



Incorporated in Bermuda with limited liability
Stock Code: 494

REDEMPTION OF US\$500,000,000 SUBORDINATED PERPETUAL CAPITAL SECURITIES

Following the completion of the strategic divestment of three product vertical businesses that was announced on 3 April 2018, Li & Fung Limited (the “Company”) realized gross proceeds of US\$1,100 million. Approximately US\$520 million will be distributed to shareholders as a special dividend and the remaining US\$580 million will further strengthen the financial position and capital structure of the Company.

As part of the Company’s capital structure optimisation process, the board of directors of the Company has decided to exercise the option to redeem in whole its outstanding US\$500,000,000 Subordinated Perpetual Capital Securities issued on 8 November 2012 (the “Securities”).

Pursuant to Condition 5(b) (*Redemption at the option of the Issuer*) of the terms and conditions of the Securities, notice has been submitted to the holders of the Securities that the Securities will be redeemed by the Company on 25 May 2018 at their principal amount together with any accrued distribution. Following the redemption, the Securities will be cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

The Group’s Three-Year Plan (2017 – 2019) is to create the supply chain of the future to help its customers navigate the digital economy that enables the Company to deliver long-term shareholder value as it transforms itself into a digital company. The Company got off a strong start in 2017 and we are on track to meet our financial targets and strategic goal in delivering a digital

platform that connects its suppliers, vendors, customers and other partners with end-to-end visibility and data analytics.

The Company will continue to take a conservative approach in managing its balance sheet and capital structure. The Company will continue to have stable and strong cash flow conversion and is committed to maintaining a strong balance sheet and credit ratios with a long-term target of retaining an investment-grade rating. As of the date of this announcement, the Company's credit rating remains Baa1 according to Moody's and BBB+ according to Standard & Poor's.

By Order of the Board

William FUNG Kwok Lun

Group Chairman, Li & Fung Limited

Hong Kong, 20 April 2018