**91,906**	85,068
		1,463,915	1,408,593
Net assets		**4,546,036**	4,670,046
Capital and reserves			
Share capital		**52,182**	53,197
Reserves		**4,075,318**	4,225,463
Equity attributable to owners of the Company		**4,127,500**	4,278,660
Non-controlling interests		**418,536**	391,386
Total equity		**4,546,036**	4,670,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1. GENERAL

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Except as described below, the application of these new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue" and the related interpretations.

The Group recognizes revenue from the following major sources:

- Revenue from manufacturing and sales of footwear products; and

- Revenue from retail and distribution of sportswear and apparel products.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

2.1 Impacts of application on HKFRS 15 "Revenue from Contracts with Customers" (Continued)

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application, January 1, 2018. Any difference at the date of initial application is recognized in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that had not completed at January 1, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and related interpretations.

Summary of effects arising from initial application of HKFRS 15

Upon adoption of HKFRS 15, advance from customers included in trade and other payables amounting to US$51,589,000 was reclassified to contract liabilities as at the date of initial application, January 1, 2018. Other than reclassification of contract liabilities, the adoption of HKFRS 15 does not have material impact on the Group's financial performance and positions.

2.2 Impacts of application on HKFRS 9 "Financial Instruments" and the related amendments

In the current year, the Group has applied HKFRS 9 "Financial Instruments". HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; and 2) expected credit losses ("ECL") for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognized as at January 1, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as at January 1, 2018. The difference between carrying amounts as at December 31, 2017 and the carrying amounts as at January 1, 2018 are recognized in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

2.2 Impacts of application on HKFRS 9 "Financial Instruments" and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, January 1, 2018:

	Notes	**Available-for-sale investments**	**Held-to-maturity investments**	**Equity instruments at FVTOCI**	**Financial assets at amortized cost**
		US$'000	*US$'000*	*US$'000*	*US$'000*
Balance at December 31, 2017					
– HKAS 39		48,558	10,000	–	–
Effect arising from initial application of HKFRS 9:					
Reclassification					
From available-for-sale investments	*(a)*	(48,558)	–	48,558	–
From held-to-maturity investments	*(b)*	–	(10,000)	–	10,000
Balance at January 1, 2018		–	–	48,558	10,000

(a) Available-for-sale investments

The Group elected to present in other comprehensive income for the fair value changes of all its equity investments previously classified as available-for-sale investments, of which US$335,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, US$48,558,000 were reclassified from available-for-sale investments to equity instruments at fair value through other comprehensive income ("FVTOCI") and the fair value gains of US$36,023,000 relating to those investments previously carried at fair value continued to accumulate in investments revaluation reserve.

(b) Held-to-maturity investments

Listed debt instruments previously classified as held-to-maturity investments are reclassified and measured at amortized cost upon application of HKFRS 9. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount at January 1, 2018.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

2.2 Impacts of application on HKFRS 9 "Financial Instruments and the related amendments" (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(c) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics for Manufacturing Business and aging status for Retailing Business.

Loss allowances for other financial assets at amortized cost are measured on 12-month ECL basis and there had been no significant increase in credit risk since initial recognition.

As at January 1, 2018, the Group has assessed and reviewed the existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No additional credit loss allowance has been recognized against retained profits.

3. REVENUE AND SEGMENTAL INFORMATION

Information reported to the board of Directors of the Company (the "Board"), being the chief operating decision maker, for the purposes of resources allocation and assessment of performance, focuses specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. The principal categories of the Group's business are manufacturing and sales of footwear products ("Manufacturing Business") and retail and distribution of sportswear and apparel products ("Retailing Business") which includes the operating and leasing of large scale commercial spaces to retailers and distributors.

Accordingly, the Directors of the Company have determined that the Group has only one operating segment, as defined in HKFRS 8 "Operating Segments". The information regarding revenue derived from the principal businesses described above is reported below:

	2018	2017
	US$'000	*US$'000*
Revenue		
Manufacturing Business	**5,881,493**	6,092,371
Retailing Business	**3,813,789**	3,029,055
	9,695,282	9,121,426

3. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Revenue from major products

The following is an analysis of the Group's revenue from its major products recognized in a point in time:

	2018	2017
	US$'000	*US$'000*
Athletic shoes	**4,267,717**	4,203,782
Casual/outdoor shoes	**1,031,020**	1,192,159
Sports sandals	**91,830**	78,818
Soles and components	**480,173**	600,708
Retail sales – shoes and apparel	**3,793,843**	3,011,961
Others	**30,699**	33,998
	9,695,282	9,121,426

Geographical information

The Group's revenue is mainly derived from customers located in the United States of America ("US"), Europe and the People's Republic of China (the "PRC"). The Group's revenue by the geographical location of the customers, determined based on the destination of goods delivered, irrespective of the origin of the goods, is detailed below:

	2018	2017
	US$'000	*US$'000*
US	**2,177,512**	2,192,041
Europe	**1,774,055**	1,750,617
PRC	**4,185,939**	3,491,553
Other countries in Asia	**1,013,773**	1,112,658
Others	**544,003**	574,557
	9,695,282	9,121,426

3. **REVENUE AND SEGMENTAL INFORMATION (CONTINUED)**

Geographical information (Continued)

The Group's business activities are conducted predominantly in the PRC, Vietnam, Indonesia, Myanmar, Cambodia, US and Republic of China ("Taiwan"). Information about the Group's non-current assets by the geographical location of the assets is detailed below:

	2018	2017
	US$'000	*US$'000*
PRC	**979,757**	1,035,932
Vietnam	**873,437**	779,498
Indonesia	**646,233**	637,985
Myanmar	**110,311**	100,849
Cambodia	**59,614**	59,564
US	**88,496**	84,281
Taiwan	**76,147**	27,210
Others	**28,044**	28,813
	2,862,039	2,754,132

note: Non-current assets excluded goodwill, interests in associates, interests in joint ventures, amounts due from joint ventures, deferred tax assets and financial instruments.

Information about major customers

Revenue from customers contributing over 10% of the total annual revenue of the Group are as follows:

	2018	2017
	US$'000	*US$'000*
Customer A	**1,776,863**	1,665,216
Customer B	**1,602,086**	1,669,433

4. OTHER GAINS AND LOSSES

	2018	2017
	US$'000	*US$'000*
Fair value changes on financial assets at fair value through profit or loss	**(23,449)**	(420)
Fair value changes on investment properties	**501**	(2,331)
Fair value changes on derivative financial instruments	**–**	9,419
Gain (loss) on disposal of joint ventures	**1,053**	(925)
Gain on disposal of associates	**8,436**	11,565
Gain on disposal of subsidiaries	**4,780**	7,507
Impairment loss on goodwill	**–**	(5,380)
Impairment loss on interests in associates	**(4,799)**	–
(Loss) gain on deemed disposal of associates	**(4,478)**	2,059
Loss on deemed disposal of a joint venture	**–**	(4,103)
	(17,956)	17,391

5. INCOME TAX EXPENSE

	2018	2017
	US$'000	*US$'000*
Taxation attributable to the Company and its subsidiaries:		
PRC Enterprise Income Tax ("EIT") *(note ii)*		
– current year	**59,189**	65,394
– overprovision in prior years	**(206)**	(366)
– dividend withholding tax in the PRC *(note ii)*	**336**	–
Overseas taxation *(notes iii & iv)*		
– current year	**49,645**	39,014
– underprovision in prior years	**4,406**	2,074
	113,370	106,116
Deferred tax credit	**(14,922)**	(20,149)
	98,448	85,967

5. INCOME TAX EXPENSE (CONTINUED)

notes:

(i) Hong Kong

No provision for Hong Kong Profit Tax has been made as the Group had no assessable profit for both years.

(ii) PRC

The PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant enterprise income tax law, implementation rules and notices in the PRC (the "EIT Law of PRC"), except as follows:

Pursuant to《財政部、海關總署、國家稅務總局關於深入實施西部大開發戰略有關稅收政策問題的通知》(Caishui [2011] No. 58) and the Bulletin of the State Administration of Taxation [2012] No. 12 issued in 2011 and 2012, during the period from January 1, 2011 to December 31, 2020, any enterprise that is located in the Western Regions of the PRC and engaged in the business activities as listed in the "Catalogue of Encouraged Industries in Western Regions" (the "New Catalogue") as its major business from which the annual revenue accounts for more than 70% of its total revenue for the financial year, is entitled to pay EIT at the rate of 15% after its application is approved by the in-charge taxation authorities. Certain subsidiaries of the Company which are located in the specified provinces of Western Regions of the PRC and engaged in the business activities under the New Catalogue. The Directors of the Company consider that the relevant subsidiaries are eligible for the preferential tax rate of 15% in both years.

Pursuant to EIT Law of PRC and the Detailed Implementation Rules, distribution of the profits earned by the subsidiaries in the PRC since January 1, 2008 to holding companies is subject to the PRC withholding tax at the applicable tax rates of 10%.

(iii) Vietnam

As approved by the relevant tax authorities in Vietnam, certain subsidiaries of the Company are entitled to two years' exemption from income taxes followed by four to nine years of a 50% tax reduction based on preferential income tax rates, commencing from the first profitable year.

The applicable tax rates for the subsidiaries in Vietnam range from nil to 20% for both years.

(iv) Overseas

As stated in the Decree Law No. 58/99/M, Chapter 2, Article 12, dated October 18, 1999, certain subsidiaries of the Company established in Macau are exempted from Macao Complementary Tax.

Taxation arising in other jurisdictions including Indonesia, Taiwan and US is calculated at the rates prevailing in the respective jurisdictions, which were 25% (2017: 25%), 20% (2017: 17%) and 21% (2017: 35%) respectively. During current year, US corporate tax rate is reduced from 35% to 21% effective on January 1, 2018 in accordance to the Tax Cuts and Jobs Act.

6. PROFIT FOR THE YEAR

	2018	2017
	US$'000	*US$'000*
Profit for the year has been arrived at after charging (crediting):		
Employee benefit expense, including directors' emoluments		
– basic salaries, bonus and allowances	**1,983,861**	1,902,299
– retirement benefit scheme contributions	**231,018**	233,606
– share-based payments	**4,302**	4,714
	2,219,181	2,140,619
Release of prepaid lease payments	**4,062**	5,735
Auditor's remuneration	**1,727**	1,944
Amortization of intangible assets (included in selling and distribution expenses)	**19,062**	16,834
Depreciation of property, plant and equipment	**314,496**	281,408
Loss on disposal of property, plant and equipment (included in other expenses)	**21,827**	26,243
Gain on disposal of assets classified as held for sale	**(5,582)**	–
Research and development expenditure (included in other expenses)	**205,890**	210,158
Net changes in allowance for inventories (included in cost of sales) *(note ii)*	**(5,275)**	5,786
Loss on disposal of prepaid lease payments	**57**	15
Interest income	**(10,273)**	(9,624)
Dividend income from available-for-sale investments	**–**	(1,246)
Dividend income from equity instruments at FVTOCI	**(1,018)**	–
Net exchange gain	**(5,739)**	(17,520)
Gross rental income on investment properties, before deduction of direct operating expenses of approximately US$588,000 (2017: US$631,000)	**(15,681)**	(11,296)

notes:

(i) For the years ended December 31, 2018 and 2017, cost of inventories recognized as an expenses represents cost of sales as shown in the consolidated income statement.

(ii) Changes in allowance for inventories of US$9,444,000 credited to the consolidated income statement (2017: allowance for inventories of US$12,998,000) for the year ended December 31, 2018 arose from the finished goods for the retail and distribution of sportswear products.

7. DIVIDENDS

	2018	2017
	US$'000	*US$'000*
Dividends recognized as distribution during the year:		
2018 Interim dividend of HK$0.40 per share (2017: 2017 Interim dividend of HK$0.40 per share)	**82,375**	84,259
2017 Special dividend of HK$3.50 per share	**–**	737,269
2017 Final dividend of HK$1.10 per share (2017: 2016 Final dividend of HK$1.00 per share)	**229,704**	211,400
	312,079	1,032,928

The Directors recommend the payment of a final dividend of HK$1.10 per share for the year ended December 31, 2018. The proposed dividend of approximately HK$1,776,006,000 will be paid on or before June 25, 2019 to those shareholders whose names appear on the Company's register of members on June 10, 2019.

During the six months ended June 30, 2017, in addition to the interim dividend, a special dividend of HK$3.50 per share was declared. The special dividend of approximately HK$5,760,424,000, equivalent to US$737,269,000, was paid on October 10, 2017 to the shareholders of the Company.

This proposed final dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2018	2017
	US$'000	*US$'000*
Earnings:		
Earnings for the purpose of basic earnings per share, being profit for the year attributable to owners of the Company	**307,116**	519,226
Effect of dilutive potential ordinary shares		
Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	**(2,089)**	(2,059)
Earnings for the purpose of diluted earnings per share	**305,027**	517,167

	2018	2017
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,630,441,582**	1,645,799,771
Effect of dilutive potential ordinary shares:		
– Unvested awarded shares	**1,123,514**	1,053,420
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,631,565,096**	1,646,853,191

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme of the Company.

9. TRADE AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 days to 90 days which are agreed with each of its trade customers. Included in trade and other receivables are trade receivables, net of allowance for credit losses, of US$1,268,526,000 (2017: US$1,236,086,000) and an aged analysis based on invoice date at the end of the reporting period, which approximated to the respective revenue recognition dates, is as follows:

	2018	2017
	US$'000	*US$'000*
0 to 30 days	**761,237**	758,844
31 to 90 days	**492,301**	453,325
Over 90 days	**14,988**	23,917
	1,268,526	1,236,086

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bills payables of US$486,891,000 (2017: US$461,480,000) and an aged analysis based on the invoice date at the end of the reporting period is as follows:

	2018	2017
	US$'000	*US$'000*
0 to 30 days	**372,591**	345,244
31 to 90 days	**110,468**	106,376
Over 90 days	**3,832**	9,860
	486,891	461,480

11. CONTINGENCIES

At the end of the reporting period, the Group had contingent liabilities as follows:

	2018	2017
	US$'000	*US$'000*
Guarantees given to banks in respect of banking facilities granted to		
(i) joint ventures		
– amount guaranteed	**36,425**	26,425
– amount utilized	**16,104**	15,500
(ii) associates		
– amount guaranteed	**15,855**	17,345
– amount utilized	**6,014**	5,693

In the opinion of the Directors, the fair value of the financial guarantees given to the banks by the Group are insignificant at initial recognition. Also, after taking into consideration the probability of default by the joint ventures and associates, the management of the Company is of the opinion that no provision is required to be recognized in the consolidated statement of financial position as at December 31, 2018 and 2017.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2018

Business Review

Results

For the year ended December 31, 2018, the Group recorded revenue of US$9,695.3 million, representing an increase of 6.3%, compared with the previous year. Gross profit increased by 4.0% to US$2,446.1 million, while the profit attributable to owners of the Company declined by 40.9% to US$307.1 million, as compared to US$519.2 million recorded for the previous year. This was mainly due to operating deleverage within the manufacturing business, a reduction of the non-recurring gain for the year, as well as higher finance costs during the year. Basic earnings per share declined by 40.3% to 18.84 US cents, compared with 31.55 US cents for the previous year.

Recurring Profit Attributable to Owners of the Company

Excluding all items of non-recurring nature, the recurring profit for the year ended December 31, 2018 declined by 35.0% to US$325.7 million, compared to a recurring profit of US$500.8 million for the previous year. For the year ended December 31, 2018, the Group recognized a non-recurring loss of US$18.5 million, which included a loss of US$23.4 million on financial instruments that was partly offset by one-off gains arising from the disposal of subsidiaries and associates. By contrast, for the year ended December 31, 2017, the Group recorded a non-recurring profit of US$18.4 million, which included a fair value gain on derivative financial instruments and a one-off gain of US$19.1 million on the disposal of subsidiaries and associates.

Operations

General Overview

Yue Yuen is the world's largest manufacturer of athletic, athleisure, casual and outdoor footwear with a diversified portfolio of brand customers and production sites. The Group's production capacity is widely recognized for its responsiveness, flexibility, innovation, design and development capabilities, and superior quality. The Group faced unprecedented headwinds in 2018 including operational disruptions and challenges associated with the fast fashion trend and much lower consumer demand visibility, which resulted in more volatile monthly requirements and utilization, as well as operating deleverage within the manufacturing business. To address these challenges, the Group continued increasing automation levels and enhancing operational efficiency through process re-engineering so as to provide differentiated value-added and one-stop OEM/ODM services to leading international brand customers that it has maintained long-term relationships with.

The Group also operates one of the largest and most integrated sportswear retail networks in the Greater China region, as well as event management and sport services. In response to intensifying competition and omni-channel integration between 'brick and mortar' channels and e-commerce channels, the Group is currently in the process of strengthening its market presence and optimizing profitability by implementing customer experience-focused initiatives, expanding its omni-channel capabilities and investing in the latest information systems and technologies in order to further digitize its business intelligence and performance index and to facilitate the shortening of the sales cycle. For a more detailed explanation of the Group's retail business model, please refer to the 2018 annual report of Pou Sheng International (Holdings) Limited ("Pou Sheng"), a listed subsidiary of the Company.

In 2018, the Group made further progress in adapting its manufacturing business to an ever-changing market environment, in particular increasing demand for greater versatility, flexibility and shorter lead-times. It focused more on: enhancing its lean manufacturing and efficiency; upgrading its equipment and machinery; and improving its technological innovation, process re-engineering and automation to improve efficiency at key production sites across the region, in line with customer demand.

The Group remains committed to sustainability, ethical conduct and corporate values. Each business unit considers the interests of all stakeholders, including employees and the surrounding community, when making important business decisions. The Group monitors and manages its business units using comprehensive guidelines on industrial relations, workplace safety and the efficient use of raw materials, energy, and other environmental metrics, promoting a culture of ethical conduct and integrity. Our parent company, Pou Chen Group, is also accredited by Fair Labor Association (FLA) as a result of the Group's efforts in the areas of labor rights and sustainability.

The Group is also dedicated to fostering a caring culture and to developing talent internally as part of its long-term sustainable development. For more details on the Group's sustainable development strategy and reporting of its practices on Environmental, Social and Governance ("ESG"), please refer to the Group's ESG report for 2018.

Total Revenue by Product Category

In the year ended December 31, 2018, revenue attributed to footwear manufacturing activity (including athletic shoes, casual/outdoor shoes and sports sandals) declined by 1.5% to US$5,390.5 million, whereas the volume of shoes produced increased by 0.4% to 326.0 million pairs. The average selling price decreased by 2.0% to US$16.53 per pair as compared with the previous year.

The Group's athletic footwear category outperformed all other categories as a result of the global athleisure trend, accounting for 79.2% of footwear manufacturing revenue in 2018. Casual/outdoor shoes accounted for 19.1% of footwear manufacturing revenue. When considering the Group's consolidated revenue, athletic shoes represented the Group's principal category, accounting for 44.0% of total revenue in 2018, followed by casual/outdoor shoes, which accounted for 10.6% of total revenue.

The Group's revenue with respect to the manufacturing business (including footwear, as well as soles, components and others) was US$5,881.5 million in 2018, a decrease of 3.5% as compared with the previous year.

The Group's distribution sales are derived primarily from Pou Sheng, involving in retail operations for international sporting goods brands in the Greater China region. It also includes sales from Texas Clothing Holding Corp. ("TCHC") Group, the Group's apparel wholesale subsidiary in North America. Revenue attributable to the Group's distribution business was US$3,813.8 million in 2018, an increase of 25.9% as compared with the previous year.

In the year ended December 31, 2018, the revenue attributable to Pou Sheng grew by 23.3% to US$3,421.7 million, compared to US$2,775.4 million in the previous year. In RMB terms (Pou Sheng's reporting currency), revenue increased by 20.4% to RMB22,677.4 million in 2018, compared to RMB18,833.3 million in the previous year. As of December 31, 2018, Pou Sheng had 5,648 directly operated retail outlets and 3,551 stores operated by sub-distributors in the PRC.

Total Revenue by Product Category

	For the year ended December 31,				
	2018		2017		
	US$ millions	***%***	*US$ millions*	*%*	*% change*
Athletic Shoes	**4,267.7**	**44.0**	4,203.8	46.1	1.5
Casual/Outdoor Shoes	**1,031.0**	**10.6**	1,192.2	13.1	(13.5)
Sports Sandals	**91.8**	**1.0**	78.8	0.8	16.5
Soles, Components & Others	**491.0**	**5.1**	617.5	6.8	(20.5)
Apparel Wholesale	**392.1**	**4.0**	253.7	2.8	54.6
Retail Sales – Shoes, Apparel & Leasing	**3,421.7**	**35.3**	2,775.4	30.4	23.3
Total Revenue	**9,695.3**	**100.0**	9,121.4	100.0	6.3

Orders from international brands are received by a sales department that manages each customer and normally take about ten to twelve weeks to fill. Some orders requested a shorter lead-time of 30 to 45 days.

Sales from the Group's retail business across the Greater China region are recorded on a daily basis, or at periodic intervals if from sub-distributors.

Production Review

In 2018, the Group's manufacturing business produced a total of 326.0 million pairs of shoes compared to 324.6 million pairs produced in the previous year. The average selling price per pair decreased 2.0% from US$16.87 in 2017 to US$16.53 in 2018.

In terms of production allocation, Vietnam, Indonesia and the PRC continued to be the Group's main production locations by volume in 2018, representing 46%, 37% and 14% of total shoe production, respectively, during the year under review.

Cost Review

With respect to the cost of goods sold of the Group's manufacturing business, the direct labor costs were US$1,232.7 million (2017: US$1,199.4 million); total main material costs were US$2,215.4 million (2017: US$2,339.6 million); and total production overheads were US$1,284.4 million (2017: US$1,275.5 million). The total cost of goods sold of the Group's manufacturing business was US$4,732.5 million for the period under review (2017: US$4,814.5 million). For the Group's distribution business, stock costs were US$2,516.7 million (2017: US$1,955.8 million).

The gross profit margin of the Group's manufacturing business decreased by 1.5 percentage points to 19.5% in 2018 (2017: 21.0%) caused by fluctuating order patterns and unfavorable product mix due to changing consumer demand, which resulted in operating deleverage and negatively impacted the gross profit.

The gross profit margin for the Group excluding Pou Sheng (i.e. the manufacturing business and TCHC Group) during the year under review was 20.7%.

In 2018, Pou Sheng's gross profit margin decreased from 35.0% in the previous year to 33.5%, which was mainly due to the change of channel mix, increased discounts and clearance sales for emerging brands.

The Group's total selling and distribution expenses for 2018 amounted to US$1,160.1 million (2017: US$986.2 million), equivalent to approximately 12.0% (2017: 10.8%) of revenue. The increase in selling and distribution expenses was in proportion with the strong growth of the Group's distribution business, which has a higher ratio of selling and distribution expenses to revenue compared to the manufacturing business.

Administrative expenses for 2018 amounted to US$658.3 million (2017: US$635.8 million), equivalent to approximately 6.8% (2017: 7.0%) of revenue, remaining stable.

With cost pressures remaining significant for both the manufacturing and distribution businesses, the management of both units will continuously look for ways to improve efficiency and productivity.

Product Development

In 2018, the Group spent US$205.9 million (2017: US$210.2 million) on product development, including investments in sampling, technological and digitalized development, as well as in production efficiency enhancements. For each of the major branded customers that have a research/development team, a parallel independent product development center exists within the Group to support the said research/development team. In addition to this product development work, the Group also cooperates with its customers to seek efficiency improvements in production processes, lead times and to formulate new techniques to produce high-quality footwear, as well as to incorporate innovative and environmental-friendly materials into the design, development and manufacture of footwear.

Financial Review

Liquidity and Financial Resources

The Group's financial position remained solid. As at December 31, 2018, the Group had cash and cash equivalents of US$851.4 million (2017: US$1,036.8 million) and total bank borrowings of US$2,123.9 million (2017: US$1,963.3 million). The Group's gearing ratio (total borrowings to total equity) was 46.7% (2017: 42.0%). As of December 31, 2018, the Group had net borrowing of US$1,272.5 million (2017: US$926.5 million). The increase in borrowing was mainly attributable to the Group's efforts to improve its cost of capital while still keeping gearing at a comfortable level, as well as increased bank borrowings by Pou Sheng for working capital purposes.

The Group used derivative contracts, such as forward contracts and swaps, for currency and interest rate hedging purposes.

Capital Expenditure

In 2018, the capital expenditure for the Group's manufacturing and distribution segments were US$405.2 million (2017: US$463.0 million) and US$89.2 million (2017: US$89.6 million) respectively. Capital expenditure in 2018 included automation investments, capacity upgrades and the maintenance of production facilitates in Vietnam and Indonesia, as well as investment in innovation centers for the Group's product development and process re-engineering, which was funded primarily by internal resources of the Group. For the distribution segment, resources were invested in the expansion, upgrade and maintenance of experience stores.

Contingent Liabilities

The Group had provided guarantees to banks in respect of banking facilities granted to joint ventures and associates, the details of which can be seen in note 43 to the consolidated financial statements in the 2018 annual report of the Company.

Significant Investments and Material Acquisitions/Disposals

In 2018, the share of results from associates and joint ventures was a combined profit of US$39.5 million, compared to a combined profit of US$64.6 million in the previous year.

Details of the material acquisitions and disposals of subsidiaries during the year under review are set out in note 38 and note 39 to the consolidated financial statements in the 2018 annual report of the Company.

Dividends

A final dividend of HK$1.10 per share (2017: HK$1.10 per share) for the year ended December 31, 2018 has been recommended, amounting to a total dividend per share of HK$1.50 for the year (2017: HK$5.00 per share), inclusive of an interim dividend of HK$0.40 per share (2017: interim dividend of HK$0.40 per share and a one-off special dividend of HK$3.50 per share).

The Group's operating cash flow remains stable, and a suitable level of cash holdings will be maintained. The Group's commitment to upholding steady growth in normal dividend payment over time remains intact.

Foreign Exchange Exposure

All revenues from the manufacturing business are denominated in US dollars. The majority of material and component costs are paid in US dollars, while expenses incurred locally are paid for in the local currency, i.e. wages, utilities and local regulatory fees. A certain portion of RMB and IDR exposure are partly hedged with forward contracts.

For the Group's retail business in the PRC, all revenues are denominated in RMB. Correspondingly, all expenses are also denominated in RMB. For the retail business outside the PRC, both revenues and expenses are denominated in local currencies.

Employees

As at December 31, 2018, the Group had approximately 348,000 employees across all regions in which the Group operates, a decrease of 3.6% as compared to approximately 361,000 employees as at December 31, 2017. The Group adopted a remuneration system based on employees' performance throughout the year under review and prevailing salary levels in the market.

The Group believes that employees are important assets, and has planned a holistic approach to the recruitment, employment, training and retention of employees.

The Group employs a competitive remuneration scheme and provides comprehensive employee benefits, in line with the relevant laws and regulations applicable to each of its operating locations. It sets aside a certain percentage of profits, according to the annual performance of the Group, as year-end bonuses to reward employees' contributions and work enthusiasm, allowing them to share in its operating results. It also provides insurance plans that are tailor-made to each operating location to reduce the medical expense burden of employees, as well as pension fund contributions in compliance with the laws and regulations of the local jurisdictions in which the Group operates.

The Group regularly undertakes internal and external training courses at all levels, including new employee training, professional training, management training, environmental safety training and corporate core values training, with the objective of upgrading the quality and expertise of the Group's employees and management, as well as boosting their morale.

In 2018, the social compliance program of the Group's parent, Pou Chen Group obtained accreditation from the FLA, a non-profit organization dedicated to protecting workers' rights around the world, making the Group the only FLA-accredited footwear supplier globally. The accreditation recognized the Group's commitment to globally implement workplace standards; implement a comprehensive system to evaluate and incentivize manufacturing facilities and material suppliers to improve working conditions; invest in a social compliance program, training, and remediation; and improving its transparency in remediating labor violations at its production sites and establishing multiple grievance channels.

Prospects

The Group's manufacturing business continues to face a number of uncertainties and challenges, including intense competition and changing consumer demand, particularly shortening lead-times and increased seasonality. This will continue to affect operating deleveraging and margins.

Other potential risks became increasingly prevalent in the second half of 2018, including trade frictions between the United States and the PRC, which impacted consumer sentiment in both countries and could accelerate the pace of capacity migration from the PRC to Southeast Asia. There were also more signs of economic slowdown, particularly in some parts of the PRC's economy, although as of December 31, 2018, retail confidence and consumption were still robust. In the United States, slowing levels of job creation, expected interest rates rises and the threat of more government shutdowns may impact consumer sentiment and spending. The Group is actively monitoring the macroeconomic and geopolitical situation.

The Group will continue to leverage on its core strengths and competitive edges to overcome these long and short-term challenges in order to address the demand for shorter lead-times, limit the impact of order volatility, and safeguard its sustainable and steady growth. This includes investing in and implementing resource planning and data management systems such as SAP to make the Group's new automation processes more efficient, as well as in production workflow optimization, process re-engineering and other enhancements to the Group's manufacturing capabilities. The Group is also becoming more selective on the quality of orders rather than pure volume growth. The Group will continue to enhance its product and material development capability, to innovate on new products, and to explore other value-added and margin-accretive opportunities for vertical integration to tap new markets, creating long-term synergies for the Group.

For the retail business, the Group remains optimistic about the long-term growth prospects for sportswear retailing, given increasing health awareness, higher sports participation rates and the growth of 'athleisure' trend in the Greater China region. Pou Sheng's omni-channel retail strategy will also continue to benefit from the favorable environment being fostered by official government support for the popularization of sport. It will continue to invest in upgrading its store formats, opening new concept mega stores and integrating digital and physical channels to reinforce the consumer experience and stimulate higher-margin sales, while also fulfilling the ever-changing shopping habits of end consumers.

Going forward, the Group remains confident that these strategies will enable it to continue providing its brand customers with end-to-end solutions, while safeguarding its solid long-term profitability and ability to deliver sustainable returns to shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended December 31, 2018, the Company repurchased a total of 31,859,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at a total consideration of HK$706,258,360.00 (equivalent to approximately US$90,334,000.00).

Details of the repurchases of shares of the Company during the year ended December 31, 2018 are set out as follows:

Date of repurchase	No. of shares repurchased	Highest price paid	Lowest price paid	Total paid
		HK$	*HK$*	*HK$*
April 13, 2018	6,580,000	24.65	23.95	160,062,250.00
May 16, 2018	47,500	21.95	21.95	1,042,625.00
May 17, 2018	304,000	21.95	21.95	6,672,800.00
May 23, 2018	8,500	21.95	21.95	186,575.00
May 24, 2018	948,500	22.40	22.00	21,132,325.00
May 25, 2018	1,000,000	22.75	22.15	22,632,625.00
May 28, 2018	1,121,500	22.95	22.70	25,678,950.00
May 29, 2018	292,500	22.95	22.75	6,707,625.00
May 30, 2018	694,000	22.95	22.70	15,910,450.00
June 7, 2018	376,500	23.00	22.90	8,637,925.00
June 8, 2018	951,500	23.00	22.95	21,884,400.00
June 11, 2018	23,500	23.00	23.00	540,500.00
June 12, 2018	76,500	23.00	23.00	1,759,500.00
June 13, 2018	900,000	23.00	22.95	20,694,700.00
August 13, 2018	970,000	21.00	20.75	20,286,500.00
August 14, 2018	1,000,000	21.00	20.65	20,791,100.00
August 15, 2018	1,000,000	20.80	20.60	20,704,375.00
August 16, 2018	1,000,000	20.75	20.40	20,543,275.00
August 17, 2018	1,000,000	20.65	20.00	20,359,250.00
August 20, 2018	1,000,000	20.00	19.66	19,841,240.00
August 21, 2018	1,000,000	20.10	19.38	19,747,720.00
August 22, 2018	1,000,000	20.80	20.35	20,685,900.00
August 23, 2018	1,000,000	21.10	20.70	20,966,750.00
August 24, 2018	566,000	21.10	21.00	11,936,225.00
August 27, 2018	950,000	21.35	20.95	20,187,350.00
August 28, 2018	800,000	21.60	21.45	17,268,525.00
August 29, 2018	1,000,000	21.80	21.70	21,797,375.00
August 30, 2018	800,000	22.10	21.75	17,554,150.00
August 31, 2018	800,000	22.20	21.55	17,513,650.00
September 3, 2018	852,000	22.30	21.95	18,959,225.00
September 4, 2018	395,500	22.50	22.15	8,863,450.00
September 5, 2018	600,000	22.60	22.30	13,510,750.00

Date of repurchase	No. of shares repurchased	Highest price paid	Lowest price paid	Total paid
		HK$	*HK$*	*HK$*
September 6, 2018	600,000	22.40	21.75	13,268,300.00
September 7, 2018	700,000	22.20	21.10	15,108,250.00
September 10, 2018	779,500	22.00	21.70	17,116,850.00
September 11, 2018	700,000	22.00	21.50	15,231,900.00
December 10, 2018	21,000	22.00	22.00	462,000.00
December 11, 2018	500	22.00	22.00	11,000.00
Total:	**31,859,000**			**706,258,360.00**

All of the aforesaid repurchased shares were cancelled by December 31, 2018. The Directors believe that the repurchases of shares would lead to an enhancement of the net asset value per share of the Company and its earnings per share. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2018.

CORPORATE GOVERNANCE

During the year ended December 31, 2018, the Company has applied the principles of and has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 87 of the Bye-laws of the Company (the "Bye-laws"), Mr. Chan Lu Min, Mr. Tsai Ming-Lun, Ming, Mr. Liu George Hong-Chih and Mr. Huang Ming Fu will retire by rotation and except for Mr. Huang Ming Fu, having served the Company for more than 9 years, has informed the Company that he will not offer himself for re-election due to his other commitments, Mr. Chan Lu Min, Mr. Tsai Ming-Lun, Ming and Mr. Liu George Hong-Chih being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company ("2019 AGM").

In accordance with Bye-law 86(2) of the Bye-laws, Mr. Ho Lai Hong who was appointed as an independent non-executive director of the Company to fill a casual vacancy of the Board (the effective date of his appointment will be on May 24, 2019) shall hold office until 2019 AGM when he will retire and, being eligible, proposed to offer himself for re-election.

Further details of the retiring directors proposed to be re-elected at the 2019 AGM will be disclosed in the circular of the Company to be dispatched, together with the 2018 annual report of the Company, to the shareholders of the Company in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code for the year ended December 31, 2018.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management and the external auditor the Group's consolidated financial statements for the year ended December 31, 2018 and the accounting principles and practices adopted and discussed auditing, risk management and internal controls, and financial reporting matters.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.yueyuen.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

PUBLIC FLOAT

As far as the Company is aware, as at the date of this announcement, the Company has maintained a sufficient public float with more than 25% of the issued shares of the Company being held by the public.

ANNUAL GENERAL MEETING

The 2019 AGM will be held on May 31, 2019 and the notice will be published and issued to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at 2019 AGM

For determining the entitlement of the shareholders of the Company to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, May 27, 2019 to Friday, May 31, 2019, both days 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, May 24, 2019 in order to be eligible to attend and vote at the 2019 AGM.

Entitlement to the proposed final dividend

For determining the entitlement of the shareholders of the Company to the proposed final dividend, the register of members of the Company will be closed from Monday, June 10, 2019 to Wednesday, June 12, 2019, both days 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, June 6, 2019 in order to be qualified for the proposed final dividend.

ACKNOWLEDGMENT

I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and shareholders. I would also like to thank my fellow directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout last year.

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

Hong Kong, March 22, 2019

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

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

Independent Non-executive Directors:

Mr. Wong Hak Kun, Mr. Huang Ming Fu, Ms. Yen Mun-Gie (also known as Teresa Yen) and Mr. Hsieh Yung Hsiang (also known as Alfred Hsieh).

Website: www.yueyuen.com