

[For Immediate Release]



Yuen Thai Receives Encouraging Order Flow from International Sports Brands

(August 15, 2004, Hong Kong) – Yuen Thai Industrial Co. Ltd (“Yuen Thai” or the “Company”), the sports apparel joint venture between two industry giants, **Yue Yuen Industrial (Holdings) Limited** (“Yue Yuen”, stock code: 551) and **Luen Thai Holdings Limited** (“Luen Thai”, stock code: 311), is pleased to announce that the Company has received encouraging order flow from an international sports brand for the manufacturing of sports apparel. Up to end of July, Yuen Thai has already received approximately HK\$100 million order indication for its first year of operation.

Commenting on the development of Yuen Thai, Mr. Edward Ku, Executive Director of Yue Yuen, said, “We are delighted to announce that Yuen Thai has commenced a remarkably smooth operation since its establishment this year. With the joint effort, experience and network of Luen Thai and Yue Yuen, we have the conviction that Yuen Thai will capture increasing orders from more international sports brands in future, helping us to solidify our foothold in the sports and active wear market and establish our leadership in the global regime.”

Mr. Henry Tan, CEO of Luen Thai, said, “The encouraging order flow demonstrates that Yuen Thai’s product development capability and manufacturing craftsmanship, supported by our unique D2S model, has been well received at the international level. Looking forward, we will continue to work closely with Yue Yuen and our clients to develop manufacturing treatments and techniques catering for high performance fabrics while adding fashion elements into sports apparel. Our objective is to offer best products and services to our customers, through which to increase our market share and ultimately to generate new revenue source and growth engine for the Group.”

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Corporate Background:

Yue Yuen Industrial (Holdings) Limited

The Group was incorporated by the Tsai family in 1988 and has been listed on The Stock Exchange of Hong Kong Limited since 1992. The Group is the largest branded footwear manufacturer in the world, with approximately 17% market share in all of the branded athletic and casual/outdoor footwear. The Group is an OEM/ODM for major international brand name companies such as Nike, adidas, Reebok, New Balance, Asics, Timberland and Rockport. Yue Yuen also produces footwear components for sale to other manufacturers.

Luen Thai Holdings Limited

Luen Thai is one of the key global apparel supply chain services providers. Through its "design-to-store" model, Luen Thai works in partnership with its customers to provide quality products in different fashion categories and value-added services throughout the supply chain including design, product development, manufacturing, logistics and information technology. Luen Thai attracts a reputable clientele such as Polo Ralph Lauren, Liz Claiborne, Limited, Express, Victoria's Secret, Fast Retailing and Dillard's. It has over 17,180 employees spanning across Hong Kong, China, USA, United Kingdom, the Philippines, Saipan and Cambodia.

Yuen Thai Industrial (Holdings) Limited

Yuen Thai Industrial (Holdings) Limited is a joint venture 50% owned by Yue Yuen and Luen Thai respectively. The Company is engaging in design, product development, manufacture as well as information technology and logistics management and is serving the apparel supply chain for the international sports brands.

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