

# NEWS RELEASE

FOR IMMEDIATE RELEASE

15<sup>TH</sup> APRIL, 2002

## SupplyLINE attracts GBM and ECS as shareholders

Hong Kong (15<sup>th</sup> April, 2002): Logistics Information Network Enterprise (LINE) and Yue Yuen have formed a joint-venture company, SupplyLINE, to act as Lead Logistics Provider (LLP) for the sports footwear and electronics industries. In a further development SupplyLINE welcomed Elitegroup Computer Systems Co., (ECS) and Global Brands Manufacture Group (GBM) as new shareholders in the venture.

As part of the ground-breaking deal, SupplyLINE will co-ordinate and manage its customers' supply chain by providing logistics services. SupplyLINE's LLP services will provide value to customers through managing the integration of the movement of goods and the flow of information.

As a result of increased supply chain efficiency (in the form of shorter fulfillment time, lower excess inventory and more reliable delivery forecasting), customers will benefit from reduced logistics costs.

SupplyLINE is targeting to work with multinational companies in the footwear, apparel and electronics industries. Customers include Yue Yuen Industrial Holdings, the world's largest maker of global branded footwear. New shareholders ECS, one of the world's largest manufacturers of printed circuit board assemblies, and GBM are also the key customers from electronics industries.

"SupplyLINE's solutions provide increased efficiency and significant savings for specific industry sectors. We are confident that other companies will realise the benefits and become our customers," said Aaron Mak, Chief Executive Officer of LINE.

ECS and Yue Yuen with a combined sales figure of US\$3 billion will benefit from the re-engineering of their logistics network as multiple suppliers are managed through SupplyLINE, resulting in more efficient and effective movement of components and finished goods.

SupplyLINE's unique offering in the Asia region is based on the long established history of both shareholders. LINE, as a member of the HPH Group, can leverage off the world's leading port operator. Yue Yuen, as a listed company on Hong Kong's bourse, has long established its manufacturing facilities in China and throughout the region. New shareholders ECS and GBM will further strengthen SupplyLINE's credentials in the regional LLP sector.

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Aaron Mak said that the partnership provides a unique collaboration between leading Asian companies. “We are delighted to have ECS and GBM on board as they are global leaders in their industries. This is an endorsement of SupplyLINE’s collaborative approach in order to deliver tangible benefits to our customers. SupplyLINE brings together companies who understand manufacturing and logistics management. The companies are based in Asia but have a global presence, we understand the needs of our customers and have the expertise to deliver results.”

“We are confident that as a leading LLP, we can help our customers realise significant cost savings through more effective management of their transportation and logistics providers,” said Mak.

Edward Ku, Executive Director of Yue Yuen said that as a shareholder and a customer of SupplyLINE, he expected significant benefits.

“Ultimately we are focused on serving the needs of our customers, we have to show them value in a very competitive market, by investing in SupplyLINE we have taken a major step in meeting their needs for the future,” said Ku.

David Chang, General Manager of Elitegroup Computer System Co., Ltd. commented that customer demand has driven the need for a total solution for their products throughout the supply chain, from the factory to delivery to their customers.

“SupplyLINE will enable us to manage the flow of goods from raw materials to finished product. We will be able to work with partners who understand our industry and provide professionally designed software. SupplyLINE will also provide all of our supply chain needs and allow ECS to focus on product development and manufacturing. In addition, it will enable us not only to improve our logistics efficiency but also to reduce costs and be more responsive to market demand. We are very confident in this investment,” said Chang.

Yawmin Wu, Executive Vice President of GBM said global logistics is one of EMS (Electronic Manufacture Service) core competencies. Our raw materials and finished products are various and complex. Logistics requirement focus on quick and accurate delivery which demands professional knowledge and staff. As a shareholder and a customer of SupplyLINE, we hope that it costs down movement of goods and gains satisfaction from our customers through excellent movement management system. “

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## About LINE

LINE is a leading provider of supply chain and logistics solutions, providing collaborative networks and visibility services globally.

LINE is a wholly owned subsidiary of the HPH Group, the world's leading port investor, developer and operator with interests in 15 countries throughout Asia, Africa, Europe and the Americas. Today, HPH operates a total of 30 ports together with a number of transportation related service companies.

## About Yue Yuen

Yue Yuen Industrial (Holdings) Limited (SEHK stock code: 551) is the largest branded footwear manufacturer in the world, with approximately 15% market share in all of branded athletic and casual footwear. The Group is an original equipment manufacturer / original design manufacturer ("OEM / ODM") for major international name brand companies such as Nike, adidas, Reebok, New Balance, Timberland and Rockport. Yue Yuen also produces footwear components for sale to other manufacturers. The company was incorporated by the Tsai Family in 1988 and has been listed on The Stock Exchange of Hong Kong Limited since 1992. Yue Yuen will build on this strong platform by working closely alongside its customers.

## About ECS

ELITEGROUP Company Systems Co., Ltd. was established in May 1987.

Headquartered in Taiwan, ELITEGROUP has operations in America, Europe and Pacific Rim and has been recognized as one of the major main board companies in the world. Business volume amounted US\$1 billion last year which expects to double this year.

Looking forward, ELITEGROUP will be engaged in producing high quality and good value computer products in addition to main boards. Through our cost-efficient manufacturing system and strategic alliance with key suppliers, ELITEGROUP will continue to unite global resources towards the creation of a new supply chain to provide more innovative products at affordable prices.

## About GBM

GBM is a new generation of EMS based in China, providing product design and manufacturing services for world brands.

The Group started its operation in 2001. GBM offers one stop shopping for its customers with newly established manufacturing facilities totaling over 5 million square feet. The integrated production services include PC related products assembly with component manufacturing for

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PCB, PCBA, casing, connector, injection, magnesium, and molding, etc. Some of these components are in cooperation with world leading names. All these productions are located in Huang Jiang Yue Yuen Industrial Park. With the new JV with LINE for advanced logistics services, not only can GBM reduce business risk and get a more active response to market demand, but also provide customers better services.

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