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YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED

裕元工業（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 551)

SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Yue Yuen Industrial (Holdings) Limited (the “Company”) will be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on 28th September, 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (A) **THAT** the third supplemental agreement (the “Third Supplemental Production Agreement”) dated 25th August, 2011 between Barits Development Corporation (“Barits”) and Prime Asia Leather Corporation (“Prime Asia”) (which is a supplemental to the Production Agreement (as defined in the Company’s circular dated 5th September, 2011) under which (i) Barits agreed to provide tanning facilities and processing services to Prime Asia for the processing of Prime Asia’s raw leather into finished leather, (ii) Barits agreed to provide sales support to Prime Asia for sales of its finished leather and (iii) Prime Asia agreed to pay Barits a monthly production fee) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Third Supplemental Production Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Third Supplemental Production Agreement;

* *for identification purposes only*

- (B) **THAT** the third supplemental agreement (the “Third Supplemental PCC Management Service Agreement”) dated 25th August, 2011 between Highmark Services Limited (“Highmark”) and Pou Chen Corporation (“PCC”) (which is a supplemental to the PCC Management Service Agreement (as defined in the Company’s circular dated 5th September, 2011) under which Highmark agreed to provide PCC with management services in respect of a number of factories situated in the Industrial Estate operated by the PCC and its subsidiaries) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Third Supplemental PCC Management Service Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Third Supplemental PCC Management Service Agreement;
- (C) **THAT** the third supplemental agreement (the “Third Supplemental PCC Services Agreement”) dated 25th August, 2011 between the Company and PCC (which is a supplemental to the PCC Services Agreement (as defined in the Company’s circular dated 5th September, 2011) under which PCC agreed to provide research and development, know-how, technical and marketing services and to source raw materials and recruit staff in relation to the production and sale of products of the Company and it’s subsidiaries (the “Group”)) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Third Supplemental PCC Services Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Third Supplemental PCC Services Agreement;
- (D) **THAT** the second supplemental agreement (the “Second Supplemental PCC Connected Sales Agreement”) dated 25th August, 2011 between the Company and PCC (which is a supplemental to the PCC Connected Sales Agreement (as defined in the Company’s circular dated 5th September, 2011) under which the Company and its subsidiaries agreed to sell leather, moulds, finished and semi-finished shoe products and packaging boxes to PCC and its subsidiaries (the “PCC Group”)) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Second Supplemental PCC Connected Sales Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Second Supplemental PCC Connected Sales Agreement;

- (E) **THAT** the second supplemental agreement (the “Second Supplemental PCC Connected Purchases Agreement”) dated 25th August, 2011 between the Company and PCC (which is a supplemental to the PCC Connected Purchases Agreement (as defined in the Company’s circular dated 5th September, 2011) under which the Company and its subsidiaries agreed to purchase from PCC and its subsidiaries raw materials, production tools and shoe-related products for its production needs) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Second Supplemental PCC Connected Purchases Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Second Supplemental PCC Connected Purchases Agreement;
- (F) **THAT** the second supplemental agreement (the “Second Supplemental Pou Chien Lease Agreement”) dated 25th August, 2011 between Pou Chien Chemical Company Limited (“Pou Chien”) and PCC (which is a supplemental to the Pou Chien Lease Agreement (as defined in the Company’s circular dated 5th September, 2011) under which PCC agreed to lease to Pou Chien certain properties in Taiwan, including buildings and land, for the purpose of running its manufacturing business) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Second Supplemental Pou Chien Lease Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Second Supplemental Pou Chien Lease Agreement;
- (G) **THAT** the second supplemental agreement (the “Second Supplemental Pou Yuen Lease Agreement”) dated 25th August, 2011 between Pou Yuen Technology Co., Ltd. (“Pou Yuen”) and Yue Dean Technology Corporation (“Yue Dean”) (which is a supplemental to the Pou Yuen Lease Agreement (as defined in the Company’s circular dated 5th September, 2011) under which Pou Yuen agreed to lease to Yue Dean properties in Taiwan which consist of buildings and land, for the purpose of running its manufacturing businesses) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Second Supplemental Pou Yuen Lease Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Second Supplemental Pou Yuen Lease Agreement;

- (H) **THAT** the second supplemental agreement (the “Second Supplemental Yue Dean Lease Agreement”) dated 25th August, 2011 between PCC and Yue Dean (which is a supplemental to the Yue Dean Lease Agreement (as defined in the Company’s circular dated 5th September, 2011) under which PCC agreed to lease to Yue Dean properties in Taiwan which consist of buildings and land, for the purpose of running its manufacturing businesses) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Second Supplemental Yue Dean Lease Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Second Supplemental Yue Dean Lease Agreement;
- (I) **THAT** the supplemental agreement (the “Supplemental Pou Chien Technology Lease Agreement”) dated 25th August, 2011 between PCC as landlord and Pou Chien Technology Company Limited (“Pou Chien Technology”) as tenant (which replaces the Pou Yii Lease Agreement (as defined in the Company’s circular dated 5th September, 2011) under which Pou Yii agreed to lease to Pou Chien Technology premises in Taiwan for its administrative operations) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Supplemental Pou Chien Technology Lease Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Supplemental Pou Chien Technology Lease Agreement;
- (J) **THAT** the third supplemental agreement (the “Third Supplemental GBD Management Service Agreement”) dated 25th August, 2011 between Highmark Services Limited (“Highmark”) and Golden Brands Developments Limited (“GBD”) (which is a supplemental to the GBD Management Service Agreement (as defined in the Company’s circular dated 5th September, 2011) under which Highmark agreed to provide GBD with management services in respect of a number of factories situated in the Industrial Estate operated by GBD and its subsidiaries) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Third Supplemental GBD Management Service Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Third Supplemental GBD Management Service Agreement;

(K) **THAT** the third supplemental agreement (the “Third Supplemental Godalming Tenancy Agreement”) dated 25th August, 2011 between Godalming Industries Limited (“Godalming”) as landlord and certain wholly-owned subsidiaries and a jointly controlled entity of the Company as tenants (which is a supplemental to the Godalming Tenancy Agreement (as defined in the Company’s circular dated 5th September, 2011) under which Godalming agreed to lease to members of the Company and its subsidiaries and a jointly controlled entity certain premises in the PRC for production purposes, including shoe/sole factory buildings and dormitories for workers) be and is hereby approved, confirmed and ratified and that the period caps (including the revised annual cap for the financial year ending 30th September, 2011) in respect of such transactions as set out in the Third Supplemental Godalming Tenancy Agreement (the details of which are summarised in the circular of the Company dated 5th September, 2011) and the transactions contemplated therein be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take all actions and execute all documents which they deem necessary, required or appropriate, in order to implement and validate anything related to the Third Supplemental Godalming Tenancy Agreement.

By Order of the Board
Tsai Chi Neng
Chairman

Hong Kong, 5th September, 2011

Principal Place of Business:

Suites 3307-09, 33/F
Tower 6, The Gateway
9 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

Notes:

1. A form of proxy for use at the SGM or any adjournment thereof is enclosed.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies (if such member is the holder of two or more shares) to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal place of business in Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

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

Website: www.yueyuen.com