



PRESS RELEASE

Private Placement By the Tsai Family of Yue Yuen Shares

To enhance public free flow and trading liquidity

(Hong Kong, 12th October 2004) – **Yue Yuen Industrial (Holdings) Limited** (“the Company”, stock code: 551) today has been informed that the Tsai Family, which together are substantial shareholders of the Company, have concluded the sale of 50,000,000 existing Yue Yuen shares to independent investors. The share holding of the Tsai Family in Yue Yuen will be reduced from 19.72% to 16.63%.

The placement of 50,000,000 shares or approximately 3.09% of the existing issued shares of the Company, was made to independent investors at HK\$20.10 per share, representing a 3.37% discount to the closing price of HK\$20.80 per share on 12th October 2004. Upon the completion of the placing, the public free float will increase from 26.88% to 29.97%.

“The private share placement will increase the public free float and trading liquidity of Yue Yuen shares. This will also broaden the shareholding base of the Company. We are pleased that Yue Yuen shares are well received in this placement,” said Mr. Edward Ku, Executive Director of the Group.

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