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LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 494)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1)

JUDGMENT OF THE COURT OF APPEAL

This announcement is made by Li & Fung Limited (the "Company") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the Company's interim report for the half year ended 30 June 2011 ("Interim Report"), in which the tax dispute between Li & Fung (Trading) Limited ("LFT"), one of the Company's subsidiaries, and the Hong Kong Inland Revenue ("HKIR") has been disclosed. Unless otherwise stated, the defined terms used in the Interim Report are adopted and used in this announcement.

As disclosed in the Interim Report, the Court of First Instance had upheld the Board of Review Decision in respect of the Offshore Claim and dismissed the HKIR's appeal. On 16 May 2011, the HKIR lodged an appeal against the judgment of the Court of First Instance to the Court of Appeal, which appeal was heard on 14 and 15 February 2012 before the Court of Appeal. Judgment of the Court of Appeal has been delivered today on 19 March 2012. The Court of Appeal has upheld the judgment of the Court of First Instance on the Offshore Claim and has dismissed the HKIR's appeal.

As at the date hereof, the Board of Directors of the Company comprises the following Directors:-

Non-executive Directors:

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

Executive Directors:

William Fung Kwok Lun (*Deputy Chairman*)
Bruce Philip Rockowitz (*Group President & Chief Executive Officer*)
Spencer Theodore Fung

* *Independent Non-executive Directors*

By Order of the Board
Victor FUNG Kwok King
Chairman



Member of the LI & Fung Group



Hong Kong, 19 March 2012

Websites: www.lifung.com
www.irasia.com/listco/hk/lifung