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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)**

### **VOLUNTARY ANNOUNCEMENT – THE OPERATIONAL UPDATE ON THE GROUP’S PRODUCTION SITES IN VIETNAM**

This announcement is made by the board (the “**Board**”) of directors of Yue Yuen Industrial (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the operational disruption of the novel coronavirus (COVID-19) pandemic (the “**Pandemic**”) on the Group’s production sites in Vietnam.

In view of the escalation of the Pandemic in Vietnam since July 2021, the authorities has adopted more rigorous pandemic prevention measures, including tighter lockdowns (the “**Measures**”) in Ho Chi Minh City and its surrounding industrial provinces. In response to the Measures, factories in Vietnam may be ordered to suspend operation upon instructions by local authorities from time to time. As of the date of this announcement, most of the Group’s manufacturing capacity in Vietnam was disrupted and impacted due to the Measures.

The manufacturing business accounted for approximately 58% of the Group’s consolidated revenue in the first six months of 2021. Being one of the main production bases of the Group, Vietnam accounted for approximately 45% of the total shoe shipments in the first six months of 2021. Due to the reasons mentioned above, the revenue of the Group’s manufacturing business in the third quarter of 2021 will be significantly impacted.

\* *For identification purpose only*

The Group shall closely monitor the operational disruption in Vietnam, takes the health and safety of all of its employees as the first priority, and actively collaborates with local governments while maintaining the greatest flexibility to ensure the resumption of production and normal operation can be carried out in a safe and orderly manner when the circumstances allow. It will also continue various prevention measures such as workplace cleaning, split operations, workplace management and control, while encouraging and boosting the COVID-19 vaccination rates in its manufacturing facilities across the region.

The Board will continue to closely monitor the development of the Pandemic and assess its impact on the Group's operations. In view of the risks and uncertainties arising from the Pandemic, the Company will make further announcement(s) as and when appropriate to provide further information as to the impact of the Pandemic on the Group.

**Shareholders of the Company 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, September 3, 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](http://www.yueyuen.com)*