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LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 494)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Li & Fung Limited (the “Company”) will be held at Pheasant to Stork Room, 1st Floor, Mandarin Oriental, 5 Connaught Road Central, Hong Kong, on Monday, 13 September 2010 at 12:00 noon for the purposes of considering and, if thought fit, passing with or without modification the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the proposal for the acquisition of Integrated Distribution Services Group Limited (“**IDS**”) by the Company by way of privatisation pursuant to a scheme of arrangement (the “**Scheme**”) under Section 99 of the Companies Act, involving the cancellation of all the shares of US\$0.10 each in the share capital of IDS held by shareholders of IDS (the “**Scheme Shares**”) in exchange for either (i) HK\$21.00 in cash for every Scheme Share (the “**Cash Alternative**”) payable by the Company or (ii) 0.585 ordinary share of HK\$0.025 each in the share capital of the Company (the “**Shares**”) for every Scheme Share (the “**Share Alternative**”), subject to and conditional upon the conditions set out in the circular of the Company dated 27 August 2010 (the “**Proposal**”) be and is hereby approved (with such amendments as any one of the directors of the Company (the “**Directors**”) may in his absolute discretion deem fit); and any one of the Directors be and is hereby authorised to do all acts and to enter into such transactions and arrangements, including but not limited to, the payment by the Company of the cash consideration under the Cash Alternative or the allotment and issuance of new Shares under the Share Alternative to any holders of the Scheme Shares in consideration for the cancellation of his/her/its interest in the Scheme Shares, as may be necessary or expedient in order to give effect to the Scheme or the Proposal; and

- (b) the offer by or on behalf of the Company to the holder(s) of the outstanding share options (the “**IDS Share Options**”) granted under the share option scheme of IDS adopted on 4 November 2004, and amended on 22 November 2004 (the “**Option Offer**”), conditional upon the Scheme becoming effective, be and is hereby approved (with such amendments as any one of the Directors may in his absolute discretion deem fit); and any one of the Directors be and is hereby authorised to do all acts and to enter into such transactions and arrangements, including but not limited to, the payment by the Company of the cash consideration under the Option Offer to any holders of the IDS Share Options, as may be necessary or expedient in order to give effect to the Option Offer.”

As at the date of this announcement, the board 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*
Makoto Yasuda*
Martin Tang Yue Nien*

Executive Directors:–

William Fung Kwok Lun (*Managing Director*)
Bruce Philip Rockowitz
Spencer Theodore Fung

* *Independent Non-executive Directors*

By Order of the Board
LI & FUNG LIMITED
Terry WAN Mei Chow
Company Secretary



Member of the Li & Fung Group

Hong Kong, 27 August 2010

Hong Kong Office:

11th Floor
LiFung Tower
888 Cheung Sha Wan Road
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. 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 for holding the meeting. The proxy form will be published on the website of HKExnews (www.hkexnews.hk) and can also be downloaded from the Company's website www.lifung.com.