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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Yue Yuen Industrial (Holdings) Limited (the “**Company**”) will be held at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 30 November 2017 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 sixth supplemental agreement (the “**Sixth Supplemental PCC Services Agreement**”) dated 13 October 2017 entered into between the Company and Pou Chen Corporation (“**PCC**”) (which is supplemental to the PCC Services Agreement (as defined in the Company’s circular dated 14 November 2017) under which PCC agreed to provide research and development, know-how, technical and marketing services and to source raw materials, materials, components, machinery and other goods and recruit staff in relation to the production and sale of products of the Company and its subsidiaries (the “**Group**”) and to provide administrative support and ancillary services in relation to the SAP System (as defined in the Company’s circular dated 14 November 2017) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Sixth Supplemental PCC Services Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 Sixth Supplemental PCC Services Agreement;

* *For identification purpose only*

- (B) **THAT** the fifth supplemental agreement (the “**Fifth Supplemental PCC Connected Sales Agreement**”) dated 13 October 2017 entered into between the Company and PCC (which is supplemental to the PCC Connected Sales Agreement (as defined in the Company’s circular dated 14 November 2017) under which the Company and its subsidiaries agreed to sell leather, moulds, production tools, finished and semi-finished shoe products 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 Fifth Supplemental PCC Connected Sales Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 Fifth Supplemental PCC Connected Sales Agreement;
- (C) **THAT** the fifth supplemental agreement (the “**Fifth Supplemental PCC Connected Purchases Agreement**”) dated 13 October 2017 entered into between the Company and PCC (which is supplemental to the PCC Connected Purchases Agreement (as defined in the Company’s circular dated 14 November 2017) under which the Company and its subsidiaries agreed to purchase from the PCC Group 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 Fifth Supplemental PCC Connected Purchases Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 Fifth Supplemental PCC Connected Purchases Agreement;
- (D) **THAT** the sixth supplemental agreement (the “**Sixth Supplemental GBD Management Service Agreement**”) dated 13 October 2017 entered into between Highmark Services Limited (“**Highmark**”) and Golden Brands Developments Limited (“**GBD**”) (which is supplemental to the GBD Management Service Agreement (as defined in the Company’s circular dated 14 November 2017) under which Highmark agreed to provide GBD with management services in respect of a number of factory buildings situated in the Industrial Estate owned 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 Sixth Supplemental GBD Management Service Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 Sixth Supplemental GBD Management Service Agreement;

- (E) **THAT** the sixth supplemental agreement (the “**Sixth Supplemental Godalming Tenancy Agreement**”) dated 13 October 2017 between Godalming Industries Limited (“**Godalming**”) as landlord and subsidiaries and a joint venture of the Company as tenants (which is a supplemental to the Godalming Tenancy Agreement (as defined in the Company’s circular dated 14 November 2017) under which Godalming agreed to lease to certain subsidiaries and a joint venture of the Company certain premises in the PRC for production and logistics purposes, including shoe/sole factory buildings, offices, warehouses, and dormitories for workers) be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the Sixth Supplemental Godalming Tenancy Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 Sixth Supplemental Godalming Tenancy Agreement;
- (F) **THAT** the agreement (the “**PCC/YY Tenancy Agreement**”) dated 13 October 2017 entered into between members of the PCC Group as landlord and certain members of the Group (other than Pou Sheng International (Holdings) Limited and its subsidiaries, collectively the “**Pou Sheng Group**”) as tenants under which members of the PCC Group agreed to lease to members of the Group (other than the Pou Sheng Group) certain premises in Taiwan for the purpose of the Group’s 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 PCC/YY Tenancy Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 PCC/YY Tenancy Agreement;
- (G) **THAT** the agreement (the “**PCC/PS Tenancy Agreement**”) dated 13 October 2017 entered into between members of the PCC Group as landlord and certain members of the Pou Sheng Group as tenants under which members of the PCC Group agreed to lease to members of the Pou Sheng Group certain premises in Taiwan for the purpose of the Pou Sheng Group’s business be and is hereby approved, confirmed and ratified and that the period caps in respect of such transactions as set out in the PCC/PS Tenancy Agreement (the details of which are summarised in the Company’s circular dated 14 November 2017) 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 PCC/PS Tenancy Agreement;

- (H) **THAT** the stock option plan of Texas Clothing Holding Corp. (“**TCHC**”) adopted on 7 November 2012 (“**TCHC Stock Option Plan**”) in its amended and restated form (a copy of which has been produced to this meeting marked “A”) as set out in the Company’s circular dated 14 November 2017, be and is hereby approved, and that the directors of the Company be are hereby authorised to do all such acts and things as may be necessary to carry out such amendments and (if any) modifications;
- (I) **THAT** subject to resolution (H) in relation to the approval of the TCHC Stock Option Plan in its amended and restated form as set out in the notice convening this meeting being passed, the Nonqualified Stock Option Agreement dated 9 October 2017 (a copy of which has been produced to this meeting marked “B”) in respect of the grant of Tranche D TCHC options (“**Tranche D TCHC Options**”) exercisable into 100,000 Shares of TCHC at an exercise price of US\$24.18 per share (but not less than the fair market value of a share of TCHC on the date of grant) under the TCHC Stock Option Plan to Mr. Jay Patel, the Chief Financial Officer of TCHC, be and is hereby approved, confirmed and ratified, and that the directors of the Company be and are hereby authorized to take all such steps as may be necessary to carry out such grant of options in accordance with the terms and conditions of the TCHC Stock Option Plan;
- (J) **THAT** subject to resolution (H) in relation to the approval of the TCHC Stock Option Plan in its amended and restated form as set out in the notice convening this meeting being passed, the Nonqualified Stock Option Agreement dated 9 October 2017 (a copy of which has been produced to this meeting marked “C”) in respect of the grant of Tranche D TCHC Options exercisable into 50,000 shares of TCHC at an exercise price of US\$24.18 per share (but not less than the fair market value of a share of TCHC on the date of grant) under the TCHC Stock Option Plan to Mr. Steven Richman, the President of Tribal Sportswear, a division of Haggard Canada Co., and a wholly-owned, indirect subsidiary of TCHC, be and is hereby approved, confirmed and ratified, and that the directors of the Company be and are hereby authorized to take all such steps as may be necessary to carry out such grant of options in accordance with the terms and conditions of the TCHC Stock Option Plan; and

(K) **THAT** subject to resolution (H) in relation to the approval of the TCHC Stock Option Plan in its amended and restated form as set out in the notice convening this meeting being passed, the cancellation of the TCHC options exercisable into 38,923 shares of TCHC at an exercise price of US\$32.21 per share previously granted to Ms. Eve Richey, the Senior Vice President and Chief Digital Officer of TCHC, and the Nonqualified Stock Option Agreement dated 9 October 2017 (a copy of which has been produced to this meeting marked “D”) in respect of the simultaneous grant of replacement Tranche D TCHC Options exercisable into 38,923 shares of TCHC at an exercise price of US\$24.18 per share (but not less than the fair market value of a share of TCHC on the date of grant) to Ms. Eve Richey under the TCHC Stock Option Plan, be and are hereby approved, confirmed and ratified, and that the directors of the Company be and are hereby authorized to take all such steps as may be necessary to carry out such grant of options in accordance with the terms and conditions of the TCHC Stock Option Plan.

By Order of the Board
Lu Chin Chu
Chairman

Hong Kong, 14 November 2017

Principal Place of Business:

22nd Floor
C-Bons International Center
108 Wai Yip Street
Kwun Tong
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 branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, 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 later than 10:00 a.m. on Tuesday, 28 November, 2017 (Hong Kong Time), or not less than 48 hours before the time for holding the adjourned meeting, as the case may be.
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 authorised 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.
6. **The register of members of the Company will be closed from Friday, 24 November, 2017 to Thursday, 30 November, 2017, both dates 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, not later than 4:30 p.m. on Thursday, 23 November, 2017 in order to establish the identity of the shareholders who are entitled to attend and vote at the SGM ("Entitlement to SGM"). The record date for the Entitlement to SGM will be on Friday, 24 November, 2017.**
7. If tropical cyclone warning signal No. 8 or above is in force or black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the SGM, the SGM will be postponed and members will be informed of the date, time and venue of the postponed SGM by a supplementary notice, posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

The SGM will be held as scheduled when amber or red rainstorm warning signal is in force.

After considering their own situations, members should decide whether they would attend the SGM under bad weather condition and if they do so, they are advised to exercise care and caution.

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. Tsai Ming-Lun, Ming, Mr. Hu Chia-Ho, Mr. Liu George Hong-Chih and Mr Hu Dien Chien.

Independent Non-executive Directors:

Mr. Leung Yee Sik, Mr. Huang Ming Fu, Mr. Chu Li-Sheng, Ms. Yen Mun-Gie (also known as Teresa Yen) and Mr. Hsieh Yung Hsiang (also known as Alfred Hsieh).

Website: www.yueyuen.com