

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. Neither this announcement nor any copy hereof may be taken into or distributed in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. This announcement is not an offer of securities for sale in Hong Kong and the United States or elsewhere. No public offer of the securities referred to herein will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.*

**LI & FUNG LIMITED**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 494)

**VOLUNTARY ANNOUNCEMENT**

**ISSUE OF US\$500,000,000 6.0 PER CENT. SUBORDINATED PERPETUAL CAPITAL SECURITIES**

**BY LI & FUNG LIMITED**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 1 November 2012, the Company and the Joint Lead Managers entered into the Subscription Agreement in relation to the distribution of the Securities.

The Securities are subordinated obligations of the Company, will be denominated in U.S. dollars, will not have a maturity date and will confer a right to receive distributions in the circumstances described in their terms.

**ISSUE OF SECURITIES**

The Board is pleased to announce that on 1 November 2012, the Company and the Joint Lead Managers entered into the Subscription Agreement in relation to the distribution of the Securities. Subject to completion of the Subscription Agreement on the closing date, which is expected to be on or about 8 November 2012 (the "**Closing Date**"), the Company will issue the Securities with the aggregate principal amount of US\$500,000,000. The Securities are subordinated obligations of the Company, will be denominated in U.S. dollars, will not have a maturity date and will confer a right to receive distributions. The issue price of the Securities will be 100% of the principal amount of the Securities. The Securities will be in registered form in the denomination of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Securities have received a rating of Baa2 and BBB from Moody's Investors Service, Inc. and Standard & Poor's Rating Services, respectively.

Approval-in-principle has been obtained from the Singapore Stock Exchange for the listing of, and permission to deal in, the Securities. Listing and permission to deal in the Securities are expected to become effective on or after 9 November 2012.

## **THE SUBSCRIPTION AGREEMENT**

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions contained therein, the Joint Lead Managers (as the initial purchasers) shall respectively purchase the Securities and offer them for resale to professional and institutional investors in accordance with applicable laws and selling restrictions and in transactions exempt from the registration requirements under the Securities Act. The Securities will not be the subject of a public offering in Hong Kong, the United States or any other jurisdiction.

## **USE OF PROCEEDS**

The net proceeds will be used primarily for business development and acquisitions.

## **DEFINITIONS**

In this announcement, the following terms have the meanings set forth below unless the context requires otherwise:

"Board"	the board of directors of the Company or a duly authorised committee thereof
"Company"	Li & Fung Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
"Directors"	the directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issue"	the issue and offering of the Securities by the Company
"Joint Lead Managers"	Citigroup Global Markets Limited and The Hongkong and Shanghai Banking Corporation Limited acting as the joint lead managers for the Issue
"Securities"	the subordinated perpetual capital securities denominated in U.S. dollars to be issued and offered by the Company to professional and institutional investors
"Securities Act"	U.S. Securities Act of 1933, as amended
"Singapore Stock Exchange"	the Singapore Exchange Securities Trading Limited
"Subscription Agreement"	the Subscription Agreement dated 1 November 2012 entered into between the Company and the Joint Lead Managers to provide for the terms and conditions for the distribution of the Securities by the Joint Lead Managers on behalf of the Company

"United States" or "U.S."

the United States of America

"US\$"

U.S. dollar(s), the lawful currency of the United States

By Order of the Board  
**William FUNG Kwok Lun**  
Group Chairman



Hong Kong, 2 November 2012

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

As at the date of this announcement, the Board comprises the following Directors:

*Non-executive Directors:*

Victor Fung Kwok King  
(Honorary 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 (Group Chairman)  
Bruce Philip Rockowitz (Group President &  
Chief Executive Officer)  
Spencer Theodore Fung  
(Group Chief Operating Officer)

\* *Independent Non-executive Directors*