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Convenience Retail Asia Limited

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

DISCLOSEABLE TRANSACTION

Entering into joint venture agreement in the PRC

A letter from the Board is set out on pages 2 to 5 of this circular.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the day of its posting and on the website of the Company at www.cr-asia.com.

16th May, 2001

CHARACTERISTICS OF GEM OF 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.

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The principal means of information dissemination on GEM is publication on the internet website operated by the Stock 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 circular, for which the directors ("Director") of Convenience Retail Asia Limited (the "Company") 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 Exchange for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings.

“CFTDC”	China Foreign Trade Development Companies, Inc, a state-owned enterprise based in Guangdong, primarily involved in the trading business
“Circle K PRC”	Circle K Convenience Stores PRC Limited, a wholly-owned subsidiary of the Company and an investment holding company for the Company’s PRC joint ventures
“Company”	Convenience Retail Asia Limited
“Convenience Retail SC” or “JV”	Convenience Retail Southern China Limited, being the equity joint venture company to be established by Circle K PRC, Shanghai Shenhong and CFTDC, whose principal activity is the operation of convenience store chains in Guangdong, the PRC
“Directors”	Directors of the Company
“Group”	the Company and its subsidiaries
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“JV Agreement”	joint venture agreement entered into by Circle K PRC, Shanghai Shenhong and CFTDC on 26th April, 2001
“Latest Practicable Date”	means 9th May, 2001, being the latest practicable date prior to the printing of this circular
“Lian Hua”	Lian Hua Supermarket Co. Ltd.
“PRC”	the People’s Republic of China
“RMB”	Renminbi
“Shanghai Shenhong”	Shanghai Shenhong Corporation, an entity incorporated in the PRC whose principal activity is trading conglomerate
“WTO”	World Trade Organisation

Unless otherwise specified, the translation of Renminbi into Hong Kong dollars in this circular is based on the exchange rate of HK\$1.00 = RMB1.07

LETTER FROM THE BOARD OF DIRECTORS



Convenience Retail Asia Limited

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Yeung Lap Bun, Richard

(Chief Executive Officer)

Li Kwok Ho, Bruno (Chief Financial Officer)

Non-Executive Directors:

Dr. Fung Kwok King, Victor (Chairman)

Dr. Fung Kwok Lun, William

Lau Butt Farn

Wong Yuk Nor, Louisa

Independent Non-Executive Directors:

Dr. Ch'ien Kuo Fung, Raymond

Au Man Chung, Malcolm

Registered Office:

Zephyr House

3rd Floor, Mary Street

George Town

Grand Cayman

British West Indies

Principal Place of Business:

12th Floor

LiFung Centre

2 On Ping Street

Siu Lek Yuen

Shatin

New Territories

Hong Kong

16th May, 2001

To Shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ENTERING INTO JOINT VENTURE AGREEMENT IN THE PRC

1. INTRODUCTION

On 26th April, 2001, the Directors announced that the Company entered into the JV Agreement through its wholly-owned subsidiary, Circle K PRC, with two independent third parties from the PRC, which are not connected with any of the directors, chief executives, substantial shareholders and management shareholders of the Company or any of their respective associates for the purpose of the GEM Listing Rules, Shanghai Shenhong and CFTDC, to establish a Sino-foreign equity joint venture company, Convenience Retail SC in Guangzhou, the PRC. Convenience Retail SC will be principally engaged in the development and operation of a convenience store chain in Guangdong Province under the tradename of Circle K.

Under the JV Agreement, Circle K PRC will have a 62.5% interest in the registered capital of Convenience Retail SC and Circle K PRC undertakes to contribute a total amount of RMB37.5 million (equivalent to about HK\$35 million) to Convenience Retail SC as its share of registered capital contribution. The total registered capital of Convenience

LETTER FROM THE BOARD OF DIRECTORS

Retail SC is RMB60 million (equivalents to about HK\$56 million), and total investment is RMB100 million (equivalents to about HK\$93.5 million). The Directors currently have not determined the method and timing for the financing of the remaining RMB40 million.

The Directors believe that the formation of Convenience Retail SC will enable the Group to establish a firm presence and to capture a significant share of the convenience store market in the PRC.

The JV Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

The purpose of this circular is to provide the shareholders of the Company with further information relating to the JV Agreement. This circular also contains information in compliance with the GEM Listing Rules.

2. THE JV AGREEMENT

JV Agreement dated 26th April, 2001

Parties:

	Equity interest (%)	Registered capital (RMB'million)	Equivalent to HK\$m'million
Circle K PRC	62.5	37.5	35.0
Shanghai Shenhong	35.0	21.0	19.6
CFTDC	2.5	1.5	1.4
	<u>100.0</u>	<u>60.0</u>	<u>56.0</u>

Particulars of the JV Agreement:

The registered capital of Convenience Retail SC is RMB60 million (equivalent to about HK\$56 million) and its total investment is RMB100 million (equivalent to about HK\$93.5 million). The Directors currently have not determined the method and timing for the financing of the remaining RMB40 million. Circle K PRC will fully contribute its portion of capital of RMB37.5 million (equivalent to about HK\$35 million) by cash within 90 days from the date of obtaining the business license by Convenience Retail SC. Shanghai Shenhong and CFTDC will initially contribute 15% of their portion of capital contribution, being RMB3.15 million (equivalent to about HK\$2.94 million) and RMB225,000 (equivalent to about HK\$210,000) respectively, in cash within 30 days from the date of obtaining the business license by Convenience Retail SC. The remaining 85% of their portion of capital contribution will be made by Shanghai Shenhong and CFTDC within 3 years from the date of obtaining the business license.

Each of the companies, Circle K PRC, Shanghai Shenhong and CFTDC, is entitled to share in the distributable profit of Convenience Retail SC in proportion to their equity interests in Convenience Retail SC which is 62.5%, 35% and 2.5% respectively. The distributable profit is determined by deducting the relevant costs,

LETTER FROM THE BOARD OF DIRECTORS

expenses, taxes, statutory reserve fund appropriation, enterprise expansion fund appropriation, staff welfare fund appropriation and accumulated losses, if any, of Convenience Retail SC prior to distributing the profit to the respective joint venture parties in accordance to their equity interests.

The board of directors of Convenience Retail SC will comprise six members. The Company will appoint four members; Shanghai Shenhong and CFTDC will each appoint one member respectively.

Principal activity:

The Company is principally engaged in the operation of one of the leading convenience store chains in Hong Kong under the tradename of Circle K.

Convenience Retail SC will be principally engaged in the operation of a convenience store chains in Guangdong Province under the tradename of Circle K.

Terms:

The JV will expire after 30 years from the date of obtaining the business license (renewable upon unanimous resolution of the board of directors of Convenience Retail SC six months prior to the expiry of the JV Agreement and obtaining approval from the relevant authorities).

Conditions:

The JV Agreement is conditional upon the obtaining of all the necessary approvals from the relevant PRC authorities including State Economic Trade Commission and Ministry of Foreign Trade and Economic Cooperation, in relation to the establishment of Convenience Retail SC in Guangzhou.

The Directors currently expect that approvals from the relevant PRC authorities will be obtained by the end of this year.

3. REASONS FOR ESTABLISHMENT OF CONVENIENCE RETAIL SC

The Group's mission is to become the fastest-growing and preferred convenience store chain in the PRC market, by taking advantage of the anticipated de-regulation of relevant laws in the PRC following its expected entry into the WTO. The establishment of joint ventures with PRC partners is a pre-requisite requirement to obtain the necessary licenses for its Circle K store operation in the PRC and the local partners' experience in the PRC retail market will be advantageous to the start up of Circle K stores in the PRC. The operation of Convenience Retail SC will be principally run by the Company.

The Directors believe that in view of the huge geographical spread of the PRC, a practical and properly planned penetration approach is needed to ensure the Group's successful entry and subsequent expansion into the PRC market. As disclosed in the Company's prospectus dated 9th January, 2001, the Group intends to adopt a phased expansion strategy in the PRC market. Phase 1 which spans from 2001 to 2003 will be to establish a solid base and store network coverage of up to 100 Circle K stores in

LETTER FROM THE BOARD OF DIRECTORS

Guangzhou and the Pearl River Delta Area. The establishment of the JV marks the initial step for the Group to achieve its goal in capturing a significant share of the convenience store market in the PRC.

The Group's capital contribution of RMB37.5 million (equivalent to about HK\$35 million) for the establishment of Convenience Retail SC, will be financed by its net proceeds raised from the initial public offering, which is within the scope of the use of proceeds as disclosed in the Company's prospectus dated 9th January, 2001.

4. BACKGROUND OF JV PARTNERS

Shanghai Shenhong is a sizable trading conglomerate in Shanghai and is a member of the state-owned Shanghai Friendship Group. Shanghai Friendship Group is also a majority shareholder of Shanghai's largest supermarket chain, Lian Hua and Shanghai Friendship Department Stores.

CFTDC is a stated-owned enterprise based in Guangdong Province. CFTDC serves as a multi-function business entity to facilitate import and export, logistics and provides trade related services.

5. GENERAL

The Directors believe that the JV Agreement is entered into upon normal commercial and fair and reasonable terms and is in the interests of the shareholders of the Company. The investment in the JV constitutes a discloseable transaction for the Company under the GEM Listing Rules. Your attention is drawn to the general information set out in the appendix to this circular.

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

Directors' Interests in Equity or Debt Securities

As at the Latest Practicable Date, 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
Company	Dr. Ch'ien Kuo Fung, Raymond	1,000,000	–	–	–	1,000,000

APPENDIX

GENERAL INFORMATION

Name of the Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
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

APPENDIX

GENERAL INFORMATION

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 7th July, 2001 to 6th 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 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
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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
Circle K - Amazens Retalhistas (Macau) Limitada	quotas	2 (Note A)
Circle K Convenience Stores (PRC) Limited	ordinary shares	2
Circle K Convenience Stores (HK) Limited	ordinary shares	183,756
Circle K Convenience Stores Limited	ordinary shares	10,000
Circle K Convenience Stores PRC (BVI) Limited (formerly known as: Circle K Convenience Stores (PRC) Limited)	ordinary share	1
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
Dana International 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) ordinary shares	(i) 5,000
	(ii) preference shares	(ii) 15,000
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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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
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	registered capital	US\$800,000
*合肥道特威爾機械有限公司		
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	registered capital	US\$800,000
* 南京英和發展有限公司		

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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
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	100
LF Europe Sourcing Tekstil Ticaret Limited Sirketi	ordinary shares	800

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
LF Europe Sourcing Tekstil Ve Dis		
Ticaret Limited Sirketi	ordinary shares	100
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
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) Limited	ordinary shares	1,000
LFIE Management Limited	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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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
Li & Fung (Zhanjiang) Limited	registered capital	US\$1,999,055
* 利豐(湛江)商品開發有限公司		
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	registered capital	HK\$10,000,000
* 利豐實業發展(深圳)有限公司		
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	(i) 2
	(ii) non-voting deferred shares	(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	(i) 50
	(ii) non-voting deferred shares	(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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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
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.	(i) common stock (ii) preferred stock	(i) 100 (ii) 100
Millwork Asia, Limited	ordinary shares	1,000
Ming Yu Superstore Limited	ordinary shares	10,000
Moda Lifestyle Limited	(i) ordinary shares (ii) preference shares	(i) 491 (ii) 49,510
Moutrie Trading Sdn Bhd	ordinary shares	10,000,000
N.E.A.L. Incorporated N.V.	Ordinary B Shares	6,000
Nanjing JDH Logistics Services Company Limited	registered capital	US\$2,000,000
* 南京英和倉儲服務有限公司		
Nanjing JDH Trading Company Limited	registered capital	RMB2,850,000
* 南京英和貿易有限公司		
Nanjing Li & Fung JDH Trading Company Limited	registered capital	US\$4,900,000
* 南京利豐英和商貿有限公司		
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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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
PNA Product Network (Thailand) Limited	(i) ordinary shares	(i) 2,000
(formerly known as: Borneo Auto Care Limited)	(ii) preference shares	(ii) 2,100
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
Sebor (Sarawak) Sdn Bhd	ordinary shares	3,801,334
Shanghai IDS Distribution Company Limited	registered capital	US\$3,100,000
* 上海英利物流有限公司		
Shanghai IDS Shen Hong Logistics Company Limited	registered capital	US\$4,000,000
* 上海英和申宏商業服務有限公司		
Shanghai Land-Ocean IDS International Container Transport Company Limited	registered capital	RMB19,915,000
* 上海陸海英之傑國際集裝箱貨運有限公司		
Shanghai New Asia Inchcape Business System Company Limited	registered capital	US\$300,000
* 上海新亞英之傑信息工程有限公司		
Shanghai Orient Overseas Foods Limited	registered capital	US\$5,000,000
* 上海東方海外食品有限公司		
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

NAME OF CORPORATION	CLASS AND/OR DESCRIPTIONS OF SECURITIES	PRESENT BALANCE
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\$63,148,954
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 (ii) preference shares	(i) 380,000 (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 (ii) common stock	(i) 17 (ii) 100
Towards Perfect Company Limited	ordinary shares	2
Toy Island (USA) Inc.	common shares	100
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 (ii) class B shares	(i) 255,000 (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 Patacas 69,000
 - 1 quota of Patacas 5,000
 - 1 quota of Patacas 5,000
 - 1 quota of Patacas 1,000
 - 1 quota of Patacas 5,000
 - 1 quota of Patacas 5,000
 - 1 quota of Patacas 5,000
 - 1 quota of Patacas 5,000
- 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 the Latest Practicable Date, 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 6th 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 the Latest Practicable Date, 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 up to the Latest Practicable Date 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.

Significant interests in the Group

So far as the Directors are aware, as at the Latest Practicable Date, the persons (not being Directors or the chief executive officer of the Company) who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital

carrying rights to vote in all circumstances at general meetings of any member of the Group are as follows:–

Name of shareholder	Name of Company	Number of shares in the company	Percentage of interest in the company
LFR	The Company	467,114,000	71.25
LF (1937) (Note 1)	The Company	467,114,000	71.25
King Lun (Note 2)	The Company	467,114,000	71.25
Chase Bank & Trust Company (CI) Limited (Note 3)	The Company	467,114,000	71.25
Web-Logistic.com (Asia Pacific) Limited (Note 4)	Web-Logistic (HK) Limited	2,808,000	18.00

Notes:

- (1) LFR is a wholly-owned subsidiary of LF (1937).
- (2) LF (1937) is a wholly-owned subsidiary of King Lun.
- (3) 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.
- (4) Pursuant to a shareholders' agreement entered into between Web-Logistic.com (Asia Pacific) Limited, Convenience Retail Asia (BVI) Limited and Web-Logistic (HK) Limited dated 18th September, 2000, Web-Logistic.com (Asia Pacific) Limited was granted an option to purchase from Convenience Retail Asia (BVI) Limited that number of shares in Web-Logistic (HK) Limited representing 12% of the existing issued share capital of Web-Logistic (HK) Limited on or before 31st July, 2001, at a total consideration of, based on the existing issued share capital of Web-Logistic (HK) Limited, HK\$1,872,000. If this option is exercised in full by Web-Logistic.com (Asia Pacific) Limited, the Group's shareholding interests in Web-Logistic (HK) Limited will be reduced from 82% to 70%.

Save as disclosed above, the Directors are not aware of any person (not being Directors or the chief executive officer of the Company) who was, as at the Latest Practicable Date, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. PARTICULARS OF DIRECTORS' SERVICE CONTRACT

Each of the executive Directors, being Yeung Lap Bun, Richard and Li Kwok Ho, Bruno, has entered into a service contract with the Company. Each service contract is of an initial term of three years commencing on 1st January, 2001, and may continue thereafter, subject at all times (including the initial three year period) to termination by not less than three months' notice in writing served by either party on the other. Yeung Lap Bun, Richard is obliged to spend substantially all his working time on the affairs of the Group, whereas Li Kwok Ho, Bruno is obliged so to spend such of his working time as is reasonably required. Each of the executive Directors is entitled to the basic salary, refund of housing expenses and related yearly bonus (equal to the aggregate of one month's salary and a notional amount equal to one month's housing refund) set out below, all

subject to review not less frequently than every 12 months. In addition Yeung Lap Bun, Richard is entitled to an incentive bonus equal to 4% of the Company's consolidated profit before tax. The aggregate amounts of the respective executive Directors' current basic annual salaries, housing refunds and related yearly bonuses (excluding the said incentive bonus) are as follows:

	<i>HK\$</i>
Yeung Lap Bun, Richard	2,112,500
Li Kwok Ho, Bruno	650,000

Save as disclosed above, none of the Directors has entered into any service agreements with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. 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 the Latest Practicable Date.

Pursuant to the agreement dated 9th 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 18th January, 2001 to 31st December, 2003.

5. LITIGATION

No member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

6. GENERAL

- (a) The registered office of the Company is at Zephyr House, 3rd Floor, Mary Street, George Town, Grand Cayman, British West Indies.
- (b) The head office and principal place of business of the Company is at 12th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong.
- (c) The Company's branch Share registrar and transfer office in Hong Kong is Abacus Share Registrars Limited at 2401 Prince's Building, Central, Hong Kong.
- (d) The qualified accountant of the Company is Lam Siu Tak, Jimmy, a Fellow member of the Hong Kong Society of Accountants and the CPA Australia.

- (e) The company secretary of the Company is Wong Wing Ha, a Fellow member of the Institute of Chartered Secretaries and Administration.
- (f) The compliance officer of the Company is Li Kwok Ho, Bruno, a member of the Institute of Chartered Accountants of Scotland.
- (g) The Company established an audit committee on 6th 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. The background of the members are set out below:

Dr. Ch'ien Kuo Fung, Raymond is Chairman of Chinadotcom Corporation and its subsidiary, hongkong.com Corporation. He is a director of Inchcape plc and HSBC Holdings plc, while chairing Inchcape Greater China and HSBC Private Equity (Asia) Ltd. In public service, Dr. Ch'ien is a member of the Executive Council of the Hong Kong Special Administrative Region. In addition, Dr. Ch'ien is the honorary president and past chairman of the Federation of Hong Kong Industries and serves on the Council of the Hong Kong University of Science and Technology. Dr. Ch'ien received a doctorate in economics from the University of Pennsylvania, U.S.A. in 1978. He was appointed a Justice of the Peace in 1993 and a Commander in the Most Excellent Order of the British Empire in 1994, and awarded the Gold Bauhinia Star medal in 1999.

Mr. Au Man Chung, Malcolm is currently the managing director of Artal Food Industries Limited. Mr. Au holds a Bachelor of Science degree in Chemical Engineering and a Master of Science degree in Food Science both from the University of Wisconsin, USA and a Master of Business Administration degree from the University of Toronto, Canada. Mr. Au is also a non-executive director of China-Hongkong Photo Products Holdings Ltd.

Mr. Lau Butt Farn was the Operations Director for Li & Fung (Retailing) Limited with operations in Circle K, Fotomax, Toys "R" Us and Fun Fun World between 1985 and 1998. Since 1999, Mr. Lau is the Chief Financial Officer of Li & Fung (Distribution) Limited. Mr. Lau graduated from the University of London with a Bachelor of Science degree in Physics and is a Fellow of the Institute of Chartered Accountants in England and Wales.