

## **Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (The “Stock Exchange”)**

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

*This announcement, for which the directors of Convenience Retail Asia Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Convenience Retail Asia Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



## **Convenience Retail Asia Limited**

**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

### **FIRST QUARTER RESULTS – FOR THE PERIOD ENDED 31 MARCH 2001**

- Group Turnover +21% to HK\$301.9 million
- Group Profit +136% to HK\$11.3 million
- Earnings Per Share +80% to 1.8 cents per share

## Highlights

- Strong growth in turnover and profitability despite conservative retail spending in Hong Kong.
- Number of stores in Hong Kong increased by three to 126 during the quarter; another 13 store openings are in progress – either with committed leases or under renovation.
- Southern China market entry in line with plan - joint venture agreement finalised and business licence application in progress.
- Strong cash position with HK\$270 million cash on hand and no bank borrowings as at 31 March 2001.
- Profitability growth rate is expected to become more moderate due to uncertainty in the Hong Kong retail environment.
- It is anticipated that the Company will incur start-up costs from new operations in the Chinese Mainland.

## CHAIRMAN'S STATEMENT

### Financial Review

It gives me great pleasure to report the unaudited first quarter 2001 results of Convenience Retail Asia Limited and its subsidiaries (the "Group"). During the period ended 31 March 2001, the Group recorded very strong increase in both turnover and profit.

For the first quarter of 2001, the Group's turnover increased by 21% to HK\$301.9 million when compared to the same period in the previous year. The strong increase in turnover was due to the Group's strategies to achieve excellence in customer services, aggressive promotions, and value pricing, which have helped to attract more customers to our stores. Of the total 21% increase, 11% came from increase in sales of the existing stores. The increase in total number of stores accounted for the other 10% increase in turnover. As at the end of the first quarter of 2001, we have a total of 126 stores compared to 114 stores as at the end of the first quarter of 2000.

Through better management of product costing and smarter pricing, the Group was also able to increase gross margin and other income (excluding interest income) by 1.9% of sales to 31.8% of sales during the quarter.

Stronger store sales and higher gross margin/other income combined to contribute to a very significant increase in the Group's net profit. For the first quarter of 2001, the Group recorded a net profit of HK\$11.3 million which represents a 136% increase over the first quarter of 2000's net profit of HK\$4.8 million. Earnings per share increased by 80% from 2000's 1.0 cents to 1.8 cents in the first quarter of 2001.

## **Initial Public Offering**

Shares of Convenience Retail Asia Limited were successfully listed on the GEM of the Stock Exchange on 18 January 2001. We were very pleased with the strong interests from both institutional and retail investors and the new issue was oversubscribed 14 times by institutional investors and 6.5 times by retail investors. Net proceeds of approximately HK\$163 million were raised.

As at the end of March 2001, the Group has a very strong cash position with a cash balance of HK\$270 million and no bank borrowings.

## **Business Outlook**

For the Hong Kong market, the Group is continuing its aggressive expansion programme. We have a total of 13 store openings in progress (either under renovation or with committed leases) that will bring total stores to 139. We are well on track to reaching the target of 145 stores by end of 2001.

As for entering into the Southern China market, the Group has made significant progress towards this goal. We signed the joint venture agreement on 26 April 2001 for the establishment of Convenience Retail Southern China Limited, which is the Group's operating vehicle in the Southern China market. The joint venture is owned as to 62.5% by the Group, as to 35% by Shanghai ShenHong Corporation (a member of the Shanghai Friendship Group), and as to 2.5% by China Foreign Trade Development Companies Inc. We have commenced the business licence application with the respective authorities. Subject to the timing required for obtaining the approval from the PRC authorities, the Group is on target to start store operations in Guangzhou.

While we recorded a very significant 136% increase in the Group's net profit for the first quarter of 2001, this profit growth rate is expected to slow down to a more moderate yet still healthy level due to the uncertainty of the retail environment in Hong Kong. It is also anticipated that the Group will incur start-up costs attributable to the newly established PRC operations in the coming 12-24 months.

**FUNG Kwok King, Victor**  
*Chairman*

Hong Kong, 26 April 2001

## RESULTS

The Board of Directors (“the Board”) is pleased to announce the unaudited results of the Group for the three months ended 31 March 2001, together with the comparative unaudited figures for the corresponding period ended 31 March 2000 as follows:

		<b>Three months ended 31 March</b>	
		<b>2001</b>	<b>2000</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	301,905	249,001
Cost of sales		(224,441)	(188,344)
Gross profit		77,464	60,657
Other revenues	2	21,662	13,639
Store expenses		(72,468)	(56,731)
Distribution costs		(4,536)	(2,923)
Administrative expenses		(11,006)	(7,959)
Operating profit		11,116	6,683
Finance costs		–	(1,907)
Profit for the year		11,116	4,776
Minority interest		140	–
Profit attributable to shareholders		11,256	4,776
Basic earnings per share	4	1.8 cents	1.0 cents

*Notes:*

### 1. Group reorganisation and basis of preparation

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Laws (2000 Revision) of the Cayman Islands on 23 October 2000.
- (b) On 29 December 2000, pursuant to a group reorganisation to rationalise the structure of the Group in preparation for the new listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the Group. The shares of the Company were listed on the GEM on 18 January 2001.
- (c) The results of the Group comprise the results of the Company and its subsidiaries using the merger accounting basis as if the Company had always been the holding company of the Group.
- (d) The accounts have been prepared under the historical cost convention in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants.

## 2. Turnover

The Group is principally engaged in the operation of a chain of convenience stores. Revenues recognised during the three months ended 31 March 2001 are as follows:

	<b>Three months ended 31 March</b>	
	<b>2001</b>	<b>2000</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover		
Merchandise sales revenue	291,494	237,665
Bakery sales revenue	10,003	11,336
E-fulfillment service income	408	–
	<u>301,905</u>	<u>249,001</u>
Other revenues		
Rebate income	16,975	12,270
Interest income	3,031	49
Others	1,656	1,320
	<u>21,662</u>	<u>13,639</u>
Total revenues	<u>323,567</u>	<u>262,640</u>

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to customers and the title has passed.

Revenue from provisions of services is recognised when the services are rendered.

Rebate income is recognised on an accrual basis.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

## 3. Taxation

No Hong Kong profits tax has been provided for as the Group has been able to utilise available tax losses brought forward from previous years to offset the assessable profit for the period (2000: assessable profit for the period was offset by tax losses brought forward from previous years).

## 4. Earnings per share

The calculation of the Group's basic earnings per share for the three months ended 31 March 2001 is based on the Group's profit attributable to the shareholders of HK\$11,256,000 (2000: HK\$4,776,000) and the weighted average number of 624,641,111 ordinary shares (2000: 491,700,000 ordinary shares) in issue during the respective period. In determining the weighted average number of shares, a total of 67,690,000 ordinary shares issued on the establishment of the Company and reorganisation of the Group and a further 424,010,000 ordinary shares being the capitalisation issue immediately following the new issue of shares to the public were deemed to have been issued since 1 January 1999.

Diluted earnings per share for the three months ended 31 March 2001 is not shown as there is no dilution effect arising from the share options granted by the Company.

Diluted earnings per share for the three months ended 31 March 2000 is not shown as there were no dilutive potential ordinary shares.

## 5. Interim dividends

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2001 (2000: Nil).

## 6. Movements in reserves

In January 2001, 163,900,000 shares of HK\$0.10 each were issued to the public at a premium of HK\$1.05 per share (the "New Issue"). The excess of the issue price over the par value of the shares issued, net of share issuance expenditure, amounting to approximately HK\$146 million has been credited to the share premium account of the Company.

Immediately after the New Issue, 424,010,000 shares of HK\$0.10 each were issued, allotted at par and fully paid to Li & Fung (Retailing) Limited and four directors, namely Mr Yeung Lap Bun, Richard, Mr Li Kwok Ho, Bruno, Mr Lau Butt Farn and Ms Wong Yuk Nor, Louisa, by way of the capitalisation of a sum of HK\$42,401,000 out of the credit of the share premium account of the Company.

There was no movement in reserves for the three months ended 31 March 2000.

## COMPETING INTERESTS

During the period under review, none of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed or might compete with the business of the Group.

## DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 31 March 2001, the interests of each of the directors, chief executives and their associates in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as required to be recorded in the register maintained by the Company pursuant to section 29 of the SDI Ordinance are as follows:—

### (a) Interests in the Company and certain major associated corporations

Name of the Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Company	Dr. Fung Kwok King, Victor	—	—	467,114,000 (Note 1)	—	467,114,000
Company	Dr. Fung Kwok Lun, William	—	—	467,114,000 (Note 1)	—	467,114,000
Company	Yeung Lap Bun, Richard	17,896,000	—	—	—	17,896,000
Company	Li Kwok Ho, Bruno	2,676,000	—	—	—	2,676,000
Company	Lau Butt Farn	2,676,000	—	—	—	2,676,000
Company	Wong Yuk Nor, Louisa	1,338,000	—	—	—	1,338,000

Name of the Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Company	Dr. Ch'ien Kuo Fung, Raymond	1,000,000	–	–	–	1,000,000
Li & Fung (Gemini) Limited	Dr. Fung Kwok King, Victor	–	–	13,000,000 (Note 2)	1,500,000 (Note 4)	14,500,000
Li & Fung (Gemini) Limited	Dr. Fung Kwok Lun, William	–	–	13,000,000 (Note 2)	–	13,000,000
Li & Fung (Distribution) Limited	Dr. Fung Kwok King, Victor	(i) 130,000 (Note 5)	–	(i) 6,800,000 (full voting ordinary shares) (Note 3)	–	7,090,000 (full voting ordinary shares)
		(ii) 160,000 (Note 6)		(ii) 10,200,000 (redeemable participating preferred shares) (Note 3)		10,200,000 (redeemable participating preferred shares)
Li & Fung (Distribution) Limited	Dr. Fung Kwok Lun, William	–	–	(i) 6,800,000 (full voting ordinary shares) (Note 3)	–	6,800,000 (full voting ordinary shares)
				(ii) 10,200,000 (redeemable participating preferred shares) (Note 3)		10,200,000 (redeemable participating preferred shares)
Li & Fung (Distribution) Limited	Lau Butt Farn	32,500 (Note 5)	–	–	–	32,500
Li & Fung Limited	Dr. Fung Kwok King, Victor	–	–	1,180,500,000 (Note 7)	50,750,000 (Note 8)	1,231,250,000

Name of the Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Li & Fung Limited	Dr. Fung Kwok Lun, William	68,502,300	8,000 (Note 9)	1,180,500,000 (Note 7)	–	1,249,490,300
		480,000 (Note 10)				
Li & Fung Limited	Lau Butt Farn	2,200,000	–	–	–	2,200,000

*Notes :*

- King Lun Holdings Limited (“King Lun”) through its indirect wholly owned subsidiary, Li & Fung (Retailing) Limited (“LFR”) (a wholly owned subsidiary of Li & Fung (1937) Limited (“LF(1937)”) held 467,114,000 Shares in the Company. 1,332,840 shares in King Lun, representing 50% of its issued share capital, are owned by Chase Bank & Trust Company (CI) Limited, the trustee of a trust established for the benefit of the family members of Dr. Fung Kwok King, Victor. The remaining 50% of King Lun is owned by Dr. Fung Kwok Lun, William.
- King Lun through its wholly owned subsidiary, LF(1937) held 13,000,000 shares in Li & Fung (Gemini) Limited (“LFG”). Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William are deemed to have interests in these shares through their respective interests in King Lun and LF(1937) as set out in note (1) above.
- LFG holds 6,800,000 full voting ordinary shares and 10,200,000 redeemable participating preferred shares in Li & Fung (Distribution) Limited (“LFD”). Dr Fung Kwok King, Victor and Dr. Fung Kwok Lun, William are deemed to have interests in these shares through their respective interests in King Lun and LF(1937) and indirect interests in LFG as set out in notes (1) & (2) above.
- 1,500,000 shares in LFG, representing 8.83% of its issued share capital, are owned by a company which is held by Chase Bank & Trust Company (CI) Limited.
- In 1999, Dr. Fung Kwok King, Victor and Mr. Lau Butt Farn were granted share options to subscribe for 130,000 and 32,500 full voting ordinary shares of US\$0.01 each in LFD (“LFD Shares”) respectively. Of these, options in respect of 56,500 and 13,000 LFD Shares are fully vested in Dr. Fung Kwok King, Victor and Mr. Lau Butt Farn respectively. The remaining share options are to be vested in Dr. Fung Kwok King, Victor and Mr. Lau Butt Farn in three equal lots on 31 December, in each of the calendar years 2001, 2002 and 2003. The share options are exercisable at US\$1 per LFD Share within 21 business days after the earliest of (a) the date of issuance of a notice for an initial public offering of LFD Shares, (b) the date of issuance of a notice of the sale of all or substantially all of the business or shares of LFD and (c) 31 December 2006.
- In 1999, Dr. Fung Kwok King, Victor was granted share options to subscribe for 16,000 LFD Shares for each full percentage point by which certain LFD investors’ fully diluted aggregate estimated internal rate of return on a public share offer by LFD, or on a sale of all or substantially all of its business or shares, exceeds 30% per annum, subject to a maximum of 160,000 LFD Shares. The share options are exercisable at US\$1 per LFD Share within 21 business days after the date of issuance of a notice of public offer or sale (whichever is earlier) as described in note (5) above.
- Out of the 1,180,500,000 shares of HK\$0.025 each in Li & Fung Limited (“LF Shares”), holdings of 49,950,800 LF Shares, 996,000,000 LF Shares and 134,549,200 LF Shares are respectively held by King Lun, LF(1937) and Orient Ocean Holdings Limited (“Orient Ocean”). Orient Ocean is a private company incorporated in the British Virgin Islands. LF(1937) held 50% of the voting rights, but no beneficial interests, in Orient Ocean. Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William are deemed to have interests in these shares through their respective interests in King Lun and LF(1937) as set out in notes (1) & (2) above.



8. 50,750,000 LF Shares are held by Chase Bank & Trust Company (CI) Limited, the trustee of a trust established for the benefit of the family members of Dr. Fung Kwok King, Victor.
9. 8,000 LF Shares are owned by the wife of Dr. Fung Kwok Lun, William.
10. In 2000, Dr. Fung Kwok Lun, William was granted share options to subscribe for 480,000 LF Shares. The options are exercisable at a subscription price of HK\$15.26 per LF Shares during the period from 7 July 2001 to 6 July 2003.

**(b) Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William, by virtue of their interests in King Lun and LF (1937) as set out above, have the following indirect interests in other associated corporations of the Company:–**

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Active Islands Group Limited	ordinary share	1
Albinina Limited	ordinary shares	2
Allegreto Company Limited	ordinary shares	2
American Discount Store Limited	ordinary shares	100
Anglo-Thai Company Limited	ordinary shares	6,859,980
Anglo-Thai Services Limited	(i) class A shares	(i) 160
	(ii) class B shares	(ii) 3,920
Anglo-Thai Tractors Limited	ordinary shares	499,980
Appleton Holdings Limited	ordinary share	1
Asiadent Pte Limited	ordinary shares	200,000
Atarashi Moutrie Sdn Bhd	ordinary shares	500,000
Auto Electric Limited	ordinary shares	75,000
B-Trak Sdn Bhd	ordinary shares	25,000,000
B.G.S. Limited	(i) ordinary shares	(i) 2,880
	(ii) preference shares	(ii) 7,120
Bacarolle Limited	ordinary shares	2
Bakehouse Company Limited	ordinary shares	1,748,949
Basic & More Fashion Limited	ordinary shares	1,000,000
Beldare Enterprises Inc.	common stock	100
Beldare Enterprises Limited	ordinary shares	100,000
Black Cat Fireworks Limited	ordinary shares	1,200,000
Blue Sky Buying Services Limited	ordinary shares	2
Bomaron Limited	(i) ordinary shares	(i) 2
	(ii) non-voting deferred shares	(ii) 10,000
Borneo Agencies Limited	ordinary shares	2,000
	preference shares	2,000
Borneo Auto Care Limited	(i) ordinary shares	(i) 2,000
	(ii) preference shares	(ii) 2,100
Borneo Investments (Singapore) Pte Limited	ordinary shares	4
Borneo Technical (Thailand) Limited	(i) ordinary shares	(i) 16,000
	(ii) preference shares	(ii) 2,010
Borneo Technical Co (M) Sdn Bhd	ordinary shares	4,231,002
Bosca Development Limited	ordinary shares	2

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Branded Lifestyle International Limited	ordinary share	1
Butler & Webster (Thailand) Limited	ordinary shares	100,000
Camberley Enterprises Limited	ordinary shares	250,000
Canathan Inc	ordinary shares	8,750
Circle K - Amazens Retalhistas (Macau) Limitada	quotas	2 (Note A)
Circle K Convenience Stores (PRC) Limited	ordinary share	1
Circle K Convenience Stores (HK) Limited	ordinary shares	183,756
Circle K Convenience Stores Limited	ordinary shares	10,000
Colby Group Holdings Limited	ordinary shares	45,000
Colby International (Guatemala), Sociedad Anonima	shares	5,000
Colby International Limited	ordinary shares	1,500,000
Colby Nominees Limited	ordinary share	1
Colby Property Holdings Limited	ordinary share	1
Convenience Retail Asia (BVI) Limited	ordinary shares	10,000
Cornerstone Enterprises Limited	ordinary shares	10,000
Costume Limited	ordinary shares	2
CS Asia Limited	ordinary share	1
CS International (Offshore) Limited	ordinary share	1
CS International Limited	ordinary shares	1,000,000
Cuore Limited	ordinary shares	2
Dephina Limited	ordinary shares	10,000
Dodwell (Korea) Limited	ordinary shares	500
Dodwell (Mauritius) Limited	ordinary A shares	300
Dodwell (Singapore) Pte Limited	ordinary shares	200
Dodwell (Taiwan) Limited	ordinary shares	1,150
Dodwell (Thailand) Limited	(i) preference shares	(i) 15,000
	(ii) ordinary shares	(ii) 5,000
Dodwell Japan KK	shares of common stock	14,800
Dodwell Limited	ordinary shares	2
Dodwell Philippines, Inc.	ordinary shares	150,000
E-Foremost Management Limited	ordinary share	1
Eclat Properties Inc.	ordinary shares	100
eLiFung.Com Limited	ordinary shares	2
Ellinwood Limited (incorporated in B.V.I.)	ordinary share	1
Ellinwood Limited (incorporated in Hong Kong)	ordinary shares	2
Epiquest Limited	ordinary shares	100
Exportacao Dodwell (Macau) Limitada	quotas	8 (Note B)
Ferragamo Korea Limited	ordinary shares	658,240
Ferrinch (L) Limited	class B shares	2,250,000
Filmax Far East Limited	ordinary shares	2
Forrestgrove Limited	ordinary shares	2
Fotokwik Limited	ordinary shares	2
Fotomax (F.E.) Limited	ordinary shares	1,000,000
Fotomax Holdings Limited	ordinary shares	21,823,333

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Fotomax Home Entertainment Limited	ordinary shares	1,000
Fotomax Limited	ordinary shares	2
Fun Fun World (Hong Kong) Limited	ordinary shares	2
Fun Fun World Investment Limited	ordinary shares	70
G.S.C.M. (Marketing) Limited	ordinary shares	50,000
Gibb, Livingston & Company Limited	ordinary shares	26,600
Gilman & Company Limited	ordinary shares	100,000
Gilman Industrial Limited	(i) ordinary shares	(i) 610,050
	(ii) non-voting deferred shares	(ii) 175,000
Golden Gate Fireworks Inc.	common stock	8,000
Golden Horn (III) L.P. (Partnership)	contribution	US\$100
Golden Horn Investments (Europe) Limited	ordinary shares	75
Golden Horn Investments Inc.	ordinary shares	75
Golden Horn N.V.	ordinary shares	61
Golden Horn Venture Capital Limited	ordinary shares	40,000
GSCM (HK) Limited	ordinary shares	1,400
Hefei Dodwell Machinery Company Limited *合肥道特威爾機械有限公司	registered capital	US\$800,000
Hillung Enterprises Limited	ordinary shares	30,000
Home Mart Limited	ordinary shares	2
Homeworks Limited	ordinary shares	2
Hua Mark Patana Limited	ordinary shares	1,000
IDS Logistics (Hong Kong) Limited	ordinary shares	10,000
IDS Logistics (Thailand) Limited	ordinary shares	1,215,000
IDS Logistics Services (M) Sdh Bhd	ordinary shares	2,000,000
IDS Logistics Services Pte Limited	ordinary shares	28,296,962
IDS Logistics, Inc.	ordinary shares	50,003
iLiFung.Com Limited	ordinary shares	2
International Sourcing Group Europe Limited	ordinary shares	20
International Sourcing Group, LLC	capital contribution	US\$200,000
iSCM Asia Limited	ordinary shares	2
iSCM Asia Pte Limited	ordinary shares	2
JDH (China) Limited	ordinary shares	400,000
JDH (Hong Kong) Limited	ordinary shares	2,000,000
JDH (Nanjing) Development Company Limited *南京英和發展有限公司	registered capital	US\$800,000
JDH (Nanjing) Investment Enterprise Limited *英和(南京)投資實業有限公司	registered capital	US\$3,000,000
JDH (Philippines), Inc.	ordinary shares	500,000
JDH (Taiwan) Limited	ordinary shares	2
JDH Borneo (Thailand) Limited	(i) ordinary shares	(i) 160,000
	(ii) preference shares	(ii) 55,000
JDH Borneo Sdn Bhd	ordinary shares	2,100,000
JDH Dental Sdn Bhd	ordinary shares	150,000
JDH Investments (S) Pte Limited	ordinary shares	2,360

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
JDH John Brothers (Malaysia) Sdn Bhd	ordinary shares	2,875,001
JDH Jong Brothers (B) Sdn Bhd	ordinary shares	2
JDH Logic-Med Sdn Bhd	ordinary shares	165,000
JDH Marketing (Singapore) Pte Limited	(i) ordinary shares	(i) 300,000
	(ii) preference shares	(ii) 60,000
JDH Marketing Sdn Bhd	ordinary shares	2,000,000
JDH Pharmaceutical Sdn Bhd	ordinary shares	400,000
JDH Special Markets Limited	ordinary shares	1,000
Kijpinyo Company Limited	ordinary shares	980
Kingfort Limited	ordinary shares	2
Kingsbury International Limited	ordinary shares	2
Kistor Limited	class A shares	9,000
Kuching Hotels Sdn Bhd	ordinary shares	34,799,303
Kwikpart (Thailand) Limited	(i) ordinary shares	(i) 24,500
	(ii) preference shares	(ii) 25,500
Kwikpart Holdings Limited	ordinary share	1
Kwikpart Sdn Bhd	ordinary shares	350,000
Kwikpart Singapore Pte Limited	ordinary shares	278,600
Kwok Yue Limited	ordinary shares	100
L&F Branded Lifestyle (Malaysia) Sdn Bhd	ordinary shares	12,000,000
L&F Branded Lifestyle (Singapore) Pte Limited	ordinary shares	500,000
L&F Branded Lifestyle International Limited	ordinary share	1
L&F Industrial (Singapore) Pte Limited	ordinary shares	4,000,000
L.F. Eurpoe	ordinary shares	1,500
LF Capital (II) Limited	class A shares	110
	class B shares	115
LF Capital Management Limited	ordinary share	1
LF Corporate Capital (I) Limited	ordinary share	1
LF Distribution Centers Limited	ordinary shares	750,000
LF DistriCenters Development Limited	ordinary shares	2
LF Europe Limited	ordinary share	1
LF Europe Sourcing Limited	ordinary shares	80
LF Europe Sourcing Tekstil Ticaret Limited Sirketi	ordinary shares	640
LF Europe Sourcing Tekstil Ve Dis Ticaret Limited Sirketi	ordinary shares	80
LF European Capital Limited	ordinary share	1
LF Industrial Estates Limited	(i) class A shares	(i) 67,500,000
	(ii) class B shares	(ii) 11,500,000
LF International Inc.	common stock	202
LF International Limited	ordinary shares	50,000
LF Maclaine (Thailand) Limited	ordinary shares	40,000
LFC Holdings Limited	ordinary shares	400,000
LFCF Investment I (Europe) Limited	ordinary share	1
LFCF Investment I (USA) Limited	ordinary share	1
LFD (China) Limited	ordinary shares	2,000

<b>NAME OF CORPORATION</b>	<b>CLASS AND/OR DESCRIPTIONS OF SECURITIES</b>	<b>PRESENT BALANCE</b>
LFD (Singapore) Pte Limited	ordinary shares	163,714,597
LFD (Thailand) Limited	ordinary shares	655,000
LFD Corporate Services Sdn Bhd	ordinary shares	14,231,002
LFD Holdings Sdn Bhd	ordinary shares	118,000,002
LFD Investment Holdings Limited	ordinary shares	44,150
LFD Malaysia (Holdings) Sdn Bhd	ordinary shares	40,000,000
LFD Manufacturing Limited (incorporated in Hong Kong)	ordinary shares	3,000
LFD Manufacturing Limited (incorporated in Thailand)	ordinary shares	4,695,000
LFD Manufacturing Sdn Bhd	ordinary shares	3,000,000
LFD Properties Limited	ordinary shares	2
LFD Services Limited	ordinary shares	3,762,000
LFD Technical Services Limited	ordinary share	1
LFD-Online Sdn Bhd	ordinary shares	2
LFIE Management (BVI) Ltd	ordinary shares	1,000
LFIE Management Ltd	ordinary shares	1,000
Li & Fung (B.V.I.) Limited	ordinary shares	400,010
Li & Fung (Bangladesh) Limited	ordinary shares	100
Li & Fung (Canada) Inc.	common shares	100
Li & Fung (Exports) Limited	(i) non-voting deferred shares	(i) 8,600
	(ii) ordinary shares	(ii) 10
Li & Fung (Fashion Accessories) Limited	(i) ordinary A shares	(i) 30,000
	(ii) ordinary B shares	(ii) 30,000
Li & Fung (Guatemala) S.A.	common shares	5
Li & Fung (Honduras) Limited	nominative common shares	250
Li & Fung (Hong Kong) Limited	ordinary shares	5,500
Li & Fung (India) Private Limited	equity shares	6,400,020
Li & Fung (Italia) S.r.l.	units	90
Li & Fung (Korea) Limited	common stock	40,000
Li & Fung (Mauritius) Limited	class "A" shares	750
Li & Fung (Philippines) Inc.	ordinary shares	5,000
Li & Fung (Portugal) Limited	ordinary shares	100
Li & Fung (Properties) Limited	ordinary shares	10,000
Li & Fung (Retailing) Limited	ordinary shares	2,513,212
Li & Fung (Singapore) Pte Limited	ordinary shares	25,000
Li & Fung (South Asia) Limited	ordinary shares	2
Li & Fung (Taiwan) Limited	ordinary shares	6,300,000
Li & Fung (Thailand) Limited	ordinary shares	1,200,000
Li & Fung (Trading) Limited	(i) ordinary shares	(i) 2
	(ii) non-voting deferred shares	(ii) 100,000
Li & Fung (Warehousing) Limited	ordinary shares	2

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Li & Fung (Zhanjiang) Limited * 利豐(湛江)商品開發有限公司	registered capital	US\$1,999,055
Li & Fung Agencia de Compras em Portugal, Limitada	quotas	2 (Note C)
Li & Fung Apparel (North America) Limited	ordinary shares	100
Li & Fung China Investments Limited	ordinary shares	1,076,000
Li & Fung Development (China) Limited	ordinary shares	2
Li & Fung Development (PRC) Limited	ordinary share	1
Li & Fung Development Limited	ordinary shares	2
Li & Fung Distribution (Asia) Limited	ordinary share	1
Li & Fung Distribution (China) Limited	ordinary share	1
Li & Fung Distribution (International) Limited	ordinary share	1
Li & Fung Distribution (Malaysia) Limited	ordinary share	1
Li & Fung Distribution (Management) Limited	ordinary shares	2
Li & Fung Distribution (Overseas) Sdn Bhd	ordinary shares	2
Li & Fung Distribution (Singapore) Limited	ordinary shares	50,000
Li & Fung Enterprise Development (Shenzhen) Company Limited * 利豐實業發展(深圳)有限公司	registered capital	HK\$10,000,000
Li & Fung Foods Company Limited	ordinary shares	10,000
Li & Fung IDS Logistics Limited	ordinary shares	24,000,000
Li & Fung Industrial Holdings Limited	ordinary shares	9,400,000
Li & Fung Industrial Limited	(i) ordinary shares (ii) non-voting deferred shares	(i) 2 (ii) 80,000,000
Li & Fung Investments (B.V.I.) Limited	ordinary share	1
Li & Fung JDH Healthcare Limited	ordinary shares	2
Li & Fung JDH Limited	(i) ordinary shares (ii) non-voting deferred shares	(i) 50 (ii) 1,500,000
Li & Fung Management Services Limited	ordinary shares	100
Li & Fung Marketing (Hong Kong) Limited	ordinary shares	2
Li & Fung Marketing Services Limited	ordinary shares	20,887,323
Li & Fung Mumessillik, Pazarlama Limited Sirketi	ordinary shares	24
Li & Fung Pacific Holdings Limited	ordinary shares	25,371,016
Li & Fung Packaging Limited	ordinary shares	5,000
Li & Fung Retailing (Malaysia) Sdn Bhd	ordinary shares	2
Li & Fung Retailing (Singapore) Pte Limited	ordinary shares	2
Li & Fung South Africa (Proprietary) Limited	ordinary shares	100
Li & Fung Taiwan Holdings Limited	ordinary shares	287,996,000
Li & Fung Taiwan Investments Limited	ordinary shares	4,912,180
Lifung County Seat Limited	ordinary shares	2
Lifung DistriCenters Management Limited	ordinary shares	3
Lifung DistriCenters Trading Limited	ordinary shares	10,000
Lifung Express Limited	(i) ordinary A share (ii) ordinary B share	(i) 1 (ii) 1
Lifung Structure Limited	ordinary shares	2

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
LiFung.Com Limited	ordinary shares	2
Lineament Company Limited	ordinary shares	2
Lloyd Textile Trading Limited	ordinary shares	1,000,000
Luma Trading Limited	ordinary shares	60
Lux Plush Enterprises Limited	ordinary shares	250,000
Maclaine (Singapore) Pte Limited	ordinary shares	25,000
Maclaine Limited	ordinary shares	557,015
Malinch Associate Holdings Sdn Bhd	ordinary shares	22,000,000
Manling Property Limited	ordinary shares	11,000,002
Mercury (BVI) Holdings Limited	ordinary share	1
Mighty Hurricane Holdings Inc.	common stock	100
	preferred stock	100
Millwork Asia, Limited	ordinary shares	1,000
Ming Yu Superstore Limited	ordinary shares	10,000
Moda Lifestyle Limited	(i) ordinary shares	(i) 491
	(ii) preference shares	(ii) 49,510
Moutrie Trading Sdn Bhd	ordinary shares	10,000,000
N.E.A.L. Incorporated N.V.	Ordinary B Shares	4,800
Nanjing JDH Logistics Services Company Limited * 南京英和倉儲服務有限公司	registered capital	US\$2,000,000
Nanjing JDH Trading Company Limited * 南京英和貿易有限公司	registered capital	RMB2,850,000
Nanjing Li & Fung JDH Trading Company Limited * 南京利豐英和商貿有限公司	registered capital	US\$4,900,000
Neptune Pacific Limited	ordinary share	1
New Investment Corporation	ordinary shares	4,071
Nice Image Limited	ordinary shares	2
Northpoint Properties Sdn Bhd	ordinary shares	2
Orient City Properties Limited	ordinary shares	2
Orient Ocean Holdings Limited	class A share	1
Orient Overseas Foods Limited	ordinary shares	2
P.T. Lifung Indonesia	ordinary shares	250
Pembangunan Jentera Perindustrian Sdn Bhd (In Creditors' Voluntary Liquidation)	ordinary shares	470,003
Perfect Trading Inc.	ordinary shares	14,880
PKNS-LFD Sdn Bhd	ordinary shares	7,350,000
Pottrix Trading Limited	ordinary share	1
Product Network Asia Limited	ordinary shares	2
Promising Development Limited	ordinary shares	2
Prosper Development Limited	ordinary shares	2
Ratners Enterprises Limited	ordinary share	1
Romanov Company Limited	ordinary shares	2
Sandakan Developments Sdn Bhd	ordinary shares	210,000
Sebor (Sabah) Marketing & Services Sdn Bhd	ordinary shares	9,850,000
Sebor (Sabah) Sdn Bhd	ordinary shares	4,400,000

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Sebor (Sarawak) Sdn Bhd	ordinary shares	3,801,334
Shanghai IDS Distribution Company Limited * 上海英利物流有限公司	registered capital	US\$3,100,000
Shanghai IDS Shen Hong Logistics Company Limited * 上海英和申宏商業服務有限公司	registered capital	US\$4,000,000
Shanghai Land-Ocean IDS International Container Transport Company Limited * 上海陸海英之傑國際集裝箱貨運有限公司	registered capital	RMB19,915,000
Shanghai New Asia Inchcape Business System Company Limited * 上海新亞英之傑信息工程有限公司	registered capital	US\$300,000
Shanghai Orient Overseas Foods Limited * 上海東方海外食品有限公司	registered capital	US\$5,000,000
Shiu Fung Fireworks Company Limited	(i) ordinary A shares	(i) 11,000
	(ii) ordinary B shares	(ii) 11,000
Sichling B.V.	ordinary shares	50
Sky Million International Limited	ordinary shares	2
Slumberland (M) Sdn Bhd	ordinary shares	2,000,000
Slumberland (S) Pte Limited	ordinary shares	400,000
Slumberland (Thailand) Limited	(i) ordinary shares	(i) 4,900
	(ii) preference shares	(ii) 5,100
Slumberland Asia Pacific Limited	ordinary share	1
Slumberland China Limited	ordinary shares	500,000
Slumberland Harbin Company Limited * 斯林百蘭哈爾濱有限公司	registered capital	RMB3,278,000
Slumberland Marketing Sdn Bhd	ordinary shares	2
Slumberland Soft Furniture Shanghai Company Limited * 上海斯林百蘭軟傢俱有限公司	registered capital	US\$1,100,000
Strategic Assets Limited	ordinary share	1
Studio Direct Limited	ordinary shares	2
Studio LF, L.P. (Partnership)	capital contribution	US\$56,148,954
Swift Return Investments Limited	ordinary share	1
T-T Martech Sdn Bhd	ordinary shares	80,000
Tantallon Enterprises Limited	ordinary share	1
Thai Greyfin Limited	(i) ordinary shares	(i) 380,000
	(ii) preference shares	(ii) 400,000
The Borneo Company (Sabah) Sdn Bhd	ordinary shares	7,500,000
The Borneo Company Limited	ordinary shares	4,553,300
The Borneo Company Pte Limited	ordinary shares	8,836,152
The Millwork Trading Company Limited	(i) 9.5% preferred stock	(i) 17
	(ii) common stock	(ii) 100
Towards Perfect Company Limited	ordinary shares	2
Toy Island (USA) Inc.	common shares	100



NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Toy Island Manufacturing Company Limited	ordinary shares	6,200,000
Toys "R" Us (Malaysia ) Sdn Bhd	ordinary shares	8,400,000
Toys "R" Us - Lifung Limited	ordinary shares	28,000,000
Toys "R" Us - Lifung Taiwan Limited	ordinary shares	34,000,000
Toys "R" Us - Singapore (Pte) Limited	ordinary shares	4,000,000
Toys "R" Us Asia Limited	ordinary shares	2
Toys (Labuan) Holding Limited	ordinary share	1
Toys (Labuan) Limited	ordinary shares	9,244,447
Toys LiFung Limited	ordinary shares	2
Toys Lifung Netherlands B.V.	ordinary shares	182
Trademart Wholesale Limited	(i) class A shares	(i) 255,000
	(ii) class B shares	(ii) 200,000
Turbo Dragon Trading Limited	ordinary shares	2
Verity Enterprises Limited	ordinary shares	200,000
Viagold International Limited	ordinary share	1
Web-Logistic (HK) Limited	ordinary shares	12,792,000
Win Certain Limited	ordinary shares	2
Workbase Limited	ordinary shares	2
Yau Kit Company Limited	ordinary shares	2

\* *the legal name of the relevant company is in Chinese*

Notes :

A. 2 quotas in issue comprising 1 quota of Patacas 9,000 and 1 quota of Patacas 1,000.

B. 8 quotas in issue comprising:—

- 1 quota of Patacas69,000
- 1 quota of Patacas5,000
- 1 quota of Patacas5,000
- 1 quota of Patacas1,000
- 1 quota of Patacas5,000
- 1 quota of Patacas5,000
- 1 quota of Patacas5,000
- 1 quota of Patacas5,000

C. 2 quotas in issue comprising 1 quota of Portuguese Escudo 19,980,000 and 1 quota of Portuguese Escudo 20,000

Save as disclosed above, as at 31 March 2001, none of the directors or any of their associates had any interests in any equity or debt securities of the Company or any of its associated corporations.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

On 6 January 2001, a share option scheme ("Share Option Scheme") was approved by a written resolution of the shareholders of the Company under which the board of directors may, at its discretion, grant options to the full-time employees of the Group (including executive directors) entitling them to subscribe for shares representing up to a maximum of 10% of the shares in issue from time to time (excluding (i) any shares which have been allotted and issued upon the exercise of options granted pursuant to the Share Option Scheme and any other schemes and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i)). As at 31 March 2001, no share options have been granted to the Directors by the Company.

Save as disclosed in the section headed "Directors' interests in equity or debt securities" and apart from the above, at no time during the period and up to 31 March 2001 was the Company, its holding companies, its fellow subsidiaries or its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## **SUBSTANTIAL SHAREHOLDERS**

As at 31 March 2001, the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance showed that Li & Fung (Retailing) Limited held 467,114,000 shares in the Company. Other than such interests and those as disclosed in the section headed "Directors' interests in equity or debt securities" above, the Company has not been notified of any substantial shareholders' interests, being 10% or more of the Company's issued share capital.

## **SPONSOR'S INTERESTS**

None of the Company's sponsor, BNP Paribas Peregrine Capital Limited (the "Sponsor"), its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group or any rights to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group as at 31 March 2001.

Pursuant to the agreement dated 9 January 2001 entered into between the Company and the Sponsor, the Sponsor will receive usual sponsorship fees for acting as the Company's retained sponsor for the period from 18 January 2001 to 31 December 2003.

## **AUDIT COMMITTEE**

The Company established an audit committee on 6 January 2001 with written terms of reference in compliance with Rules 5.23 to 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three members, namely Dr. Ch'ien Kuo Fung, Raymond, Mr. Au Man Chung, Malcolm, (being the independent non-executive Directors) and Mr. Lau Butt Farn (being a non-executive Director). The chairman of the audit committee is Dr. Ch'ien Kuo Fung, Raymond.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

On behalf of the Board  
**Yeung Lap Bun, Richard**  
*Chief Executive Officer*

Hong Kong, 26 April 2001