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, 2023

GROUP FINANCIAL HIGHLIGHTS

Results for the year ended December 31, 2023

	2023	2022	**Percentage Increase/ (decrease)**
Revenue *(US$'000)*	**7,890,168**	8,970,228	**(12.0%)**
Recurring profit attributable to owners of the Company *(US$'000)*	**263,399**	291,874	**(9.8%)**
Non-recurring profit attributable to owners of the Company *(US$'000)*	**11,311**	4,473	**152.9%**
Profit attributable to owners of the Company *(US$'000)*	**274,710**	296,347	**(7.3%)**
Basic earnings per share *(US cents)*	**17.05**	18.41	**(7.4%)**
Dividend per share			
Interim dividend *(HK$)*	**0.20**	0.40	**(50.0%)**
Final dividend (proposed) *(HK$)*	**0.70**	0.70	**–**

* *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, 2023 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2023

	Notes	**2023** **US$'000**	2022 US$'000
Revenue	*3*	**7,890,168**	8,970,228
Cost of sales		**(5,964,854)**	(6,833,014)
Gross profit		**1,925,314**	2,137,214
Other income		**135,589**	131,347
Selling and distribution expenses		**(894,156)**	(988,482)
Administrative expenses		**(546,619)**	(609,102)
Other expenses		**(216,230)**	(254,150)
Finance costs		**(85,039)**	(67,710)
Share of results of associates		**47,728**	46,489
Share of results of joint ventures		**14,454**	16,124
Other gains and losses	*4*	**9,157**	1,521
Profit before taxation		**390,198**	413,251
Income tax expense	*5*	**(80,992)**	(120,050)
Profit for the year	*6*	**309,206**	293,201
Attributable to:			
Owners of the Company		**274,710**	296,347
Non-controlling interests		**34,496**	(3,146)
		309,206	293,201
		US cents	*US cents*
Earnings per share	*8*		
– Basic		**17.05**	18.41
– Diluted		**17.04**	18.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2023

	2023	2022
	US$'000	*US$'000*
Profit for the year	**309,206**	293,201
Other comprehensive income (expense)		
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes on equity instruments at fair value through other comprehensive income	**908**	(12,000)
Share of other comprehensive expense of associates	**(13,412)**	(5,525)
Remeasurement of defined benefit obligations, net of tax	**(7,347)**	12,019
Revaluation gain on transfer of properties to investment properties, net of tax	**3,133**	12,332
	(16,718)	6,826
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on the translation of foreign operations	**(34,722)**	(106,907)
Share of other comprehensive expense of associates and joint ventures	**(2,795)**	(23,455)
Reserve released upon partial disposal of an associate	**140**	–
	(37,377)	(130,362)
Other comprehensive expense for the year	**(54,095)**	(123,536)
Total comprehensive income for the year	**255,111**	169,665
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**233,634**	213,066
Non-controlling interests	**21,477**	(43,401)
	255,111	169,665

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	Note	**2023**	2022
		US$'000	*US$'000*
Non-current assets			
Investment properties		**257,368**	246,075
Property, plant and equipment		**1,675,886**	1,871,035
Right-of-use assets		**528,501**	584,010
Deposits paid for acquisition of property, plant and equipment/right-of-use assets		**20,069**	26,814
Intangible assets		**12,090**	9,072
Goodwill		**258,237**	260,378
Interests in associates		**433,293**	431,601
Interests in joint ventures		**175,763**	183,507
Equity instruments at fair value through other comprehensive income		**18,217**	17,873
Financial assets at fair value through profit or loss		**25,703**	20,505
Bank deposits over three months		**37,579**	–
Rental deposits		**17,551**	20,717
Deferred tax assets		**114,117**	120,309
		3,574,374	3,791,896
Current assets			
Inventories		**1,247,003**	1,625,117
Trade and other receivables	*9*	**1,393,872**	1,430,944
Equity instrument at fair value through other comprehensive income		**4,022**	3,609
Financial assets at fair value through profit or loss		**20,941**	60,557
Taxation recoverable		**13,525**	5,039
Bank deposits over three months		**181,278**	23,478
Cash and cash equivalents		**923,217**	994,781
		3,783,858	4,143,525

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At December 31, 2023

	Note	**2023** *US$'000*	2022 *US$'000*
Current liabilities			
Trade and other payables	*10*	**1,136,831**	1,223,214
Contract liabilities		**45,021**	72,808
Financial liabilities at fair value through profit or loss		**668**	1,264
Taxation payable		**69,799**	86,239
Bank borrowings		**643,159**	506,430
Lease liabilities		**89,196**	113,337
		1,984,674	2,003,292
Net current assets		**1,799,184**	2,140,233
Total assets less current liabilities		**5,373,558**	5,932,129
Non-current liabilities			
Bank borrowings		**329,501**	928,501
Deferred tax liabilities		**54,604**	55,944
Lease liabilities		**177,804**	217,906
Retirement benefit obligations		**101,621**	87,453
		663,530	1,289,804
Net assets		**4,710,028**	4,642,325
Capital and reserves			
Share capital		**52,040**	52,040
Reserves		**4,188,228**	4,137,671
Equity attributable to owners of the Company		**4,240,268**	4,189,711
Non-controlling interests		**469,760**	452,614
Total equity		**4,710,028**	4,642,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1. GENERAL

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 HKFRSs

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to Hong Kong Accounting Standard ("HKAS") 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

2.1 Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after January 1, 2022;

(ii) the Group also, as at January 1, 2022, recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (CONTINUED)

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

2.1 Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The Group recognized the related deferred tax assets associated with the lease liabilities of US$112,480,000 and US$81,655,000 as at January 1, 2022 and December 31, 2022 respectively and deferred tax liabilities of US$107,396,000 and US$76,861,000 associated with the right-of-use assets as at January 1, 2022 and December 31, 2022 respectively on a gross basis but it has no impact on the Group's financial position as the related deferred tax assets and liabilities continues to offset for the purpose of presentation in the consolidated statement of financial position. There is also no impact on the Group's performance and the retained earnings at the earliest period presented.

2.2 Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform – Pillar Two model Rules

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognizing and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after January 1, 2023.

For the Group's entities operating in jurisdiction where the Pillar Two legislation is enacted but not yet in effect, the Group has applied the temporary exception immediately upon issue of these amendments and retrospectively, i.e. applying the exception from the date Pillar Two legislation is enacted or substantially enacted.

For the Group's entities operating in jurisdictions where the Pillar Two legislation has not been enacted or substantially enacted, the Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

3. REVENUE AND SEGMENTAL INFORMATION

Information reported to the executive Directors, 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. The principal categories of the Group's business are manufacturing and sales of footwear products ("Manufacturing Business") and retail and distribution of sportswear and footwear products ("Retailing Business") which includes provision of large scale commercial spaces to retailers and distributors. Accordingly, only entity-wide disclosures are presented.

The information regarding revenue derived from the principal businesses described above is reported below.

	2023	2022
	US$'000	*US$'000*
Revenue		
Manufacturing Business	**5,059,438**	6,203,137
Retailing Business	**2,830,730**	2,767,091
	7,890,168	8,970,228

Revenue from major products

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

	2023	2022
	US$'000	*US$'000*
Athletic/outdoor shoes	**4,041,081**	4,890,553
Casual shoes and sports sandals	**616,378**	816,090
Soles, components and others	**401,979**	496,494
Retail sales – shoes, apparel, commissions from concessionaire sales and others	**2,830,730**	2,767,091
	7,890,168	8,970,228

3. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

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:

	2023	2022
	US$'000	*US$'000*
US	**1,408,248**	2,043,360
Europe	**1,286,960**	1,663,528
PRC	**3,703,793**	3,646,284
Other countries in Asia	**1,058,123**	1,073,669
Others	**433,044**	543,387
	7,890,168	8,970,228

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

	2023	2022
	US$'000	*US$'000*
PRC	**966,076**	1,092,324
Vietnam	**606,814**	661,344
Indonesia	**699,162**	704,276
Myanmar	**78,759**	87,923
Cambodia	**62,332**	54,048
Republic of China	**2,931**	75,198
Others	**95,391**	82,610
	2,511,465	2,757,723

note: Non-current assets excluded goodwill, interests in associates, interests in joint ventures, deferred tax assets, financial instruments and bank deposits over three months.

Information about major customers

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

	2023	2022
	US$'000	*US$'000*
Customer A	**2,038,037**	2,202,664
Customer B	**1,031,976**	1,375,269

4. OTHER GAINS AND LOSSES

	2023	2022
	US$'000	*US$'000*
Fair value changes on financial instruments at fair value through profit or loss	**5,871**	8,855
Fair value changes on investment properties	**(5,010)**	(9,768)
Gain on partial disposal of an associate	**2,508**	–
Gain on disposal of a joint venture	**–**	3,633
Loss on deregistration/disposal of subsidiaries	**(10)**	(1,199)
Reversal of impairment loss on interest in an associate upon disposal	**5,798**	–
	9,157	1,521

5. INCOME TAX EXPENSE

	2023	2022
	US$'000	*US$'000*
Taxation attributable to the Company and its subsidiaries:		
PRC Enterprise Income Tax		
– current year	**26,015**	40,964
– (over)underprovision in prior years	**(2,077)**	1,456
Overseas taxation		
– current year	**52,180**	63,264
– (over)underprovision in prior years	**(1,403)**	613
	74,715	106,297
Withholding tax on dividend	**1,550**	14,760
Deferred tax	**4,727**	(1,007)
	80,992	120,050

6. PROFIT FOR THE YEAR

	2023	2022
	US$'000	*US$'000*
Profit for the year has been arrived at after charging (crediting):		
Employee benefit expense, including Directors' emoluments *(note iii)*		
– basic salaries, bonus, allowances and staff welfare	**1,729,366**	1,979,766
– retirement benefit scheme contributions	**257,596**	278,556
– share-based payments	**3,450**	4,090
	1,990,412	2,262,412
Auditor's remuneration	**1,409**	1,421
Amortization of intangible assets	**1,376**	1,350
Depreciation of property, plant and equipment *(note iii)*	**272,414**	323,316
Depreciation of right-of-use assets	**133,883**	169,812
(Gain) loss on disposal of property, plant and equipment (included in (other income) other expenses)	**(1,498)**	6,278
Loss on disposal of right-of-use assets (included in other expenses)	**18**	209
Impairment loss on property, plant and equipment and right-of-use assets (included in selling and distribution expenses)	**3,919**	2,970
Research and development expenditure (included in other expenses)	**157,931**	189,742
Net changes in allowance for inventories (included in cost of sales) *(note ii)*	**(11,796)**	25,943
Net exchange loss (gain) (included in other expenses (other income))	**4,878**	(3,182)
Impairment loss on trade and other receivables	**2,057**	19,228

notes:

(i) For the years ended December 31, 2023 and 2022, cost of inventories recognized as expenses represents cost of sales as shown in the consolidated income statement.

(ii) Changes in allowance for inventories of US$11,129,000 was credited (2022: US$11,286,000 was debited) to the consolidated income statement for the year ended December 31, 2023 arose from the finished goods for the Retailing Business.

(iii) Staff costs and depreciation of property, plant and equipment disclosed above included amounts capitalized in inventories. In addition, the staff costs for the year ended December 31, 2023 included severance costs of approximately US$31,082,000 (2022: US$61,816,000) (included in other expenses) arising from factory adjustments in the manufacturing side.

7. DIVIDENDS

	2023	2022
	US$'000	*US$'000*
Dividends recognized as distribution during the year:		
2022 Final dividend of HK$0.70 per share (2021 Final dividend of HK$0.20 per share)	**144,167**	40,991
2023 Interim dividend of HK$0.20 per share (2022 Interim dividend of HK$0.40 per share)	**41,312**	82,045
	185,479	123,036

The board of directors of the Company (the "Board") has resolved to declare a final dividend of HK$0.70 per share for the year ended December 31, 2023 (2022: HK$0.70 per share) for shareholders whose names appear on the register of members of the Company on June 3, 2024. The proposed final dividend of approximately HK$1,128,520,000 shall be paid on June 21, 2024.

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 owners of the Company is based on the following data:

	2023	2022
	US$'000	*US$'000*
Earnings:		
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	**274,710**	296,347

	2023	2022
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,611,265,348**	1,609,909,915
Effect of dilutive potential ordinary shares: – Unvested awarded shares	**905,364**	1,285,863
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,612,170,712**	1,611,195,778

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$885,145,000 (2022: US$934,027,000) and an aged analysis presented based on invoice date at the end of the reporting period, which approximated to the respective revenue recognition dates, is as follows:

	2023	2022
	US$'000	*US$'000*
0 to 30 days	**531,826**	649,294
31 to 90 days	**349,371**	281,494
Over 90 days	**3,948**	3,239
	885,145	934,027

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bills payables of US$475,505,000 (2022: US$426,930,000) and an aged analysis presented based on the invoice date/issuance date of the bills at the end of the reporting period is as follows:

	2023	2022
	US$'000	*US$'000*
0 to 30 days	**370,533**	276,970
31 to 90 days	**99,855**	93,393
Over 90 days	**5,117**	56,567
	475,505	426,930

11. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, the Group had financial guarantee contracts as follows:

	2023	2022
	US$'000	*US$'000*
Guarantees given to banks in respect of banking facilities granted to		
(i) a joint venture		
– amount guaranteed	**27,500**	22,500
– amount utilized	**10,150**	13,572
(ii) an associate		
– amount guaranteed	**20,700**	20,700
– amount utilized	**149**	7,349

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 and the loss given default of the relevant joint venture and associate, 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, 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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. It has long-standing relations and a reputation for serving leading international brands, including Nike, adidas, Asics, New Balance, Salomon and Timberland at the highest level. The Group's production capacity located across the globe is widely recognized for its responsiveness, flexibility, innovation, design and development capabilities, and superior quality. The Group also operates one of the largest and most integrated sportswear retail networks in the Greater China region through its listed subsidiary Pou Sheng International (Holdings) Limited ("Pou Sheng").

In 2023, global demand for footwear remained subdued. According to China Customs, the value of Chinese footwear exports in 2023 declined by 12.6% year-on-year to US$49.3 billion. According to Vietnam Customs, the value of Vietnamese footwear exports in 2023 declined by 15.3% year-on-year to US$20.2 billion. According to the Central Bureau of Statistics of Indonesia, the value of Indonesian sports shoe exports in 2023 declined by 16.8% year-on-year to US$6.4 billion. The global footwear industry grappled with an inventory destocking cycle, resulting in conservative ordering activity. Consequently, revenue attributed to the Group's manufacturing business fell by a high-teens percentage in 2023.

Despite these external pressures, the Group succeeded in offsetting the operating deleverage effects by implementing its highly agile capacity allocation strategy, flexibly adjusting its manpower to match demand, and implementing strict cost control measures while enhancing productivity where possible. The manufacturing business proved its ongoing resilience and solid profitability with a notable sequential improvement in both its capacity utilization rate and margins in 2023, while its full-year gross profit margin reached a five-year high.

In 2023, the Group's retail subsidiary Pou Sheng saw sales improvement that was supported by a moderate recovery of the sales environment, increased foot traffic within its directly-operated brick and mortar ("B&M") channels in mainland China and a low base effect. It further progressed its retail refinement strategy, achieving higher levels of productivity and efficiency, while leveraging its digital transformation strategy to diversify its channel mix and strengthen its online public and private traffic domains. Pou Sheng's omni-channels, particularly those transacted through private domain channels including its WeChat stores, Douyin live-streaming shopping events and shopping mall membership platforms, remained robust with sales growth of nearly 40% year-on-year. Amid a dynamic and promotional market environment, Pou Sheng continued to focus on improving conversion rates and in-season full-price sales, deepening its engagement with consumers, intensifying its collaboration with its brand partners and improving its operational efficiency. For more details on the financials and strategies of the Group's retail business, please refer to the 2023 results announcement of Pou Sheng.

As a responsible leader in the footwear industry, Yue Yuen is a member of the World Federation of the Sporting Goods Industry ("WFSGI") and supports the principles of the WFSGI Code of Conduct, while also advocating for the United Nations Global Compact ("UNGC") and key Sustainable Development Goals ("SDGs"). The Group remains committed to sustainability, ethical conduct and its corporate values. Whenever making important business decisions, the Group considers the interests of all stakeholders. The Group monitors and manages its business using comprehensive guidelines for employee relations, workplace safety, and the efficient use of raw materials, energy and other environmental metrics, promoting a culture of ethical conduct and integrity.

The Group's efforts on sustainable development have been recognized by several distinguished external parties in 2023. In the Corporate Sustainability Assessment ("CSA") conducted by S&P Global, Yuen Yuen achieved an S&P Global ESG Score of 41 (out of 100) and a continuously improved CSA score of 34, compared to a score of 31 in 2022, placing it ahead of 83% of the 190 companies in the Textiles, Apparel & Luxury Goods industry included in the assessment. The Group also ranked ahead of over 90% of companies in the industry in the categories of "Environmental Policy & Management Systems", "Labor Practice Indicators", "Human Rights" and "Occupational Health & Safety".

In 2023, the Group was ranked among the top three of 'Best ESG' in its category by *Institutional Investor* magazine following votes from the investment community. The Group received a 'B-' (Management) level for its CDP Climate Change Score and achieved a 'B' (Management) level for its first participation in the CDP Water Security Score. It also maintained its resilient 'BBB' MSCI ESG rating. These recognitions reflect its efforts and that of its parent company, Pou Chen Corporation ("Pou Chen"), in setting targets and taking action to promote sustainability and corporate governance.

As a people-oriented business, the Group abides by its Code of Conduct and is dedicated to fostering a caring culture and to developing talent internally as part of its long-term sustainable development. Its parent company Pou Chen has continued to receive accreditation by the Fair Labor Association ("FLA"), and together with the Group, places the health, safety and welfare of all employees as a top priority, fostering human rights, providing fair compensation in its workplaces and building a great place for work culture. For more details, please refer to the 2023 Environmental, Social and Governance Report of the Company, which is prepared in alignment with stringent international sustainability standards and frameworks, including the universal standards of the Global Reporting Initiative ("GRI"), the industry standards of the Sustainability Accounting Standards Board ("SASB") and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Results of Operations

In the year ended December 31, 2023 (the "Year"), the Group recorded revenue of US$7,890.2 million, representing a decrease of 12.0% compared with the previous year, mostly due to the weak performance of its manufacturing business resulting from soft global demand for footwear amid an industry-wide inventory digestion cycle. The profit attributable to owners of the Company was US$274.7 million, a decrease of 7.3% as compared to a profit attributable to owners of the Company of US$296.3 million recorded for the previous year. The profit attributable to owners of the manufacturing business decreased by 19.7% to US$231.4 million. The decline was partly offset by the solid recovery of Pou Sheng during the Year. The basic earnings per share was 17.05 US cents, as compared to 18.41 US cents for the previous year.

Revenue Analysis

During the Year under review, revenue attributed to footwear manufacturing activity (including athletic/outdoor shoes, casual shoes and sports sandals) decreased by 18.4% to US$4,657.5 million, compared with the previous year. The volume of shoes shipped during the Year decreased by 19.9% to 218.3 million pairs due to soft global demand and a high base effect. The decline in shipment volume was partially offset by a moderate increase of average selling price by 2.0% to US$21.34 per pair as compared with the previous year, with relatively resilient demand for the Group's high-end footwear despite a high base due to an abnormal product mix in the previous year.

The Group's athletic/outdoor shoes category accounted for 86.8% of footwear manufacturing revenue in the Year under review. Casual shoes and sports sandals accounted for 13.2% of footwear manufacturing revenue. When considering the Group's consolidated revenue, athletic/outdoor shoes represented the Group's principal category, accounting for 51.2% of total revenue, followed by casual shoes and sports sandals, which accounted for 7.8% of total revenue.

The Group's total revenue with respect to the manufacturing business (including footwear, as well as soles, components and others) in the Year under review was US$5,059.5 million, representing a decrease of 18.4% as compared with the previous year.

Revenue attributed to Pou Sheng during the Year under review increased by 2.3% to US$2,830.7 million, compared to US$2,767.1 million in the previous year. In RMB terms (Pou Sheng's reporting currency), revenue increased by 7.7% to RMB20,064.5 million, compared to RMB18,638.0 million in the previous year. The increase was mainly attributed to its focus on agility and sustained growth, backed by the resilient performance of its omni-channels, particularly its Pan-WeChat Ecosphere, as well as a low base effect. As of December 31, 2023, Pou Sheng had 3,523 directly operated retail outlets across the Greater China region, representing a net closure of 570 stores as compared with the 2022 year-end, while the contribution of quality larger-format stores (above 300 m^2) to Pou Sheng's directly-operated store count rose to 20.6% (2022: 18.6%). Ensuring a holistic approach to new store openings and the optimization and upgrade of its store network is at the core of Pou Sheng's retail refinement strategy, enabling it to focus on enhancing store-level efficiency.

Total Revenue by Category

	For the year ended December 31,				
	2023		2022		*change*
	US$ million	***%***	*US$ million*	*%*	*%*
Athletic/Outdoor Shoes	**4,041.1**	**51.2**	4,890.5	54.5	(17.4)
Casual Shoes & Sports Sandals	**616.4**	**7.8**	816.1	9.1	(24.5)
Soles, Components & Others	**402.0**	**5.1**	496.5	5.5	(19.0)
Pou Sheng*	**2,830.7**	**35.9**	2,767.1	30.9	2.3
Total Revenue	**7,890.2**	**100.0**	8,970.2	100.0	(12.0)

* *Sales of the Group's retail subsidiary in the Greater China region, including shoes, apparel, commissions from concessionaire sales and others.*

Manufacturing orders from international brands are received by business units that manage each customer and normally take about ten to twelve weeks to fill. Reducing lead times in response to the fast fashion trend remains at the core of many customers' long-term success, with an increasing number of orders requesting shorter lead times of between 30-45 days. Nevertheless, the short-term priorities of some customers are balancing agile capacity allocation, as well as on-time delivery and quick response time alongside uncertainties in the short term.

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 2023, the Group's manufacturing business shipped a total of 218.3 million pairs of shoes, a decrease of 19.9% compared to the 272.7 million pairs shipped in the previous year. The average selling price per pair was US$21.34, an increase of 2.0% as compared to US$20.93 for the previous year.

In terms of production allocation, Indonesia, Vietnam and mainland China continued to be the Group's main production locations by shoe volume in 2023, representing 49%, 34%, and 12% of total shoe shipments within the manufacturing business, respectively.

Cost and Expenses Review

With respect to the cost of goods sold for the Group's manufacturing business in 2023, total main material costs were US$1,843.8 million (2022: US$2,368.2 million). Direct labor costs and production overheads were US$2,243.5 million (2022: US$2,690.6 million). The total cost of goods sold by the Group's manufacturing business was US$4,087.3 million (2022: US$5,058.8 million). For the Group's retail business, Pou Sheng, cost of sales were US$1,877.6 million in 2023 (2022: US$1,774.2 million).

During the Year under review, the Group's gross profit proved more resilient than its revenue, decreasing by 9.9% to US$1,925.3 million. The overall gross profit margin increased by 0.6 percentage points to 24.4%.

The gross profit of the manufacturing business decreased by 15.0% to US$972.2 million, whilst the gross profit margin of the manufacturing business expanded by 0.8 percentage points to 19.2% compared with the previous year. This represented a notable sequential improvement in gross profit margin, which was mainly attributed to the effectiveness of the Group's cost-reduction and efficiency-improvement efforts, flexible production scheduling, and the dynamic optimization of manpower versus demand, all of which helped to offset the negative impact of the reduced capacity utilization rate resulting from weaker demand.

Cost of Goods Sold Analysis – Manufacturing Business

	For the year ended December 31,				
	2023		2022		*change*
	US$ million	***%***	*US$ million*	*%*	*%*
Main Material Costs	**1,843.8**	**45.1**	2,368.2	46.8	(22.1)
Direct Labor Costs & Production Overheads	**2,243.5**	**54.9**	2,690.6	53.2	(16.6)
Total Cost of Goods Sold	**4,087.3**	**100.0**	5,058.8	100.0	(19.2)

Despite well-managed discount control, Pou Sheng's gross profit margin decreased by 2.2 percentage points to 33.7% in 2023, which was mainly due to a negative channel mix impact.

The Group's total selling and distribution expenses for 2023 decreased by 9.5% to US$894.2 million (2022: US$988.5 million), equivalent to approximately 11.3% (2022: 11.0%) of revenue.

Administrative expenses for 2023 decreased by 10.3% to US$546.6 million (2022: US$609.1 million), equivalent to approximately 6.9% (2022: 6.8%) of revenue.

Other income for 2023 increased by 3.3% to US$135.6 million (2022: US$131.3 million), equivalent to approximately 1.7% (2022: 1.5%) of revenue. Other expenses decreased by 14.9% to US$216.2 million (2022: US$254.1 million), equivalent to approximately 2.7% (2022: 2.8%) of revenue. During the Year, the Group made necessary adjustments to its manufacturing business to combat volatile capacity utilization and as part of its long-term capacity allocation plan. The related severance expenses amounted to approximately US$31.1 million.

As a result, the Group's net operating expenses for the Year decreased by US$199.0 million or 11.6% due to stringent expense control measures. The Group's overall operating profit margin, the operating profit margins of its manufacturing business and Pou Sheng performed resiliently, seeing year-over-year increases during the Year.

Recurring Profit Attributable to Owners of the Company

In the Year under review, the non-recurring profit attributable to owners of the Company increased to US$11.3 million. This increase was mainly due to a reversal of impairment loss on interest in an associate upon disposal, a gain on partial disposal of an associate totaling US$8.3 million and a decline in a loss due to fair value changes on investment properties, offsetting a decline in gains on fair value changes on financial instruments at fair value through profit or loss ("FVTPL") during the Year. In 2022, the Group recognized a non-recurring profit attributable to owners of the Company of US$4.5 million, due to a gain of US$8.9 million on fair value changes on financial instruments at FVTPL, as well as a gain of US$3.6 million on the disposal of a joint venture that was largely offset by a loss due to fair value changes on investment properties.

Excluding all items of non-recurring in nature, the recurring profit attributable to owners of the Company for the Year under review was US$263.4 million, compared to a recurring profit attributable to owners of the Company of US$291.9 million for the previous year.

Product Development

In the Year under review, the Group spent US$157.9 million (2022: US$189.7 million) on product development, including investments in sampling and digital prototyping, technological and process engineering, as well as production efficiency enhancements. For each of the major brand customers that has an R&D team, a parallel independent product development center exists within the Group to support the said R&D team to incorporate innovation, technology and sustainable materials into product development work. The Group is also cooperating with its customers to implement digital transformation technology to seek efficiency improvements in development, production processes and lead times, while formulating new techniques to produce best-quality footwear for world-renowned brand customers.

Liquidity, Financial Resources, Capital Structure and Others

Cash Flow

The Group recorded net cash generated from operating activities (net of tax) of US$944.7 million in 2023 (2022: US$907.9 million). Free cash flow amounted to US$748.8 million (2022: US$703.6 million). Net cash used in investing activities amounted to US$151.7 million (2022: US$92.3 million) while net cash used in financing activities was US$859.7 million (2022: US$627.3 million), mainly for debt repayment. The overall net decrease in cash and cash equivalents amounted to US$66.7 million (2022: net increase of US$188.3 million).

Financial Position and Liquidity

The Group's financial position remained solid. As at December 31, 2023, the Group had bank balances and cash of US$1,142.1 million (December 31, 2022: US$1,018.3 million)* and total bank borrowings of US$972.7 million (December 31, 2022: US$1,434.9 million). The Group's gearing ratio (total bank borrowings to total equity) was 20.7% (December 31, 2022: 30.9%). As at December 31, 2023, the Group had net cash of US$169.4 million (December 31, 2022: net borrowing of US$416.7 million, net gearing ratio of 9.0%). As at December 31, 2023, the Group had current assets of US$3,783.9 million (December 31, 2022: US$4,143.5 million) and current liabilities of US$1,984.7 million (December 31, 2022: US$2,003.3 million). The current ratio was 1.9 as at December 31, 2023 (December 31, 2022: 2.1).

* *Ending bank balances and cash as at December 31, 2023 included bank deposits with original maturity over three months which amounted to US$218.9 million (December 31, 2022: US$23.5 million).*

Funding and Capital Structure

The Group principally meets its current and future working capital, capital expenditure and other investment requirements through a combination of funding sources, including cash flows from operations and bank borrowings. With regard to the choice of debt versus equity financing, which would thus affect its capital structure, the Group will consider the impact on its weighted average cost of capital and its leverage ratio, etc., with an aim of lowering the weighted average cost of capital while maintaining its gearing ratio at a comfortable level. In line with the growing sustainable financing trend, the Group also arranged some of its financing activities with banks that incorporated ESG elements.

The Group used debt financing mostly by means of bank loans. In terms of the maturity profile of loans, most of the bank loans for the Group's manufacturing business were long-term committed facilities that partly meet the funding needs of its capital expenditures and long-term investments. Short-term revolving loan facilities were also utilized regularly for daily working capital purposes, especially for the Group's retail business. At present, the Group maintains an abundant level of bank facilities to meet its working capital needs. As of December 31, 2023, around 64.7% of the Group's total bank borrowings were long-term bank loans while around 33.9% of the Group's total bank borrowings had a remaining tenor of over one year. As at the date of this announcement, the Group has already arranged either early refinancing or prepayment of most of its long-term loan expiring in 2024. As at December 31, 2023, no assets of the Group were pledged to secure banking facilities for the Group.

Almost all of the bank borrowings of the Group relating to its manufacturing business are in USD. The Group's cash holdings in relation to its manufacturing business are held in USD and also in the local currencies (e.g. VND, IDR, RMB) of the various countries where its production facilities are located for daily operation purposes. For the Group's retail business, Pou Sheng's bank borrowings and cash balances are held mostly in RMB, which is its functional currency.

All of the Group's bank borrowings relating to its manufacturing business are on a floating rate basis, while the bank borrowings relating to its retail business are mostly fixed-rate. A portion of the Group's floating interest rate risk exposure was hedged by interest rate swaps.

Capital Expenditure

In 2023, the Group's overall capital expenditure reached US$195.9 million (2022: US$204.3 million). The capital expenditure for the Group's manufacturing business was US$152.0 million (2022: US$158.0 million), as it adopted a disciplined approach to push forward with its capital expenditure program targeting the strategic expansion and optimization of its manufacturing capacity under an uncertain macro environment backdrop.

The investment in its retail business Pou Sheng in 2023 was in line with its retail refinement strategy. Pou Sheng maintained its selective and prudent approach of strategically opening and upgrading experience-driven retail stores that provide a better shopping experience and enhance store productivity, while continuing to roll-out its long-term digital transformation strategy, namely implementing a SAP ERP system.

Significant Investments Held and Future Plans for Material Investments or Capital Assets

In the Year under review, apart from investments for operation purposes which may be made in the ordinary and usual course of business, the Group also entered into a memorandum of understanding with the Tamil Nadu Government in India on April 17, 2023, under which an indirect wholly-owned subsidiary of the Company will invest approximately 23 billion Rupees (equivalent to approximately US$276 million) in phases in the investment project to establish the Group's manufacturing base in a special economic zone in India. The investment project will be funded by the internal resources of the Group and/or bank borrowings, if necessary. For details, please refer to the announcement of the Company dated April 17, 2023.

The Group currently has no plans for acquiring assets.

The Group may explore potential opportunities to invest for its sustainable growth from time to time may have other plans for making material investments or acquiring capital assets in the future.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have material acquisition or disposals of subsidiaries, associates and joint ventures in 2023.

Contingent Liabilities

The Group had provided guarantees to banks in respect of banking facilities granted to a joint venture and an associate, the detail of which can be seen in Note 11 to the consolidated financial statements in this announcement.

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 IDR exposure is partly hedged with forward contracts.

For the Group's retail business in the Greater China region, the majority of its revenues are denominated in RMB. Correspondingly, almost all expenses are also denominated in RMB. For the retail business outside mainland China, both revenues and expenses are denominated in local currencies.

Share of Results of Associates and Joint Ventures

In 2023, the share of results of associates and joint ventures was a combined profit of US$62.2 million, compared to a combined profit of US$62.6 million in the previous year.

Dividends and Share Repurchase Program

The Board has resolved to declare a final dividend of HK$0.70 per share (2022: HK$0.70 per share) for shareholders whose names appear on the register of members of the Company on Monday, June 3, 2024, amounting to approximately HK$1,129 million (equivalent to approximately US$145 million), maintaining the same level as compared to the final dividend in 2022. The final dividend shall be paid on Friday, June 21, 2024. Together with the interim dividend, the total dividend for the Year would be HK$0.90 per share (2022: HK$1.10 per share), amounting to approximately HK$1,451 million (equivalent to approximately US$186 million), representing the dividend payout ratio of nearly 70%.

The Board has also approved a share repurchase program authorizing the Company to purchase up to an aggregate of approximately US$15 million of the Company's stock in compliance with the Listing Rules, together with the above-stated full-year dividend for the Year, totaling approximately US$201 million, representing approximately 73% of the profit attributable to owners of the Company for the Year, reflecting the Company's commitment to bring stable return to shareholders while pursuing the optimal capital allocation strategy.

The Group's commitment to upholding a relatively steady dividend level over the long term remains intact.

Employees

As at December 31, 2023, the Group had approximately 264,700 employees employed across all regions in which it operates, a decrease of 14.6% as compared to approximately 310,000 employees employed as at December 31, 2022. The Group's manufacturing business employed approximately 242,600 employees, while Pou Sheng employed around 22,100 employees, a decrease of 14.6% and 14.3% respectively. The Group adopts a remuneration system based on an employee's performance throughout the Year and prevailing salary levels in the market.

The Group believes that employees are important assets and applies 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 provides internal and external training courses at all levels, including new employee training, professional training, management training, environmental safety training, and corporate core values training, to enable the Group's employees and management to enhance their skills and achieve expertise, as well as to boost their morale.

The social compliance program of the Group's parent company, Pou Chen has been accredited by the FLA, a non-profit organization dedicated to protecting workers' rights around the world, making the Group the first and only FLA-accredited footwear supplier globally. The accreditation recognized the Group's commitment to responsible recruitment aimed at implementing workplace standards globally; implementing a comprehensive system to evaluate and incentivize manufacturing facilities and material suppliers to improve working conditions; investing in a social compliance program, training, and remediation; improving its transparency in remediating labor violations at its production sites and establish multiple grievance channels; and on top of all the programs above, actively participate in FLA's initiatives such as fair compensation project.

Prospects

The Group remains optimistic about the long-term prospects of its manufacturing business and confident that a gradual recovery trend and a more normalization of order books will emerge in the industry, allowing sustained top-line growth, improved production efficiency and solid profitability in the future. However, the global footwear industry is expected to remain conservative in the near term, while the uncertain macroeconomic outlook is being driven by persistent inflation and elevated interest rates, despite relatively improved order visibility. In addition, the Suez Canal shipping issue, which has been gradually escalating since the end of 2023, is casting a shadow of concern over the stability of the supply chain.

The Group will continue to proactively monitor the situation and dynamically allocate its manufacturing capacity to balance demand, its order pipeline and labor supply, while lifting its hiring freeze and restarting its production capacity expansion plan at an appropriate time. The Group will continue to strengthen its resilience by enhancing efficiency and productivity, through its highly flexible and agile strategies, and by leveraging its core strengths, adaptability and competitive edges, as well as cost and expense controls to safeguard its profitability, while focusing on maintaining a healthy cash flow and a solid financial position.

The Group remains committed to its mid to long-term capacity allocation strategy, including diversifying its manufacturing capacity in regions such as Indonesia and India where labor supply and infrastructure are supportive of sustainable growth. It will continue to exploit its strategy of prioritizing value growth, leveraging the ‘athleisure’ trend and its integrated product development capability that combines automation technology and research and development strength to seek more high value-added orders with a solid product mix.

In addition to its focused investments in intelligent automation, the Group will continue to pursue its long-term digital transformation strategy aimed at achieving operational excellence through digital lean management. It will further integrate its manufacturing management systems into One Common Platform (“OCP”) to optimize its ongoing eco-intelligent and smart manufacturing approach. At the core of the OCP is a more focused SAP ERP system that, when implemented together with the automation upgrades, will strengthen the Group’s process re-engineering competency, boost productivity and derive more value from its investments. As a powerful management tool, the OCP will enhance the Group’s competitive adaptability to cater to the fast-moving market and operation environment and ongoing trends, including increased demand from brand customers for greater versatility, flexibility, more efficient turnaround times, on-time delivery, end-to-end capabilities and most importantly, ESG-centric management.

In 2024, Pou Sheng will prioritize margins as its primary focus, while also ensuring quality growth. It will continue to pursue its digital transformation strategy, business portfolio and channel mix enhancement, implementing its retail refinement strategy to offer a digitally-enabled and superior customer experience, while dynamically managing its retail footprint and optimizing its omni-channels. Pou Sheng will also continue to enhance the implementation, integration and upgrade of its own SAP system, laying a foundation for higher decision-making efficiency at the management level. Meanwhile, it will continue to maximize its strategic partnerships with business associates and emphasize operational excellence to drive profitability by adopting a strategic approach to dynamic inventory control and more effective working capital management.

Going forward, the Group remains confident that the above strategies will enable it to continue providing its brand partners with the best possible end-to-end solutions, anchoring its quality growth 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, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities except that the trustee of the share award scheme of the Company (the "Share Award Scheme"), pursuant to the terms of the trust deed of the Share Award Scheme, purchased on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a total of 500,000 shares of the Company ("Shares") at a total consideration of approximately HK$5,524,000 (equivalent to approximately US$704,000).

CORPORATE GOVERNANCE

During the Year, 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 Part 2 of Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 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.

The Company's relevant employees, who are likely to be in possession of unpublished inside information, have been requested to comply with internal guidelines that similar to those terms in the Model Code. No incident of non-compliance by relevant employees was noted for the Year.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management and the external auditor, Messrs. Deloitte Touche Tohmatsu ("External Auditor"), the Group's consolidated financial statements for the Year and the accounting principles and practices adopted and discussed auditing, risk management and internal controls, and financial reporting matters.

SCOPE OF WORK OF THE EXTERNAL AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at December 31, 2023, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this announcement are in agreement with the amounts as set out in the audited consolidated financial statements of the Group for the year as approved by the Board on March 13, 2024. Since the work performed by the External Auditor in this regard did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no opinion or assurance conclusion has been expressed by the External Auditor on this announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company ("2024 AGM") will be held at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, May 24, 2024. The notice of 2024 AGM will be published and issued to shareholders of the Company ("Shareholders") in due course.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at 2024 AGM

For determining the entitlement of the Shareholders to attend and vote at the 2024 AGM, the register of members of the Company ("Register of Members") will be closed from Monday, May 20, 2024 to Friday, May 24, 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2024 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited ("Branch Share Registrar") 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.

Entitlement to the proposed final dividend

For determining the entitlement of the Shareholders to the proposed final dividend, the Register of Members will be closed from Monday, June 3, 2024 to Wednesday, June 5, 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, May 31, 2024.

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 available on the above websites in due course.

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 13, 2024

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. Liu George Hong-Chih and Mr. Shih Chih-Hung (Chief Financial Officer).

Independent Non-executive Directors:

Mr. Wong Hak Kun, Mr. Ho Lai Hong, Mr. Lin Shei-Yuan and Dr. Yang Ju-Huei.

Website: www.yueyuen.com