

**Reprint  
as at 29 January 2016**



**Financial Reporting Act (Li & Fung Limited) Exemption  
Notice 2011  
(SR 2011/112)**

Financial Reporting Act (Li & Fung Limited) Exemption Notice 2011: expired, on the close of 28 January 2016, by clause 3.

Pursuant to section 35A of the Financial Reporting Act 1993, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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**Notice**

**1 Title**

This notice is the Financial Reporting Act (Li & Fung Limited) Exemption Notice 2011.

**2 Commencement**

This notice comes into force on the day after the date of its notification in the *Gazette*.

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**Note**

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint. Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This notice is administered by the Financial Markets Authority.**

### 3 Expiry

This notice expires on the close of 28 January 2016.

### 4 Application

An exemption granted by this notice applies to the following accounting periods of the exempt issuer:

- (a) the accounting period that ended on 31 December 2010; and
- (b) subsequent accounting periods.

### 5 Interpretation

- (1) In this notice, unless the context otherwise requires,—

**Act** means the Financial Reporting Act 1993

**approved auditor** means an accountant who is qualified, under the requirements of the Hong Kong Stock Exchange, to give an opinion as to whether the specified financial statements comply with HKFRS

**exempt issuer** means Li & Fung Limited, a company incorporated in Bermuda

**HKFRS** means the financial reporting standards of Hong Kong, including the Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, that comply with IFRS as adopted by Hong Kong

**Hong Kong Stock Exchange** means the main board of the Stock Exchange of Hong Kong Limited

**IFRS** means—

- (a) International Financial Reporting Standards and International Accounting Standards that have been issued or adopted by the International Accounting Standards Board in accordance with the constitution of the International Accounting Standards Committee Foundation; and
- (b) final interpretations by the IFRS Interpretations Committee approved by the International Accounting Standards Board in accordance with that constitution

**specified financial statements** means the audited consolidated financial statements that are required to be prepared in respect of the exempt issuer in accordance with the laws of Bermuda and the requirements of the Hong Kong Stock Exchange.

- (2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

### 6 Exemptions for directors of exempt issuer

Every director of the exempt issuer is exempted from the following provisions of the Act in respect of the exempt issuer:

- (a) sections 10(1), 11, 14, and 15; and
- (b) section 13 to the extent that it requires the group financial statements prepared in relation to the exempt issuer to comply with section 14; and
- (c) section 18(1) to the extent that it requires copies of the financial statements of the exempt issuer, together with a copy of the auditor's report on those statements, to be delivered to the Registrar for registration.

## **7 Conditions**

The exemptions in clause 6 are subject to the conditions that—

- (a) the exempt issuer has not offered, and does not offer, securities to the public in New Zealand otherwise than in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (or a notice that, with or without modification, replaces or corresponds to that notice); and
- (b) the exempt issuer must comply with the laws of Bermuda and the requirements of the Hong Kong Stock Exchange that relate to the preparation, content, auditing, and public filing of the specified financial statements; and
- (c) the specified financial statements must comply with HKFRS; and
- (d) if, in complying with HKFRS, the specified financial statements do not give a true and fair view of the matters to which they relate, the directors of the exempt issuer must add information and explanations that will give a true and fair view of those matters; and
- (e) the specified financial statements must be delivered to the Registrar for registration annually, and before the date on which financial statements and group financial statements would, but for the exemptions in clause 6, be required to be delivered for registration; and
- (f) the specified financial statements must be accompanied by a report by an approved auditor that complies with the laws of Bermuda and the requirements of the Hong Kong Stock Exchange; and
- (g) the exempt issuer must remain listed on the Hong Kong Stock Exchange.

Dated at Wellington this 21st day of April 2011.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

D W Mayhew,  
Member.

### Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 28 January 2016, exempts the directors of Li & Fung Limited (**Li & Fung**) from various provisions of the Financial Reporting Act 1993 (the **Act**).

Li & Fung is incorporated in Bermuda. Its ordinary shares are quoted on the main board of the Stock Exchange of Hong Kong Limited (the **Hong Kong Stock Exchange**).

The effect of the exemptions is to provide relief to the directors of Li & Fung from the preparation, content, auditing, and filing requirements of the Act, where Li & Fung has offered or offers securities in New Zealand under the Securities Act (Overseas Companies) Exemption Notice 2002 (the **2002 notice**).

These exemptions are granted on the conditions that Li & Fung prepares and publicly files its financial statements in accordance with Bermudan law and the requirements of the Hong Kong Stock Exchange.

The Securities Commission (the **Commission**) considers that it is appropriate to grant the exemptions because—

- the effect of the exemptions is to allow the directors of Li & Fung to register financial statements that they are required to prepare in accordance with the financial reporting requirements set out in the laws of Bermuda and the requirements of the Hong Kong Stock Exchange. The principal differences between financial statements that comply with the Act and the financial statements to be filed under these exemptions are—
  - the directors of Li & Fung will prepare and register consolidated financial statements only (not stand-alone parent company financial statements); and
  - Li & Fung's consolidated financial statements will comply with the financial reporting standards of Hong Kong (**HKFRS**) (rather than generally accepted accounting practice in New Zealand); and
  - the financial statements will be audited, and the associated auditor's report will be prepared, in accordance with the requirements set out in the

laws of Bermuda and the requirements of the Hong Kong Stock Exchange:

- the Commission has previously, at the time of granting the Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2009, had regard to the financial reporting and audit requirements with which companies that issue securities on the Hong Kong Stock Exchange must comply. The Commission considers that the financial reporting obligations of the Hong Kong Stock Exchange will provide New Zealand subscribers with adequate financial information about companies in which they invest. The Commission considers that Hong Kong has adequate regulatory and enforcement mechanisms in this regard:
- Li & Fung is required by the Hong Kong Stock Exchange to publish audited financial statements prepared in accordance with HKFRS. The Commission is satisfied that the consolidated financial statements prepared under HKFRS provide sufficient information to avoid any detriment to subscribers who invest in Li & Fung:
- the Commission is satisfied that the extent of the exemptions is not broader than is reasonably necessary to address the matters that gave rise to the exemptions because the exemptions only apply to Li & Fung in relation to an offer of securities that it has made under the 2002 notice, and that offer was made to only 1 New Zealander.

Issued under the authority of the Legislation Act 2012.  
Date of notification in *Gazette*: 28 April 2011.

## Reprints notes

### **1** *General*

This is a reprint of the Financial Reporting Act (Li & Fung Limited) Exemption Notice 2011 that incorporates all the amendments to that notice as at the date of the last amendment to it.

### **2** *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### **3** *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### **4** *Amendments incorporated in this reprint*

Financial Reporting Act (Li & Fung Limited) Exemption Notice 2011 (SR 2011/112): clause 3