

LI AND FUNG SUED FOR \$HK4 MILLION

The Liquidator of Figure Development Ltd, Tommy C.P. Sze and Company, has slapped a claim on publicly listed Li and Fung Ltd (Code: 494, Main Board, The Stock Exchange of Hongkong Ltd) for a little more than \$HK4 million.

Tommy C.P. Sze is the Plaintiff in High Court Action Number 4348 in which the 7 Defendants include:

Li and Fung (Trading) Ltd *	1 st Defendant
Avon Products Incorporated	2 nd Defendant
Avon Products Pty Ltd	3 rd Defendant
Avon Cosmetics Ltd	4 th Defendant
Avon Cosmetics (Malaysia) Sdn Bhd	5 th Defendant
Avon Canada Incorporated	6 th Defendant
Avon Cosmetics GMBH	7 th Defendant

* This company is a wholly owned subsidiary of publicly listed Li and Fung Ltd.

According to the Statement of Claim, attached to the Writ of Summons, Figure Development used to be in the business of manufacturing gift items, but, since December 27, 2000, it has been in Creditors' Voluntary Liquidation (pursuant to Section 228A, Chapter 32, The Companies Ordinance).

The First Defendant – Li and Fung – is described, in Paragraph 2 of the Statement of Claim, as being a trading company, acting *'as buying agent for its overseas customers.'*

All of the other Defendants are described as being overseas companies, *'carrying on the business of distributors of gift items in the United States of America, Australia, United Kingdom, Malaysia, Canada and Germany.'* (Paragraph 3)

Paragraphs 4 and 5 then allege:

' 4. By various contracts (including any variations of the quantity thereof) entered between the Plaintiff and the 1st Defendant acting as agent for and on behalf of the 2nd to 7th Defendants for the period from 3rd November 1999 to 6th July 2000, the Plaintiff agreed to sell and the 2nd to 7th Defendants agreed to buy the goods at the price of US currency and at the terms and conditions as pleaded in paragraph 5 hereunder and as stated in the Schedules 2, 3 and 4 attached hereto (hereinafter called "the said Contracts").

' 5. The 1st Defendant had actual, alternatively implied, alternatively apparent, authority to enter into the said Contracts on behalf of the 2nd to 7th Defendants behalf.'

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