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YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00551)

INSIDE INFORMATION POSITIVE PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated financial statements of the Group for the nine months ended September 30, 2024 (the “**Period**”), the Group is expected to record an increase of 140% to 145% in its profit attributable to owners of the Company (the “**Profit**”) for the Period as compared to the Profit of US\$137.7 million for the corresponding period in 2023.

Based on the information currently available to the Group, the increase in Profit was mainly attributable to the solid increase in the gross profit margin of the Group’s manufacturing business alongside a substantial rise in brand customers’ demand for its footwear products, with order fulfilment in its manufacturing business strengthening quarter-on-quarter, driven by the further normalization of the global footwear market. In addition, the Group did not incur expenses for production capacity adjustments during the Period, compared to one-off expenses of approximately US\$30.5 million for production capacity adjustments in the corresponding period of 2023. This, together with a one-off gain of approximately US\$24.1 million on the partial disposal of associates during the Period, also contributed to the increase in Profit.

The Group further supported the increase in Profit during the Period by continuing to balance demand and its order pipeline and by flexible production scheduling and orderly overtime arrangement, alongside the steady ramp-up of new production capacity throughout this year also led to a higher overall capacity utilization rate and improved production efficiency.

**For identification purpose only*

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated financial statements of the Group for the Period currently available which have not been audited or reviewed by the external auditor of the Company nor reviewed by the audit committee of the Company. As the Company is in the process of finalizing the unaudited consolidated results of the Group for the Period, the actual results may be adjusted upon further review, and may be different from the information contained in this announcement. Shareholders and potential investors are advised to refer to the unaudited consolidated results announcement of the Group for the Period, which is expected to be announced on November 11, 2024.

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

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

Hong Kong, October 25, 2024

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. 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