



## **COMPANY UPDATE**

### **Yue Yuen reinforces its strategy of focus on core footwear business**

#### ***Disposal of lands and buildings in Huang Jiang***

(Hong Kong, 24 July 2003) – **Yue Yuen Industrial (Holdings) Limited** has disposed of lands and buildings located at Huang Jiang Town, Dongguan City, Guangdong Province, PRC for a total consideration of US\$6,730,000 to Felbridge International Limited, a company wholly owned by Mr. Tsai Chi Jui, a substantial shareholder of Yue Yuen. The sale was negotiated on an arm's length basis and the consideration is equivalent to the value of the Properties as stated in the property valuation reports as at 30<sup>th</sup> June 2003 prepared by an independent professional valuer, Knight Frank (Services) Ltd. The Group will realize a gain of US\$1,433,000 through the asset disposal.

The total site area of the land is about 213.5 Mou or 142,334 sq m. The land was originally acquired for the purpose of developing into a private residential/commercial area and golf driving range. Part of the land has been developed as a golf driving range and several commercial and dormitory blocks have been built. However, the Group's strategy is to focus on building up its core footwear business. This transaction is a strategic move to demonstrate the Group's commitment to this strategy.

The management believes the divestment would reinforce the Group's focus and improve its asset utilization. The disposal of non-core assets and deportation of resources into the core footwear manufacturing business will be an ongoing strategy for the Group. Through a better asset utilization, the shareholders' value and return will be greatly enhanced.

**Yue Yuen Industrial (Holdings) Ltd.**

[www.yueyuen.com](http://www.yueyuen.com)

Terry Ip

Investor Relations Director

Tel: 2370 6421

Fax: 2370 3547

E-mail: [terry.ip@yueyuen.com](mailto:terry.ip@yueyuen.com)