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GOLDEN LINCOLN HOLDINGS I LIMITED
(incorporated in the Cayman Islands with limited liability)



LI & FUNG LIMITED

*Incorporated in Bermuda with limited liability
Stock Code: 494*

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
LI & FUNG LIMITED BY THE OFFEROR
BY WAY OF
A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
LI & FUNG LIMITED**

(3) RESULTS OF THE COURT MEETING AND THE SGM

AND

(4) CLOSURE OF REGISTER OF MEMBERS OF LI & FUNG LIMITED

Financial Adviser to the Offeror

Morgan Stanley

Morgan Stanley Asia Limited

Financial Advisers to the Company


**Citigroup Global Markets
Asia Limited**

 **HSBC**
**The Hongkong and Shanghai
Banking Corporation Limited**

**Financial Adviser to
Fung Holdings (1937) Limited**


Goldman Sachs (Asia) L.L.C.

**Independent Financial Adviser
to the Independent Board Committee**

 **PLATINUM
Securities**

Platinum Securities Company Limited

RESULTS OF THE COURT MEETING AND SGM

On Tuesday, 12 May 2020, the resolution to approve the Scheme was approved by the Scheme Shareholders at the Court Meeting.

The special resolution to approve and give effect to any reduction of the issued share capital by the cancellation of the Scheme Shares and the ordinary resolution to apply the reserve created by the cancellation of the Scheme Shares to simultaneously restore the issued share capital of the Company by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled, was approved by the Shareholders at the SGM.

The ordinary resolution to approve the Founder Arrangement was also approved by the Disinterested Shareholders at the SGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders under the Scheme, the register of members of the Company will be closed from Thursday, 21 May 2020 (or such other date as Scheme Shareholders may be notified by an announcement) onwards. During such period, no transfer of the Shares will be effected.

INTRODUCTION

We refer to the scheme document jointly issued by Li & Fung Limited (the “**Company**”) and Golden Lincoln Holdings I Limited (the “**Offeror**”) dated 20 April 2020 (the “**Scheme Document**”) in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act and the proposed withdrawal of listing of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held on Tuesday, 12 May 2020 at Ground Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong.

For the purposes of section 99 of the Companies Act, the approval (by way of poll) required to be obtained at the Court Meeting in respect of the Scheme was a majority in number of the Scheme Shareholders present and voting at the Court Meeting, representing not less than 75% in value of those Scheme Shares that are voted either in person or by proxy by the Scheme Shareholders at the Court Meeting.

For the purposes of Rule 2.10 of the Takeovers Code, the approvals required to be obtained at the Court Meeting in respect of the Scheme were as follows:

- (i) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders (being all of the Scheme Shareholders, other than those acting in concert with the Offeror) that are voted either in person or by proxy at the Court Meeting; and
- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme being not more than 10% of the votes attaching to all of the Scheme Shares held by the Disinterested Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Votes cast in person or by proxy		
	Total number	In favour of the Scheme	Against the Scheme
Number of Scheme Shares voted by the Scheme Shareholders in person or by proxy (approximate percentage represented)	2,523,931,973 (100%)	2,451,995,964 (97.15%)	71,936,009 (2.85%)
Number of Scheme Shareholders who attended and voted in person or by proxy	252	201	51
Number of Scheme Shares voted by the Disinterested Shareholders in person or by proxy (approximate percentage represented)	2,513,596,393 (100%)	2,441,660,384 (97.14%)	71,936,009 (2.86%)
Approximate percentage of: (i) 71,936,009 Scheme Shares over (ii) 5,688,693,460 Scheme Shares, where (i) is the number of votes cast by the Disinterested Shareholders against the Scheme, and (ii) is the number of votes attaching to all the Disinterested Shareholders			1.26%

Note: The full text of the resolution is set out in the notice of Court Meeting, which is included in the Scheme Document despatched to the Scheme Shareholders.

Accordingly, as:

- (a) the resolution proposed at the Court Meeting to approve the Scheme was duly passed (by way of poll) by:
 - (i) a majority in number of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than 75% in value of the Scheme Shares that were voted either in person or by proxy at the Court Meeting; and
 - (ii) at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders (being all Scheme Shareholders, other than those acting in concert with the Offeror) that were voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all the Scheme Shares held by the Disinterested Shareholders,

both section 99 of the Companies Act and Rule 2.10 of the Takeovers Code have been complied with.

As at the date of the Court Meeting: (1) the total number of Shares in issue was 8,538,926,906 Shares; (2) the total number of Scheme Shares was 8,538,926,906 Shares, representing 100% of the issued Shares; (3) the total number of Shares entitled to be voted at the Court Meeting in respect of the Scheme for the purposes of section 99 of the Companies Act was 8,538,926,906 Shares, representing 100% of the issued Shares; and (4) the total number of Scheme Shares held by Disinterested Shareholders entitled to vote at the Court Meeting in respect of the Scheme for the purposes of Rule 2.10 the Takeovers Code was 5,688,693,460 Shares, representing approximately 66.62% of the issued Shares.

As at the date of the Court Meeting, the Offeror and parties acting in concert with the Offeror held or beneficially owned 2,850,233,446 Shares, representing approximately 33.38% of the issued Shares. The Shares held or beneficially owned by the Offeror and parties acting in concert with the Offeror form part of the Scheme Shares and were voted at the Court Meeting but were not taken into account for the purposes of Rule 2.10 of the Takeovers Code.

Notwithstanding that Shares owned by connected exempt principal traders within the Morgan Stanley group and the Goldman Sachs group were considered disinterested Shares for the purposes of the Takeovers Code, such Shares (other than those Shares held by such connected exempt principal traders as a custodian for and on behalf of non-discretionary clients who are not concert parties of the Offeror or the Company (to the extent that the relevant exempt principal traders are aware, having made reasonable enquiries) and over which such exempt principal traders have no voting discretion) were required not to be voted, and were not voted, at the Court Meeting in accordance with the requirements of Rule 35.4 of the Takeovers Code.

As at the date of the Court Meeting, the Trustee held 125,901,900 Shares under the 2015 Share Award Scheme and INKA Internationale Kapitalanlagegesellschaft mbH (“INKA”), a member of the HSBC Group, held 544,000 Shares. Both the Trustee and INKA were required not to exercise, and, notwithstanding that such Shares form part of the Scheme Shares, did not exercise the voting rights attached to those Shares.

Save as disclosed above, none of the Scheme Shareholders were required to abstain from voting at the Court Meeting in accordance with the Takeovers Code, there were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Scheme pursuant to Rule 13.40 of the Listing Rules, and no Shareholder was required under the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting nor did any person state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

In accordance with the direction from the Court, HKSCC Nominees Limited was counted as one person or member of the Company (regardless of the number of corporate representatives and proxies appointed by HKSCC Nominees Limited) at the Court Meeting for the purposes of ascertaining whether or not the requirement that a “majority in number” of the Scheme Shareholders approve the Scheme under section 99(2) of the Companies Act had been satisfied. The vote of HKSCC Nominees Limited as one member in favour of or against the Scheme was determined in accordance with the majority of voting instructions given to it by CCASS Participants and Investor Participants.

The number of votes cast in favour of the Scheme and the number of voting instructions given to HKSCC Nominees Limited by CCASS Participants in favour of the Scheme, and the number of votes cast against the Scheme and the number of voting instructions given to HKSCC Nominees Limited by CCASS Participants against the Scheme will be disclosed to the Court and may be taken into account by the Court in deciding whether or not the Court should exercise its discretion to sanction the Scheme. A total number of 40 CCASS Participants and 5 Investor Participants holding 2,303,680,069 Scheme Shares and 15,130,000 Scheme Shares respectively voted in favour of the resolution to approve the Scheme, and a total number of 25 CCASS Participants and 3 Investor Participants holding 67,610,752 Scheme Shares and 90,000 Scheme Shares respectively voted against the resolution to approve the Scheme at the Court Meeting. Accordingly, for the purpose of calculating the “majority in number”, the vote of HKSCC Nominees Limited was counted in favour of the resolution to approve the Scheme.

Tricor Abacus Limited, being the branch share registrar of the Company in Hong Kong, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE SGM

The SGM was held on Tuesday, 12 May 2020 at Ground Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong.

The poll results in respect of the special resolution and ordinary resolution proposed at the SGM were as follows:

	Number of votes cast (%)	
	For	Against
Special resolution		
To approve any reduction of the issued share capital of the Company by the cancellation of the Scheme Shares	5,278,587,938 (98.62%)	73,863,112 (1.38%)
Ordinary resolutions		
To approve the application of the reserve created by the cancellation of the Scheme Shares to simultaneously restore the issued share capital of the Company by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled	5,278,401,942 (98.62%)	73,861,512 (1.38%)
To approve the Founder Arrangement	2,432,078,866 (97.05%)	74,010,496 (2.95%)

Note: The full text of the resolutions is set out in the notice of SGM, which is included in the Scheme Document despatched to the Scheme Shareholders.

Accordingly:

- (1) the special resolution proposed at the SGM to approve and give effect to any reduction of the issued share capital by the cancellation of the Scheme Shares, as more particularly set out in the notice of the SGM, was duly passed by a majority of not less than 75% of the votes cast by the Shareholders, present and voting either in person or by proxy at the SGM;
- (2) the ordinary resolution to, among others, apply the reserve created by the cancellation of the Scheme Shares to simultaneously restore the issued share capital of the Company by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled, as more particularly set out in the notice of the SGM, was duly passed by a simple majority of the votes cast by the Shareholders, present and voting either in person or by proxy at the SGM; and
- (3) the ordinary resolution proposed at the SGM to approve the Founder Arrangement was duly passed by a simple majority of the votes cast by the Disinterested Shareholders, present and voting either in person or by proxy at the SGM.

The total number of Shares entitling the holders to attend and vote on the special resolution above was 8,538,926,906 Shares. However, as stated in the Scheme Document, under the trust deed of the 2015 Share Award Scheme, the Trustee is prohibited from exercising the voting rights in respect of the Trustee Held Shares and accordingly, the Trustee did not vote at the SGM. INKA also did not exercise the voting rights attached to the Shares held by it at the SGM.

Shareholders who are not Disinterested Shareholders (being the Scheme Shareholders acting in concert with the Offeror), holding 2,850,233,446 Shares in aggregate, were required to, and did, abstain from voting on the ordinary resolution regarding the Founder Arrangement. The total number of Shares entitling the Disinterested Shareholders to attend and vote on the ordinary resolution regarding the Founder Arrangement was 5,688,693,460 Shares. Members of the Morgan Stanley group and the Goldman Sachs group who are exempt principal traders for the purposes of the Takeovers Code did not exercise the voting rights attached to the Shares owned by them (other than those Shares held by such exempt principal traders as a custodian for and on behalf of non-discretionary clients who are not concert parties of the Offeror or the Company (to the extent that the relevant exempt principal trader is aware, having made reasonable enquiries) and over which such exempt principal traders have no voting discretion) in relation to the ordinary resolution regarding the Founder Arrangement.

Save as disclosed above, there were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the special resolution or the ordinary resolutions at the SGM pursuant to Rule 13.40 of the Listing Rules, and no Shareholder was required under the Listing Rules to abstain from voting on the special resolution or the ordinary resolutions at the SGM nor did any person state any intention in the Scheme Document to vote against or to abstain from voting on the special resolution or the ordinary resolutions at the SGM.

Tricor Abacus Limited, being the branch share registrar of the Company in Hong Kong, acted as the scrutineer for the vote-taking at the SGM.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL

The Executive has issued its consent under Note 3 to Rule 25 of the Takeovers Code in relation to the Founder Arrangement, subject to the passing of an ordinary resolution by the Disinterested Shareholders at the SGM to approve the Founder Arrangement. Therefore, Condition (f) as set out in the section headed “*Conditions of the Proposal*” in the Explanatory Statement on page 100 to 103 of the Scheme Document has been fulfilled.

As at the date of this announcement, the Proposal remains, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions (other than Conditions (a), (b), (c), (f) and (g) which have been satisfied) as set out in the section headed “*Conditions of the Proposal*” in the Explanatory Statement on pages 100 to 103 of the Scheme Document.

Subject to such Conditions being fulfilled or waived (as applicable), the Scheme is expected to become effective on Tuesday, 26 May 2020 (Bermuda time).

PROPOSED WITHDRAWAL OF THE LISTING OF THE SHARES

Subject to the Scheme becoming effective, the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from 4:00 p.m. on Wednesday, 27 May 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders, the register of members of the Company will be closed from Thursday, 21 May 2020 (or such other date as Scheme Shareholders may be notified by an announcement) onwards. During such period, no transfer of Shares will be effected. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. on Wednesday, 20 May 2020.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

Hong Kong time

Expected latest time for trading of Shares on the Stock Exchange	4:00 p.m. on Friday, 15 May 2020
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. Wednesday, 20 May 2020
Register of members of the Company closed for determining entitlements under the Scheme (<i>Note 1</i>)	from Thursday, 21 May 2020 onwards
Court hearing of the petition for the sanction of the Scheme (<i>Note 2</i>).	on Thursday, 21 May 2020 (Bermuda time)

Announcement of (1) the results of the Court hearing for the petition for the sanction of the Scheme, (2) the expected Effective Date and (3) the expected date of withdrawal of listing of Shares on the Stock Exchange posted on the website of the Stock Exchange At or before 8:30 a.m. on Friday, 22 May 2020

Record Date Tuesday, 26 May 2020

Effective Date (*Note 2*) Tuesday, 26 May 2020 (Bermuda time)

Announcement of (1) the Effective Date and (2) the withdrawal of listing of Shares on the Stock Exchange posted on the website of the Stock Exchange Tuesday, 26 May 2020

Withdrawal of listing of Shares on the Stock Exchange becomes effective 4:00 p.m. on Wednesday, 27 May 2020

Cheques for the cash payment under the Scheme to be despatched (*Note 3*) on or before Monday, 1 June 2020

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for the entitlements under the Scheme.
2. The Scheme shall become effective upon all the Conditions set out in the paragraph headed “Conditions of the Proposal” in the Explanatory Statement of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case maybe).
3. Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event on or before Monday, 1 June 2020. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Morgan Stanley, Goldman Sachs, Citi, HSBC, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.

GENERAL

As at 20 March 2020 (the commencement date of the offer period), the total number of Shares held or beneficially owned by the Offeror and parties acting in concert with the Offeror was 2,850,233,446 Shares, representing approximately 33.38% of the issued Shares. As at the date of this announcement, the total number of Shares held or beneficially owned by the Offeror and parties acting in concert with the Offeror was 2,850,233,446 Shares, representing approximately 33.38% of the issued Shares. Neither the Offeror nor parties acting in concert with the Offeror had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the offer period.

As at the date of this announcement, neither the Offeror nor parties acting in concert with the Offeror had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Warning: Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the board of directors of
**GOLDEN LINCOLN HOLDINGS I
LIMITED**

Mr. Spencer Theodore Fung
Director

By order of the Board of
LI & FUNG LIMITED

Dr. William Fung Kwok Lun
Group Chairman

Hong Kong, 12 May 2020

As at the date of this announcement, the directors of the Offeror are Mr. Spencer Theodore Fung and Mr. Tan Mark Hai-Nern.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group, the Founder Group and the GLP Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group, the Founder Group and the GLP Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Executive Directors of the Company are Dr. William Fung Kwok Lun (Group Chairman), Mr. Spencer Theodore Fung (Group Chief Executive Officer) and Mr. Joseph C. Phi; the Non-Executive Directors are Dr. Victor Fung Kwok King (Honorary Chairman) and Mr. Marc Robert Compagnon; and the Independent Non-Executive Directors are Ms. Margaret Leung Ko May Yee, Dr. Allan Wong Chi Yun, Mr. Martin Tang Yue Nien, Mr. Chih Tin Cheung and Mr. John G. Rice.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Offeror, the Offeror's financial adviser, the Founder Group and the GLP Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, the Offeror's financial adviser, the Founder Group and the GLP Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

As at the date of this announcement:

- (a) the sole director of the Fung Shareholder is Mr. Spencer Theodore Fung;*
- (b) the directors of Fung 1937 are Dr. Victor Fung Kwok King, Dr. William Fung Kwok Lun, Mr. Benedict Chang Yew Teck and Mr. Lau Butt Farn;*
- (c) the directors of SDEL are Dr. William Fung Kwok Lun and Ms. Julia Fung Shen Nai Kee;*
- (d) the sole director of GSL is Dr. William Fung Kwok Lun;*
- (e) the directors of Fung Distribution are Mr. Lau Butt Farn, Dr. Victor Fung Kwok King and Dr. William Fung Kwok Lun; and*
- (f) the directors of FIDL are Dr. Victor Fung Kwok King, Dr. William Fung Kwok Lun and Ms. Julia Fung Shen Nai Kee.*

The sole director of the Fung Shareholder, Dr. William Fung Kwok Lun, Dr. Victor Fung Kwok King and the directors of other members of the Founder Group jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group and the GLP Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the GLP Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the chief executive officer of GLP is Mr. Ming Z. Mei and the directors of GLP are Mr. Tan Mark Hai-Nern, Mr. Stephen Kent Schutte and Mr. Wee Hsiao Chung Paul.

As at the date of this announcement, the sole director of GLP A Shareholder and GLP B Shareholder is Mr. Tan Mark Hai-Nern.

The chief executive officer of GLP and the directors of GLP, GLP A Shareholder and GLP B Shareholder jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group and the Founder Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Founder Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.