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LI & FUNG LIMITED

Incorporated in Bermuda with limited liability
Stock Code: 494

ANNOUNCEMENT

This announcement is made by Li & Fung Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company wishes to inform that Aeropostale, Inc. (“ARO”), who is one of the Company’s long term customers, has filed for bankruptcy protection (the “Bankruptcy Filing”) under Chapter 11 of the U.S. Bankruptcy Code. The Company is one of ARO’s key suppliers and serves ARO on an agency and principal basis. In February 2015, the Company signed a 10-year Master Sourcing Agreement with ARO, with ARO agreeing to source a minimum volume from the Company. As of the date of the Bankruptcy Filing, ARO owes to the Company a total accounts receivable of US\$17.5 million which are all overdue. ARO has indicated in the Bankruptcy Filing that they intend to conduct business as usual during the Chapter 11 process while completing a financial and / or operational reorganization. At the moment, the Company also has outstanding orders on hand, work in progress, inventory and advance volume purchase discount (the “Continuing Business Exposure”). The Company expects to be able to continue to supply merchandise to ARO after the Bankruptcy Filing but will seek professional advice to ensure that its future deliveries will be paid. If ARO ceases to trade, the Company may have to make provisions for the Continuing Business Exposure.

The Company will continue to monitor the situation closely and will inform the shareholders of any significant development in accordance with the Listing Rules. Meanwhile, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
William FUNG Kwok Lun
Group Chairman, Li & Fung Limited

Hong Kong, 6 May 2016

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

As at the date of this announcement, Executive Directors of the Company are William Fung Kwok Lun (Group Chairman), Spencer Theodore Fung (Group Chief Executive Officer) and Marc Robert Compagnon; Non-executive Director is Victor Fung Kwok King (Honorary Chairman); Independent Non-executive Directors are Paul Edward Selway-Swift, Allan Wong Chi Yun, Martin Tang Yue Nien and Margaret Leung Ko May Yee.