

Directors' interests and short positions in shares, underlying shares and debentures

As at 30 June 2005, the directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

(A) Long position in shares and underlying shares of the Company

Name of Director	Number of shares				Number of underlying shares under equity derivatives (Share Options)	Total interest	Approximate percentage of issued share capital (%)
	Personal interest	Family interest	Corporate/trust interest	Other interest			
Dr. Victor FUNG Kwok King	1,683,837	—	157,960,800 (Note 1)	—	—	159,644,637	51.66
Dr. William FUNG Kwok Lun	—	—	157,960,800 (Note 1)	—	—	157,960,800	51.12
Mr. Benedict CHANG Yew Teck	988,790	—	—	—	2,250,000	3,238,790	1.05
Mr. Joseph Chua PHI	733,334	—	—	—	1,125,000	1,858,334	0.60
Mr. Rajesh Vardichand RANAVAT	213,760	—	—	—	1,035,000	1,248,760	0.40
Mr. Jeremy Paul Egerton HOBBS	841,918	—	—	—	—	841,918	0.27
Mr. Butt Farn LAU	427,380	—	—	—	—	427,380	0.14
Mr. John Estmond STRICKLAND	—	—	—	22,000 (Note 2)	—	22,000	0.00

Notes:

- King Lun Holdings Limited ("King Lun") through its indirect non-wholly owned subsidiary, Li & Fung (Gemini) Limited ("LFG"), held a 49.28% interest in Li & Fung (Distribution) Limited ("LFD"). In addition, King Lun also through its wholly owned subsidiary, Li & Fung (1937) Limited, held 20.29% interest in LFD. LFD held 157,960,800 shares, representing 51.12% of the issued share capital of the Company. King Lun are owned (a) as to 50% by J.P. Morgan Trust Company (Jersey) Limited (which also indirectly held 8.77% of the issued share capital of LFG), the trustee of a trust established for the benefit of the family members of Dr. Victor FUNG Kwok King and (b) as to 50% by Dr. William FUNG Kwok Lun. Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun are deemed to have interests in these shares through their respective interests in King Lun and indirect interests in LFD as set out above.
- Mr. John Estmond STRICKLAND and his wife, Mrs. Anthea Evadne STRICKLAND are joint beneficial owners of these shares.

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(B) Long position in shares and underlying shares of major associated corporations

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Class of shares</u>	<u>Number of shares</u>	<u>Nature of interest</u>	<u>Approximate percentage of interests (%)</u>
Benedict CHANG Yew Teck	Li & Fung (Gemini) Limited	Ordinary shares	462,018	controlled corporation (Note 1)	6.73
Dr. Victor FUNG Kwok King	King Lun Holdings Limited	Ordinary shares	1,332,840	beneficiary of a trust	50
	Li & Fung (Gemini) Limited	Ordinary shares	5,825,438	as above	84.80
Dr. William FUNG Kwok Lun	King Lun Holdings Limited	Ordinary shares	1,332,840	controlled corporation	50
	Li & Fung (Gemini) Limited	Ordinary shares	5,222,807	as above	76.02
Jeremy Paul Egerton HOBBINS	Convenience Retail Asia Limited	Ordinary shares	180,000	beneficial owner	0.03
	Li & Fung (Gemini) Limited	Ordinary shares	462,018	controlled corporation (Note 2)	6.73
Butt Farn LAU	Convenience Retail Asia Limited	Ordinary shares	2,390,000	beneficial owner	0.36
Rajesh Vardichand RANAVAT	Convenience Retail Asia Limited	Ordinary shares	26,000	beneficial owner	0.004

* Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun, by virtue of their interests in King Lun Holdings Limited ("King Lun") and the Company, are deemed to be interested in the shares and underlying shares of certain associated corporations of the Company under the SFO. A waiver from full compliance with the Listing Rules for the disclosure of Directors' interests in the shares and underlying shares of the associated corporations has been granted by the Stock Exchange on 23 June 2005. Accordingly, the companies under the section headed "Long position in shares and underlying shares of major associated corporations" are only the major associated corporations of the Company and are not intended to be exhaustive.

Notes:

- 462,018 shares in Li & Fung (Gemini) Limited, representing 6.73% of its issued share capital, are held by Mikenwill Investments Limited which is owned by Mr. Benedict CHANG Yew Teck.
- 462,018 shares in Li & Fung (Gemini) Limited, representing 6.73% of its issued shares capital, are held by Martinville Holdings Limited which is owned by Mr. Jeremy Paul Egerton HOBBINS.

Directors' interests and short positions in shares, underlying shares and debentures

- (C) **Short positions in shares and underlying shares of the Company**
None of the directors and chief executive of the Company or their associates had any short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.
- (D) **Share options**
The interests of the directors and chief executives in the share options (being regarded as unlisted physically settled equity derivatives) of the Company are detailed in the Share Option Scheme section stated below.

SHARE OPTION SCHEME

By the written resolutions of the then sole shareholder of the Company dated 4 November 2004 and amended by a committee of the board on 22 November 2004, the Company had adopted a share option scheme (the "Scheme").

Movements of the share options under the Scheme during the period are as follows:

Name	Number of options			Exercise price	Date of grant	Exercise period
	As at 1 January 2005	Lapsed during the period	As at 30 June 2005			
				HK\$		
Benedict CHANG Yew	750,000	—	750,000	4.825	14/12/04	01/01/07–31/12/08
Teck	750,000	—	750,000	4.825	14/12/04	01/01/08–31/12/09
	750,000	—	750,000	4.825	14/12/04	01/01/09–31/12/10
Joseph Chua PHI	375,000	—	375,000	4.825	14/12/04	01/01/07–31/12/08
	375,000	—	375,000	4.825	14/12/04	01/01/08–31/12/09
	375,000	—	375,000	4.825	14/12/04	01/01/09–31/12/10
Rajesh Vardichand	345,000	—	345,000	4.825	14/12/04	01/01/07–31/12/08
RANAVAT	345,000	—	345,000	4.825	14/12/04	01/01/08–31/12/09
	345,000	—	345,000	4.825	14/12/04	01/01/09–31/12/10
Continuous contract employees	3,030,000	27,000	3,003,000	4.825	14/12/04	01/01/07–31/12/08
	3,030,000	27,000	3,003,000	4.825	14/12/04	01/01/08–31/12/09
	3,030,000	27,000	3,003,000	4.825	14/12/04	01/01/09–31/12/10

Note:

- (1) During the period, no options were granted, exercised or cancelled.

Save as disclosed above, at no time during the period, the directors and chief executives (including their spouse and children under the age of 18) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.