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# **LI & FUNG LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 494)**

## **PROPOSED SUBDIVISION OF SHARES**

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.025 each in the share capital of the Company be subdivided into two Subdivided Shares of par value of HK\$0.0125 each.

The Subdivided Shares will rank *pari passu* in all respects with each other. The Share Subdivision is conditional upon the passing of an ordinary resolution by the Shareholders at the AGM and the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

The Shares are currently traded in the board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lots size of the Subdivided Shares for trading on the Stock Exchange will remain as 2,000 Subdivided Shares.

A circular containing, among other matters, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the procedure for the free exchange of the Existing Share Certificates together with a notice of the AGM, will be despatched to the Shareholders on 12 April 2011.

## **PROPOSED SUBDIVISION OF SHARES**

As disclosed in the announcement of the Company dated 24 March 2011, the Board has proposed that each of the existing issued and unissued Shares of par value of HK\$0.025 each in the share capital of the Company be subdivided into two Subdivided Shares of par value of HK\$0.0125 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in paragraph headed "Conditions of the Share Subdivision" below.

The Shares are currently traded in board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lots size of the Subdivided Shares for trading on the Stock Exchange will remain as 2,000 Subdivided Shares.

The Share Subdivision will not result in any change in the relevant rights of the Shareholders. The Share Subdivision will not be expected to result in any odd lots other than those already exist.

## **SHARE CAPITAL STRUCTURE OF THE COMPANY**

As at the date hereof, the authorised share capital of the Company is HK\$150,000,000 divided into 6,000,000,000 Shares, of which 4,039,494,653 Shares are in issue and fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$150,000,000 divided into 12,000,000,000 Subdivided Shares, of which 8,078,989,306 Subdivided Shares will be in issue and fully paid, assuming that no further Shares are issued or repurchased after the date hereof.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not be expected to result in any change in the relevant rights of the Shareholders.

## **CONDITIONS OF THE SHARE SUBDIVISION**

The Share Subdivision is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM for approving the Share Subdivision; and
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

## **REASONS FOR THE SHARE SUBDIVISION**

The proposed Share Subdivision will reduce the nominal value and trading price of each Share and increase the total number of Shares in issue. The Directors are of the view that the increase in number of the shares of the Company as a result of the Share Subdivision will improve the market circulation of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden its Shareholders' base.

Other than the expenses incurred by the Company in relation to the Share Subdivision, the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision to be in the interests of the Company and its Shareholders as a whole.

## EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision and the associated trading arrangement are as follows:

	Time	Date
Despatch of the Circular (including the notice of the AGM) and the related form of proxy to the Shareholders		Tuesday, 12 April 2011
Latest date and time to return form of proxy for the AGM	12:00 noon	Monday, 16 May 2011
AGM	12:00 noon	Wednesday, 18 May 2011
Publication of poll results of the AGM		Wednesday, 18 May 2011

**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” in this announcement.**

Effective date of the Share Subdivision		Thursday, 19 May 2011
Dealings in Subdivided Shares commence	9:00 a.m.	Thursday, 19 May 2011
Original counter for trading in Shares in board lots of 2,000 Shares temporarily closes	9:00 a.m.	Thursday, 19 May 2011
Temporary counter for trading in Subdivided Shares in board lots of 4,000 Subdivided Shares (in the form of Existing Share Certificates) opens	9:00 a.m.	Thursday, 19 May 2011
Free exchange of Existing Share Certificates for the New Share Certificates for the Subdivided Shares commences		Thursday, 19 May 2011

Original counter for trading in Subdivided Shares in board lots of 2,000 Subdivided Shares (only New Share Certificates for the Subdivided Shares can be traded at this counter) reopens	9:00 a.m.	Thursday, 2 June 2011
Parallel trading in the Shares and Subdivided Shares (in the form of Existing Share Certificates and New Share Certificates) commences	9:00 a.m.	Thursday, 2 June 2011
Temporary counter for trading in board lots of 4,000 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m.	Thursday, 23 June 2011
Parallel trading in Subdivided Shares (in the form of Existing Share Certificates and New Share Certificates) ends	4:00 p.m.	Thursday, 23 June 2011
Free exchange of Existing Share Certificates for the Shares for New Share Certificates for the Subdivided Shares ends	4:30 p.m.	Thursday, 30 June 2011

*Note:* All times and dates refer to Hong Kong local times and dates.

Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Share Subdivision and the associated trading arrangements as aforesaid.

## **EXCHANGE OF SHARE CERTIFICATES**

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 23 June 2011 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for two Subdivided Shares.

The Existing Share Certificates will be exchanged free of charge for the New Share Certificates for Subdivided Shares between 9:00 a.m. and 4:30 p.m. on any business day from Thursday, 19 May 2011 to Thursday, 30 June 2011 (both dates inclusive) at the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

On any business day after Thursday, 30 June 2011, the Existing Share Certificates will be exchanged on payment of a prescribed fee of HK\$2.50 (or such higher amount as may, from time to time, be allowed by the Stock Exchange) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates cancelled or issued is higher, between 9:00 a.m. and 4:30 p.m. at the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

It is expected that the New Share Certificates will be available for collection within a period of 10 Business Days after the submission of the Existing Share Certificates. The New Share Certificates will be blue in colour so as to be distinguished from the Existing Share Certificates which are grey in colour.

## **GENERAL**

An application has been made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange.

A circular containing, amongst other things, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the procedure for the free exchange of the Existing Share Certificates together with a notice of the AGM, will be despatched to the Shareholders on 12 April 2011.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“AGM”	the annual general meeting of the Company to be convened to consider and, if thought fit, approve, among other matters, the proposed Share Subdivision
“Board”	the board of directors of the Company
“Business Day(s)”	Any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Li & Fung Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing Share Certificate(s)”	existing share certificate(s) of the Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Share Certificate(s)”	share certificate(s) of the Subdivided Shares
“Shareholders”	holder(s) of the Share(s)

“Share(s)”	share(s) of HK\$0.025 each in the share capital of the Company before the Share Subdivision becoming effective
“Share Subdivision”	the proposed subdivision of each of the existing issued and unissued Shares of par value of HK\$0.025 each in the share capital of the Company into two Subdivided Shares of par value of HK\$0.0125 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Shares(s)”	share(s) of HK\$0.0125 each in the share capital of the Company upon the Share Subdivision becoming effective
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

## BOARD OF DIRECTORS

As at the date hereof, the Board comprises the following Directors:

*Non-Executive Directors:*

Victor Fung Kwok King (*Chairman*)  
Paul Edward Selway-Swift\*  
Allan Wong Chi Yun\*  
Franklin Warren McFarlan\*  
Makoto Yasuda\*  
Martin Tang Yue Nien\*  
Benedict Chang Yew Teck

*Executive Directors:*

William Fung Kwok Lun (*Managing Director*)  
Bruce Philip Rockowitz  
Spencer Theodore Fung

\* *Independent Non-executive Directors*

By order of the Board  
**Terry Wan Mei Chow**  
*Company Secretary*



Member of the Li & Fung Group

Hong Kong, 11 April 2011

Websites: [www.lifung.com](http://www.lifung.com)  
[www.irasia.com/listco/hk/lifung](http://www.irasia.com/listco/hk/lifung)