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LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 494)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 1st Floor, Mandarin Oriental, 5 Connaught Road Central, Hong Kong on 15 May 2014 at 11:30 a.m. for the following purposes:–

1. To receive and adopt the Audited Consolidated Accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2013;
2. To declare a final dividend of 34 HK cents per share for the year ended 31 December 2013;
3. To re-elect the following Directors:–
 - (a) Dr William Fung Kwok Lun;
 - (b) Mr Allan Wong Chi Yun;
 - (c) Mr Paul Edward Selway-Swift;
4. To fix the Directors' fee as set out below:–
 - (a) the fee to each Director (other than the Chairman of the Board) be fixed at HK\$300,000 for each financial year starting from the financial year ending 31 December 2014 until the Company in general meeting otherwise determines; and
 - (b) the fee to the Chairman of the Board and additional fee to the Non-executive Directors who serve on the Board committees of the Company shall remain unchanged at the levels as shown in the following table until the Company in general meeting otherwise determines:–

	<i>HK\$</i> <i>(per each financial year)</i>
Chairman of the Board	300,000
Audit Committee	
(i) Chairman	200,000
(ii) Members	100,000
Remuneration Committee	
(i) Chairman	100,000
(ii) Members	50,000

HK\$
(per each financial year)

Nomination Committee

(i) Chairman	100,000
(ii) Members	50,000

Risk Management & Sustainability Committee

(i) Chairman	100,000
(ii) Members	50,000

5. To re-appoint PricewaterhouseCoopers as Auditors and authorise the Board of Directors to fix their remuneration;
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:–

“THAT:–

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda (as amended) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting”;

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:–

“THAT:

- (a) subject to paragraph (c), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of options granted under any share option scheme adopted by the Company or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of 10 per cent of the aggregate of the nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda (as amended) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of ordinary shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”;

8. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:–

“THAT:

conditionally on the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular to shareholders of the Company dated 10 April 2014, the terms of which are set out in the printed document marked “A” now produced to the Meeting and for the purpose of identification signed by

the Chairman thereof (the “**Share Option Scheme**”), the Share Option Scheme be approved and adopted to be the share option scheme for the Company and that the Directors of the Company be authorised to grant options thereunder and to allot and issue shares pursuant to the Share Option Scheme and take all such steps as may be necessary or desirable to implement such Share Option Scheme.”; and

9. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:-

“**THAT:**

- (a) the share premium account of the Company (the “**Share Premium Account**”) be reduced by an amount of US\$3,000,000,000;
- (b) the credit amount of US\$3,000,000,000 arising from the reduction of the Share Premium Account be credited to the contributed surplus account of the Company (the “**Contributed Surplus Account**”);
- (c) the Directors be and are hereby authorised to utilize and apply any credit balance in the Contributed Surplus Account in accordance with the Bye-laws of the Company and the applicable laws (including without limitation making distribution out of the Contributed Surplus Account to the shareholders of the Company), as and when the Directors may consider appropriate; and
- (d) the Directors be and are hereby authorised to do all acts and things they may in their absolute discretion consider necessary, expedient and appropriate to implement and/or give effect to the transactions contemplated by this resolution.”.

By Order of the Board
Terry WAN Mei Chow
Company Secretary



Hong Kong, 10 April 2014

Websites: www.lifung.com
www.irasia.com/listcolhk/lifung

As at the date of this announcement, Executive Directors of the Company are William Fung Kwok Lun (Group Chairman), Bruce Philip Rockowitz (Group President & Chief Executive Officer) and Spencer Theodore Fung (Group Chief Operating Officer); Non-executive Directors are Victor Fung Kwok King (Honorary Chairman) and Benedict Chang Yew Teck; Independent Non-executive Directors are Paul Edward Selway-Swift, Allan Wong Chi Yun, Franklin Warren McFarlan, Martin Tang Yue Nien, Fu Yuning and Margaret Leung Ko May Yee.

Remarks:

- (1) A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 11th Floor, LiFung Tower, 888 Cheung Sha Wan Road, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting. The proxy form is published on the website of HKExnews at www.hkexnews.hk and can also be downloaded from the Company's website at www.lifung.com.
- (3) Record Date and Book Closure

Hong Kong Time
2014

For determining Shareholder's right to attend and vote at the Annual General Meeting

Record Date	14 May
Latest time to lodge transfer documents with Share Registrar ^(Note i)	4:30 p.m., 14 May

For determining Shareholder's entitlement to the proposed final dividend

Latest time to lodge transfer documents with Share Registrar ^(Note i)	4:30 p.m., 20 May
Book Closure Date ^(Note ii)	21 to 22 May
Expected despatch date of dividend warrants	29 May

Notes:

- i. The Company's Hong Kong branch share registrar is Tricor Abacus Limited, whose address is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- ii. No transfer of Shares will be registered during book closure date.