

Corporate Overview



2000 was a prosperous year for the global footwear industry. The athletic footwear market rebounded while the casual footwear market continued to display solid growth. The international retail footwear market also showed improved growth, with many footwear brands registering rising sales. Yue Yuen's growth outpaced that of the overall industry enabling us to reinforce our status as the world's largest contract manufacturer of footwear products. Turnover increased by 14% to US\$1,691 million, production volume jumped 17% to 103.1 million pairs, and net profit for the year grew by 8% to US\$210 million. This growth was supported by greater diversification of product categories and geographical markets.

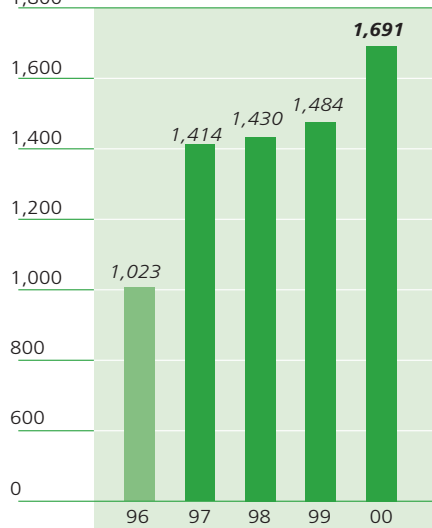


During 2000, Yue Yuen also took advantage of its solid financial position to expand its production capacity and diversify its production bases. The Group now has 215 production lines located in China, Indonesia and Vietnam. These enlarged capabilities enabled Yue Yuen to effectively capture the rise in volume over the past year, and will also serve as the platform to manage future growth.

Continuous Growth

Turnover

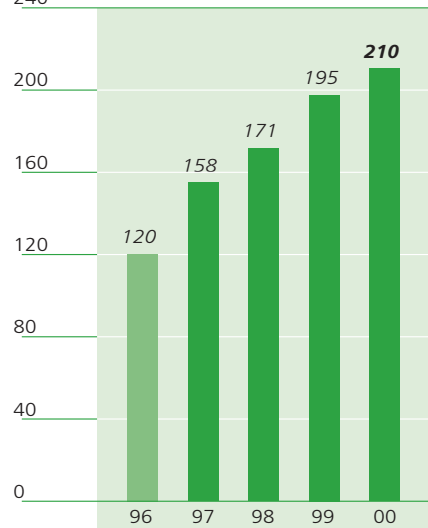
US\$ Millions
1,800



■ *Pro Forma Turnover ■ Consolidated Turnover

Profit

US\$ Millions
240

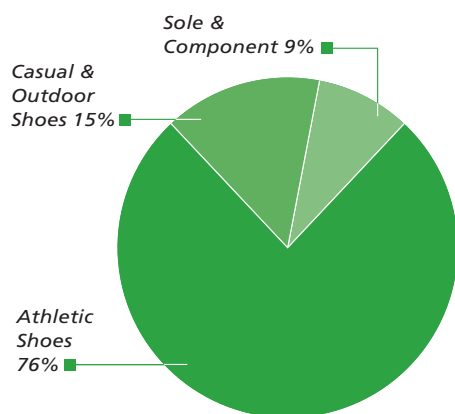


■ *Pro Forma Profit ■ Consolidated Profit

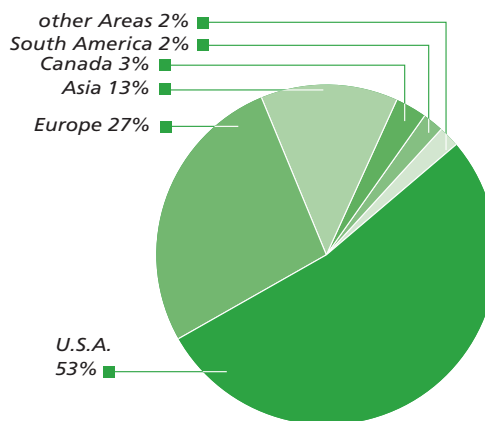
* Pro forma figures represent combination of Yue Yuen Group and Pou Yuen Group, prior to the acquisition made in September 1996.

Turnover Analysis

Turnover by Category



Turnover by Geographical Market



Turnover for the year US\$1,691 million