

IN THIS ISSUE:

- I. Overview
- II. Solid fundamentals
- III. Distinctive features and developments of China's luxury market
- IV. Movements of luxury players in China
- V. Conclusion

Li & Fung Research Centre

13/F, LiFung Centre

2 On Ping Street

Shatin, Hong Kong

Tel: (852) 2635 5563

Fax: (852) 2635 1598

E-mail: lfrc@lf1937.com

<http://www.lifunggroup.com>

Revisiting the luxury market in China

Overview

- Luxury sales in China hold up strongly amid global financial turmoil; China is now the world's second largest luxury market.
- Luxury retail prices grow more slowly over the past year.

Solid fundamentals

- Impressive growth of household disposable income.
- Wealthy households in China has reached a critical mass.

Distinctive features and developments

- Chinese wealthy are generally younger than those in the United States, Europe and Japan.
- China's luxury market is predominately male-driven.
- Business gifting is an important driver for luxury sales.
- Brand matters most in luxury purchase decisions; strong preference for foreign brands.
- Mainlanders shop overseas for luxuries; domestically Shanghai and Beijing are popular destinations for luxury purchase.
- Discount outlets and online retailing gaining attention.

Movements of luxury players in China

- Increasing direct ownership
- Building flagship stores in key cities
- Expanding into lower-tier cities
- Luxury companies operate a portfolio of brands to enhance bargaining power
- Spending huge marketing and promotion efforts to win consumers' hearts

Luxury market in China

I. Overview

1. **Luxury sales in China hold up strongly amid global financial turmoil; China now the world's second largest luxury market**

Hit by the global financial turmoil, sales of luxury goods has dropped worldwide since late 2008. Bain Company estimated that the global sales of luxury goods to fall by 15-20% year-on-year (yoy) in 1H09, and would fall by 8% for FY09 to reach USD 230 billion. Currently, there is no official statistics on China's luxury sales; but industry experts reflected that global financial downturn appears to have caused only a temporary dip in China's luxury retail sales. Performance of luxury sales was hit the hardest in the end of 2008; as China's economic sentiment improves, China's appetite for luxury goods has regained its strong momentum in recent months.

Indeed, luxury retail sales in China held up relatively well compared with other countries. Wealthy Chinese consumers still have a strong appetite for luxury goods. A report by Bain Company in November 2009 estimated that luxury sales growth in China would reach 12% yoy in 2009 to become the world's fastest-growing luxury market, while sales in Europe, the United States and Japan market are expected to decline by 8%, 16% and 10% yoy respectively. Moreover, less impacted by the global economic fluctuations, China's inland regions would possibly achieve a much thriving growth rate of 35%.

And according to the World Luxury Association (WLA) in December 2009, Chinese consumers have lavished a total of 9.4 billion USD of luxury goods during the period between January and December 2009, surpassing the United States to come in second behind Japan in consumption of luxury goods and accounting for 27.5% of the global share. It is expected that luxury sales in China will reach 14.6 billion USD in 5 years.

2. **Luxury retail prices grow more slowly over the past year**

Luxury retail prices over the past year were under pressure. According to Hurun's "Luxury Living Index 2009" released in August 2009, which measures the price increase of luxury products in China, China's Luxury Living Index¹ in 2009 is lower than that in 2008. The index was 4.6% in the survey period in 2009, down by 8 percentage-points yoy. Among all categories, price increases for wine and luxury automobiles are faster than the previous year; but price increases for watches, jewelry, accessories and skin-care products have slowed.

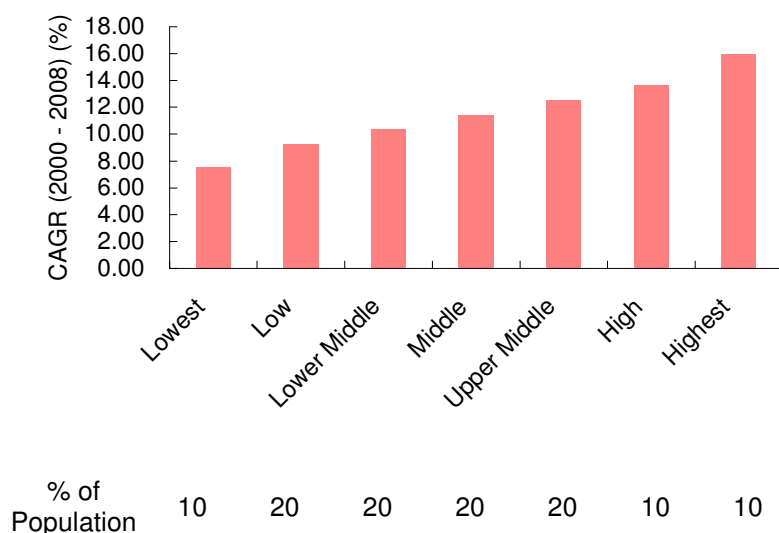
¹ The Luxury Living Index comprises the annual price increase of a basket of 59 luxury goods and services, including properties, automobiles, watches, jewelry, tobacco, education, clubhouse and traveling.

II. Solid fundamentals

1. Impressive growth of household disposable income

China's economy has been growing impressively over the past decades. Fuelled by the ever-increasing disposable income, consumers have been trading up to improve their quality of life. According to the National Bureau of Statistics (NBS), residents' income has been increasing steadily in China over the past years, of which the highest income segment has shown the most impressive growth (see Exhibit 1), reaching a CAGR of 17.03% from 2000 to 2007. Stronger purchasing power bodes well for the luxury consumption in China.

Exhibit 1 : Growth in Household Disposable Income, 2000 – 2008



Source: National Bureau of Statistics of China (NBS)

2. Wealthy households in China has reached a critical mass

According to McKinsey's "The coming of Age" report, the number of wealthy households² in China reached 1.6 million in 2008 and is growing at around 16% per annum. By 2015, there will be more than 4 million wealthy households in China, making it the world's fourth largest country in terms of number of wealthy households after the United States, Japan and the United Kingdom.

² Urban households with annual income in excess of 250,000 RMB

Furthermore, according to “Hurun Wealth Report 2009”³, China has 852,000 individuals with personal wealth of more than 10 million yuan and 51,000 individuals with more than 100 million yuan as of December 31, 2008. Merrill Lynch’s 2009 World Wealth Report also reported that the number of wealthy people in China has surpassed the United Kingdom to become the 4th in the world for the first time. It is expected that China would surpass North America in the number of wealthy people in 2013. China’s luxury market still has huge room to grow.

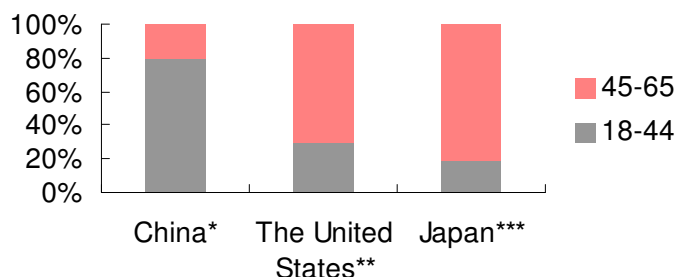
According to McKinsey’s “Understanding China’s wealthy” in July 2009, most of the wealthy reside in east and central south regions. China’s four wealthiest tier-1 cities - Shanghai, Beijing, Guangzhou and Shenzhen - house about 30% of the country’s wealthy as of today; the top 10 wealthiest Chinese cities are home to 50%. But it is estimated that by 2015, 75% will inhabit in cities such as Chengdu, Wenzhou and other non-coastal cities, as wealth trickle into China’s interiors.

III. Distinctive features and developments of China’s luxury market

1. Chinese wealthy are generally younger than those in the United States, Europe and Japan

The majority of China’s wealthy are young, with 80% below 45 years old, compared to 30% in the United States and 19% in Japan, according to McKinsey (see Exhibit 2). On average, wealthy consumers in China are 20 years younger than those in the United States and Japan. According to “Hurun Wealth Report 2009”, the average age of people who own RMB 100 billion and RMB 10 billion asset is 43 and 39 respectively. Business elites, newly rich and empowered women are the frequent luxury goods shoppers in China. Wealthy consumers like to pursue brands that represent status and recognition, experience their quality and to stand out from the crowd, or to reward themselves.

Exhibit 2 : Age distribution of wealthy consumers in China, the United States and Japan, 2008



*Annual household income is above RMB 250,000

**Annual household income is above USD 70,000 (PPP adjusted)

***Annual household income is above Yen 8 million (PPP adjusted)

Source: *Insights China by McKinsey – 2008 Wealthy Chinese Consumer Survey*

³ According to the Hurun Report, the threshold for qualifying as wealthy is personal assets valued at more than 10 million RMB, with these assets including the value of enterprises and residential property.

Besides, the so-called Generation Y is not to be missed as well. Generation Y, those born between 1980 and 1990, tend to be more willing to spend than their parents and are expected to be the next driver of luxury consumption in China.

2. China's luxury market is predominately male-driven

China's luxury market is predominately male-driven. According to Merrill Lynch, China is the only market in the world where men consume much more luxury than women. And the market is growing fast – for instance, Euromonitor estimates that the overall size of the men's high-to-luxury apparel market will grow at an annual rate of approximately 15% to 20% over the next few years. As you shall see in the later section, male-oriented luxury brands have wider footprints in China.

Nonetheless, we are starting to see a shift toward women's categories as more women enter the workforce and become increasingly familiar with luxury brands. Business of ladies accessories, e.g. Louis Vuitton and Coach, are especially growing fast.

3. Business gifting is an important driver for luxury sales

Apart from private consumption, business gifting is also an important driver for luxury consumption in China. Corporate purchase is prominent. Hurun estimated that around 50% of the luxury consumption in China is for gifting, especially in the provincial second-tier cities.

4. Brand matters most in luxury purchase decisions; strong preference for foreign brands

China's many wealthy consumers are willing to pay a premium for what they regard as the best and are keen to "show off". Consumers hope to be recognized; therefore, items with prominent logos are very popular in China. Nonetheless, Chinese consumers these days are also growingly sophisticated; with more sound luxury brand knowledge, they are making more informed purchase decisions. Brands with a unique story or history can win consumers' hearts more easily.

According to the WLA, the top 10 luxury brands desired by Chinese consumers in 2008 are Louis Vuitton, Gucci, Chanel, Versace, Dior, Prada, Giorgio Armani, Salvatore Ferragamo, Fendi and Hermes. Chinese consumers demonstrate much stronger preference towards foreign luxury brands. This explains why today China's luxury market scene is dominated by the foreign luxury brands. Only a few domestic brands such as NE · TIGER (東北虎) can stand out.

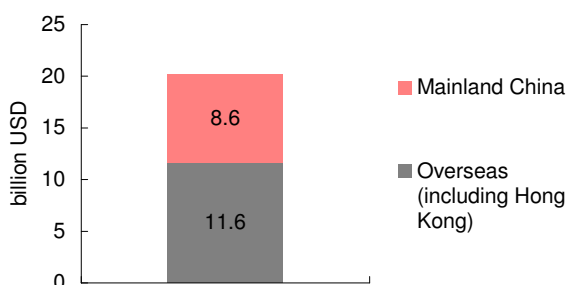
In the gold and jewelry categories, Hong Kong brands such as Chow Tai Fook Jewellery (周大福), Chow Sang Sang Jewellery (周生生珠寶) and Luk Fook Jewellery (六福珠寶) have succeeded in winning the trust of Mainland consumers. For example, Chow Sang Sang reported an increase of 47% for China retail sales to HKD 1.5 billion in 2008, where Hong Kong and Macau retail turnover increased by 25% to HKD 6.8 billion with growth largely supported by Mainland tourists. Sales from mainland tourist could account for 35-40% of sales in Hong Kong stores.

According to the Boston Consulting Group (BCG)'s "China's Luxury Market in a Post-Land-Rush Era" in September 2009, men know more about luxury watch brands; and women, particularly those aged under 25, are most familiar with luxury apparel brands.

5. Mainlanders shop overseas for luxuries; domestically Shanghai and Beijing are popular destinations for luxury purchase

The pricing of luxury merchandise in mainland is generally higher than overseas markets because of higher tax and duties. With increasing income, Renminbi appreciation against the US dollars and easing travel restrictions, many Chinese consumers shop for luxuries abroad. Bain & Company's report in November 2009 showed that Chinese consumer spent 8.6 billion USD purchasing luxuries in mainland, compared with 11.6 billion USD overseas in 2008 (see Exhibit 3). According to the Nelson monitoring report of the Chinese outbound travelers, Chinese tourists love to buy luxury goods abroad and the average spent on luxury is USD 900. According to the survey, 59% and 53% of Chinese outbound tourists to Europe and North America would buy luxury goods during their travels. Hong Kong is one of the favorite destinations for luxury spending due to its proximity to the mainland.

Exhibit 3: Sales value of Chinese consumers on luxuries in mainland and overseas, 2008



Source: Bain & Company, November 2009

Domestically, first-tier cities such as Beijing, Shanghai and Guangzhou are the most popular shopping destinations for luxuries; many luxury brands such as Louis Vuitton, Cartier and Ermenegildo Zegna have built their flagship stores in these cities as showcase. It is estimated that luxury consumption in these cities account for nearly 70% of all luxury consumption in China.

Recently, there are discussions that the Ministry of Commerce might lower duties on luxuries in order to boost domestic consumption. If this is the case, we believe more and more luxury consumers will shop in the Mainland.

6. Discount outlets and online retailing gaining attention

While high-end department stores and shopping malls are the major distribution channels for luxuries, emerging channels such discount outlets and online shopping sites are grasping attention. A number of discount outlets selling off-price luxuries have sprung up in China in recent years and quickly won the hearts of consumers. Beijing Yansha Outlet (北京燕莎奥特萊斯), Shanghai Qingpu Outlet (上海青浦奥特萊斯) and Wharf Holdings's outlet in Chengdu (時代奥特萊斯) are some prominent examples. Nonetheless, mismanagement of some discount outlets is a key concern. It is not uncommon to find some so-called premium outlets in China selling pseudo-luxury branded items. These items may present themselves with foreign images, for example, by adopting foreign brand names or using foreign models, to lure some unsophisticated Chinese consumers.

Meanwhile, seeing the exponential growth in China's online retailing sales, some players are also studying the possibility of embarking on online retailing. However, it should be admitted that most luxury players in China remain cautious towards selling their products online concerning that doing so may erode the premium image of their brands. Indeed, most players use the web as "educational" platforms – introducing to Chinese consumers their brand stories.

IV. Movements of luxury players in China

Luxury brands have been rushing to China like bees to honey. Today, 80% of the global luxury brands have entered the China market according to the WLA. China is undoubtedly growingly important for luxury companies around the globe. For instance, China is now the second largest market for LVMH. China also accounted for 20% of global sales of Richemont; and Ermenegildo Zegna expected that China would replace the United States to become its largest market. Indeed, recession in the traditional markets such as United States and Japan has also prompted many luxury brands to shift their focus to emerging markets such as China, Russia, India, Indonesia and Vietnam. For example, 20% of the new stores opened by Giorgio Armani in 1H09 were opened in China; FRETTE and GUEST at FRETTE entered the China market in 2009.

1. Increasing direct ownership

Foreign luxury brands have entered China mainly by (1) investing directly into the China market by establishing wholly foreign-owned enterprises (e.g. LVMH, Giorgio Armani, Chanel); (2) entering into agreement with distributors and agents, such as Shandong Dishang Group (山東迪尚集團), Dickson Concepts (International) Ltd., etc. In the 1990s when luxury brands first entered China, most of them chose to work with distributors or agents. In the past few years, a growing number of companies shifted to investing directly into the China market by establishing wholly foreign-owned enterprises to strengthen control. For instance, Montagut started to run its brand business by setting up a headquarter in China in March 2008; Giorgio Armani set up wholly-owned enterprise in 2007 in China and opened 50 directly owned stores in 2008; Coach has completed acquiring the retail businesses in Hong Kong, Macau, and China from Hong Kong distributor ImagineX Group in April 2009. Dunhill, Richemont, Loewe also quitted the licensing model; Polo Ralph Lauren Corp acquired the Polo Ralph Lauren wholesale and retail distribution business in Southeast Asia of Dickson Concepts International Ltd in January 2009.

2. Building flagship stores in key cities

High-end department stores and brands' specialty stores are the major distribution channels for luxury products in China. In recent years, many brands have also sought to build highly visible flagship stores in China's key cities to showcase their products to luxury consumers in China. For example, Richemont has built flagship store for Dunhill and Vacheron Constantin in 796 Huai Hai Road in Shanghai in 2008; LVMH is also building its largest flagship store in China in Shanghai; Gieves and Hawkes recently opened its flagship store in Hangzhou International Boutique Compound. Other companies such as Hermes and Armani are also actively acquiring properties for building flagship stores.

3. Expanding into lower-tier cities

Developing a strong retail network in key strategic locations is a key to success in China. Exhibit 4 demonstrates the sales locations of selected luxury apparel retailers in China. As shall be seen, male-oriented brands have wider footprints, in line with the male-driven feature of China's luxury market.

Most of the international brands are stepping up expansion in Mainland China. Besides opening flagship stores in the first-tier cities such as Beijing and Shanghai to showcase their products, brands are also expanding fast into other second-and third-tier cities. According to a report by McKinsey in July 2009, 75% of the wealthy will inhabit lower-tier cities like Chengdu and Wenzhou by 2015 as wealth trickled down into China's interior. Since 2007, LVMH has entered second-tier cities such as Changsha, Xi'an, Qingdao, Xiamen, Wuxi and Urumqi. Armani entered Xiamen and Hefei in 2009; Cartier also opened stores in Taiyuan, Yiwu, Ningbo, Wuxi and Suzhou; Gucci expanded in Changsha, Fuzhou,

China Distribution & Trading

Issue 63 December 2009

Xiamen and Wuhan. It is also reported that Dior, Cartier and Mont Blanc planned to set foot in Ningbo at the end of 2009.

Exhibit 4: Sales locations of selected luxury apparel retailers in China (as of 30 September 2009)

Rank ⁴	City	Altea	Aquascutum	Armani	Brooks Brothers	Burberry	Canali	Cerruti 1881	Dunhill	D'Urban	Ermenegildo Zegna	Gianni Versace	Gieves & Hawkes	Givenchy	Gucci	INTERMEZZO	Kent & Curwen	Lanvin	Longchamp	Louis Vuitton	Prada	Salvatore Ferragamo	Tod's
1	Shenzhen 深圳	3	1	2	2	4	3	5	2	1	3	1	1	1	6	1	1	2	1	2	1	2	1
2	Shanghai 上海	8	10	9	3	5	9	7	7	5	2	8	3	4	3	8	1	3	1	1	6	2	2
3	Beijing 北京	3	4	7	4	7	7	6	12	4	6	3	9	3	6	5	1	2	3	3	7	2	2
4	Guangzhou 廣州	4	1	2	1	3	1	2	1	1	2	1	2	1	1	3	1	1	1	1	2		
5	Qingdao 青島		2	2	2	1	2	1	1	1	1	1	2	1	1	1	1		1	1	2	1	1
6	Tianjin 天津		1	1	1	1	1	2	1	2	3	1	1	1	1	1	1		1	1	1	1	1
7	Suzhou 蘇州		1	1	1	1	3	1	2	1	1	3	1	2	3	1	2	3	1	1	1	1	1
8	Hangzhou 杭州		1	2	1	2	1		3	1	1	1	1	1	1	1	1		1	1	1	1	1
9	Dalian 大連		1	2	2	2	2	2	2	2	2	1	2	1	2	1	2		1	1	2	1	1
10	Wuxi 無錫		1	1	2	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1
11	Foshan 佛山								1														
12	Xiamen 廈門						2	1	2	2	2	2	1	2	2	2	1	1	1	1	1	1	1
13	Shenyang 沈陽		2	2	2	2	2	3	2	2	2	1	2	1	1	2	1	2	1	2	1	2	2
14	Ningbo 寧波				1	1	2	2	2	2	1	1	1	1	1	1	1		1	1	1	1	1
15	Dongguang 東莞																						
16	Changsha 長沙				2	3	1	2	1	1	1	1	1	1	2	2		1	1	1	1	1	1
17	Nanjing 南京		1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
18	Dongying 東營																						
19	Wuhan 武漢		1	2	2	2	2	1	2	2	2	1	1	1	3	3		1	1	1	1	1	1
20	Chengdu 成都		3	1	1	1	2	1	3	1	3	1	2	2	1	1	3	1	1	1	1	1	1
21	Jinan 濟南				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
22	Hefei 合肥								1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
23	Zhongshan 中山																						
24	Zhuhai 珠海																						
25	Changzhou 常州						1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

⁴ Competitiveness ranking of cities in China in 2009, <Annual Report on Urban Competitiveness> April 2009

China Distribution & Trading

Issue 63 December 2009

Rank ⁵	City	Altea	Aquascutum	Armani	Brooks Brothers	Burberry	Canali	Cerruti 1881	Dunhill	D'Urban	Ermenegildo Zegna	Gianni Versace	Gieves & Hawkes	Givenchy	Gucci	INTERMEZZO	Kent & Curwen	Lanvin	Longchamp	Louis Vuitton	Prada	Salvatore Ferragamo	Tod's
26	Yantai 煙台							1	1				1				1						
27	Ordos 鄂爾多斯																						
28	Fuzhou 福州					1	1	1	1				2		1		2						
29	Nanchang 南昌						1	1	1	1			1				1						
30	Zhengzhou 鄭州						2	2	3	1	1		2				2		1				
31	Nantong 南通																						
32	Changchun 長春		1	1	1	1	1	1	1	1	1	1	1		1		1			1		1	
33	Baotou 包頭																						
34	Hohhot 呼和浩特						1	1					1				1						
35	Wenzhou 溫州		1						2		1									1		1	
36	Weihai 威海																						
37	Zibo 淄博																						
38	Xi'an 西安		1				2	2	2	2	2	1	2		1		3			1	1	1	1
39	Chongqing 重慶		1	1	1	1	1	2	3	1	1		1				1	1				1	1
40	Shijiazhuang 石家莊						1	1	1	1	1	1	1		1		1						
41	Shaoxing 紹興																						
42	Harbin 哈爾濱		1		1			4	2	3	1	1	3				4			1		2	
43	Kelamayi 克拉瑪依																						
44	Yangzhou 揚州																						
45	Kunming 昆明		1		1	1	1	1	2		1	1	1	1	1	1	1			1		2	1
...																							
50	Xuzhou 徐州								1														
52	Taiyuan 太原							1	1		1	1					1			1			
58	Nanning 南寧				1			1	1	1			1				1						
60	Tangshan 唐山							1					1										
62	Urumqi 烏魯木齊		1					1	2	1	1		1				1			1		1	
65	Lanzhou 蘭州							1					1				1						
69	Huzhou 湖州								1														
77	Haikou 海口								1														
84	Guiyang 貴陽					1	1	1	2	1				1			1						
107	Handan 邯鄲							1					1				1						

⁵ Competitiveness ranking of cities in China in 2009, <Annual Report on Urban Competitiveness> April 2009

China Distribution & Trading

Issue 63 December 2009

Rank ⁶	City	Altea	Aquascutum	Armani	Brooks Brothers	Burberry	Canali	Cerruti 1881	Dunhill	D'Urban	Ermenegildo Zegna	Gianni Versace	Gieves & Hawkes	Givenchy	Gucci	INTERMEZZO	Kent & Curwen	Lanvin	Longchamp	Louis Vuitton	Prada	Salvatore Ferragamo	Tod's	
115	Dandong 丹東							1					1				1							
143	Sanya 三亞										1									1		1	1	
--	Shangyu 上虞							1	1															
--	Yiwu 義烏							1	1															
Total		3	20	41	23	35	47	71	79	43	51	21	64	18	30	13	72	6	11	29	12	41	19	

Source: Li & Fung Research Centre, respective company websites

Indeed, "Hurun 2009 Best of the Best Awards" in January 2009 suggested that places with the most impressive luxury sales growth in China were no longer first-tier cities but second- and third-tier cities such as Chengdu, Harbin, Dalian, Chongqing, Xi'an, Wuxi, Wenzhou and Ningbo. As cost of operation is much lower and competition in the cities is less intense, margin is attractive for many. On the other hand, according to Albatross Global Solutions' Mission in "2009 China Luxury Forecast" released in July 2009, impact of economic downturn on consumers in second-tier cities is lesser. 89.3% of the respondents said that they would not change their luxury consumption pattern. The report also suggested that growing number of consumer chooses to purchase luxury products in the cities they live instead of in first-tier cities.

4. Luxury companies operate a portfolio of brands to enhance bargaining power

It is increasingly popular for luxury companies to operate a portfolio of brands. Not only does effective portfolio management help companies achieve synergies in areas such as logistics and back-end management tasks, it can increase luxury firms' bargaining power, especially towards landlords. Indeed, competition for prime retail locations is growingly fierce in China today; running a strong portfolio of brands gives companies a stronger say dealing with landlords.

For example, the LVMH Group owns brands including LV, Marc Jacobs, Kenzo, Loewe, Fendi, Givenchy, Donna Karan etc., PPR Group owns Gucci, Bottega Veneta, Yves Saint Laurent, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney etc., Richemonts owns Alfred Dunhill, Cartier, Piaget, Montblanc, Chloé etc., Li & Fung Trinity operates the retail licenses for 6 brands across Asia-Pacific, including Cerruti 1881, Altea, D'urban, Kent & Curwen, Gieves & Hawkes, Intermezzo; Ports Design Ltd engaged in retailing under the brand names PORTS and BMW Lifestyle. It was also granted the retail distribution license for Armani, Ferrai and Vivienne Tam in China.

⁶ Competitiveness ranking of cities in China in 2009, <Annual Report on Urban Competitiveness> April 2009

5. Spending huge marketing and promotion efforts to win consumers' hearts

As mentioned, brand matters most in luxury purchase decisions among Chinese consumers. Luxury companies in China are making huge marketing efforts to increase their brand equity. Apart from media advertising, many carry out event sponsorships, loyalty programs and fashion shows to raise brand awareness. For example, Kent & Curwen sponsored the branded uniforms for the Hong Kong delegation to the 2008 Olympic Games; Y's Fashion Show by Yohji Yamamoto, an internationally known Japanese fashion designer, was held in the Imperial Ancestral Temple on April 2008, are cases in point. Besides, as repeated purchase is highly important in high-end and-luxury fashion market, many brands have initiated their VIP programs and conduct targeted promotional events for its members.

V. Conclusion

Global financial downturn has caused only a temporary dip in China's luxury retail sales. With strong fundamentals, looking forward, China will continue to be one of the fastest-growing luxury markets in the world. We believe global luxury brands will continue their expansion in China, especially into lower-tier Chinese cities.

© Copyright 2009 Li & Fung Research Centre. All rights reserved.

Though Li & Fung Research Centre endeavours to have information presented in this document as accurate and updated as possible, it accepts no responsibility for any error, omission or misrepresentation. Li & Fung Research Centre and/or its associates accept no responsibility for any direct, indirect or consequential loss that may arise from the use of information contained in this document. Reproduction or redistribution of this material without Li & Fung Research Centre's prior written consent is prohibited.