

LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

PRESS RELEASE

Li & Fung in discussion with KB Toys suppliers to provide assistance in bankruptcy proceedings

Hong Kong, 5 January 2009 – In response to media enquiries relating to the recent filing for Chapter 11 bankruptcy protection by KB Toys in the United States, Li & Fung Ltd (“Li & Fung” or “the Group”, SEHK: 494) today clarified that the Group was acting as buying agent for KB Toys, managing the production of its orders at factories appointed by KB Toys. The outstanding amounts due to the factories are owed by KB Toys. As one of the largest creditors of KB Toys, Li & Fung suffers an exposure of approximately US\$5 million, representing mainly unpaid commissions, confirmed Mr Henry Chan, Executive Director of Li & Fung.

Mr Chan said: “As one of the largest creditors of KB Toys, Li & Fung will seek proper recourse from the bankruptcy courts and has approached most of the affected factories to meet with the Group to discuss how it can help them to deal with the bankruptcy proceedings in the US.

“In addition, Li & Fung, with its long and harmonious history of working with a large community of suppliers worldwide, is committed to rendering appropriate assistance to all KB Toys suppliers, especially the SME factories, which may need help in specific instances,” Mr Chan added.

While Li & Fung recognises the difficulties faced by suppliers, it regards any issues emerging from the KB Toys bankruptcy to be a commercial matter and urges all parties involved to pursue a practical and realistic solution.



LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

“At the same time, Li & Fung, as a publicly-listed company, is obligated to protect its legal rights and balance the interest of its various stakeholders, including shareholders, staff, customers as well as suppliers,” Mr Chan said.

- Ends -

About Li & Fung Limited

Li & Fung Limited is the world's leading consumer goods supply chain management company, managing the supply chain for retailers and brands worldwide. Headquartered in Hong Kong, the Group services its customers globally through a sourcing network of over 80 offices in more than 40 economies. Corporate website: www.lifung.com

Media Contact:

Sue So, GolinHarris
Tel: +852 2501 7984
sue.so@golinharris.com

Annie Leung, GolinHarris
Tel: +852 2501 7918
annie.leung@golinharris.com

