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Announcement of the Invitation by



Incorporated in Bermuda with limited liability
Stock Code: 494

(the Company)

to the holders of its outstanding
US\$750,000,000 5.250 per cent. Notes due 13 May 2020
(ISIN: XS0507147725; Common Code: 050714772)
(the Notes)

to tender for purchase for cash any and all of the outstanding Notes.

On 23 September 2019, the Company announced an invitation to the holders of its Notes to tender any and all such Notes for purchase by the Company for cash in accordance with the procedures described herein, and upon the terms and subject to the conditions set forth in the tender offer memorandum (as it may be amended or supplemented from time to time, the **Tender Offer Memorandum**) and subject to the offer restrictions referred to in “*Offer and Distribution Restrictions*” in the Tender Offer Memorandum.

The purchase price for the Notes under the Offer will be US\$1,018.5 per US\$1,000 principal amount of the Notes. Accrued and unpaid interest, if any, will be paid in accordance with the provisions set out herein and in the Tender Offer Memorandum.

Purchase Price and Accrued Interest Payment

If the Company decides to accept valid tenders pursuant to the Offer, the amount that will be paid to each Noteholder on the Tender Offer Settlement Date for the Notes accepted for purchase will be an amount of US\$1,018.5 per US\$1,000 principal amount of the Notes, together with any accrued and unpaid interest on the Notes, if any, from (and including) the immediately preceding interest payment date for such Notes to (but excluding) the Tender Offer Settlement Date, in each case determined in accordance with the terms and conditions of the Notes.

General

The Offer is made on the terms contained in the Tender Offer Memorandum, which has been made available to Noteholders, the main provisions of which are summarised below in this announcement.

The Offer commences on 23 September 2019 and expires at 4.00 p.m. London time on 2 October 2019, (subject to the right of the Company to extend, re-open, amend, waive any condition of and/or terminate the Offer). The Tender Offer Settlement Date is expected to be on 4 October 2019 (subject to the right of the Company to extend, re-open, amend or terminate the Offer).

The Company has appointed Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank to act as Dealer Managers, and D.F. King Limited as the Information and Tender Agent in relation to the Offer.

New Issue Priority

The Company has announced a series of fixed income investor meetings commencing on 24 September 2019. Subject to market conditions and customary new issuance processes, a Regulation S only offering (a **New Note Offering**) of new senior unsecured debt securities (**New Notes**) under the Company's Medium Term Note and Perpetual Capital Securities Programme may be announced.

In the event a New Note Offering is announced prior to the Expiration Deadline, the Company will consider among other factors whether the relevant investor seeking an allocation of New Notes has, prior to pricing and allocation of the New Notes (which may be before the Expiration Deadline), validly tendered, or indicated a firm intention to tender, Notes pursuant to the Offer, with an intention to give preference to such eligible investors. Any such preference will be subject to the sole and absolute discretion of the Company and be applicable up to the aggregate principal amount of Notes tendered.

There can be no assurance that any New Note Offering will be announced prior to the Expiration Deadline (or at all). Therefore, there may not be any New Notes issued by the Company for which tendering Noteholders may receive an allocation preference.

THE OFFER

On 23 September 2019, the Company announced an invitation to the holders of its Notes to tender any and all such Notes for purchase by the Company for cash in accordance with the procedures described herein, and upon the terms and subject to the conditions set forth in the Tender Offer Memorandum and subject to the offer restrictions referred to in “*Offer and Distribution Restrictions*” in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Information and Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

Rationale for the Offer

The rationale for the Offer is for the Company to proactively address the Notes’ maturity date on 13 May 2020, to continue its deleveraging and to optimise the Company's capital structure.

Purchase Price and Accrued Interest Payment

If the Company decides to accept valid tenders pursuant to the Offer, the amount that will be paid to each Noteholder on the Tender Offer Settlement Date for the Notes accepted for purchase will be an amount of US\$1,018.5 per US\$1,000 principal amount of the Notes, together with any accrued and unpaid interest on the Notes, if any, from (and including) the immediately preceding interest payment date for such Notes to (but excluding) the Tender Offer Settlement Date, in each case determined in accordance with the terms and conditions of the Notes.

A summary of certain terms of the Offer appears below:

Description of the Notes	ISIN/Common Code	Outstanding Principal Amount	Purchase Price	Amount Subject to Offer
US\$750,000,000 5.250 per cent. Notes due 13 May 2020	XS0507147725 / 050714772	US\$750,000,000	US\$1,018.5 per US\$1,000 principal amount*	Any and all

*Excluding accrued and unpaid interest on the Notes, if any, from (and including) the immediately preceding interest payment date for such Notes to (but excluding) the Tender Offer Settlement Date in each case determined in accordance with the terms and conditions of the Notes. Accrued and unpaid interest, if any, will be paid in accordance with the provisions set out herein and in the Tender Offer Memorandum.

Expiration Deadline

The Expiration Deadline will be at 4.00 p.m. London time on 2 October 2019, (subject to the right of the Company to extend, re-open, amend, waive any condition of and/or terminate the Offer) (the **Expiration Deadline**).

New Issue Priority

The Company has announced a series of fixed income investor meetings commencing on 24 September 2019. Subject to market conditions and customary new issuance processes, a New Note Offering under the Company's Medium Term Note and Perpetual Capital Securities Programme may be announced.

In the event a New Note Offering is announced prior to the Expiration Deadline, the Company will consider among other factors whether the relevant investor seeking an allocation of New Notes has, prior to pricing and allocation of the New Notes (which may be before the Expiration Deadline), validly tendered, or indicated a firm intention to tender, Notes pursuant to the Offer, with an intention to give preference to such eligible investors. Any such preference will be subject to the sole and absolute discretion of the Company and be applicable up to the aggregate principal amount of Notes tendered.

There can be no assurance that any New Note Offering will be announced prior to the Expiration Deadline (or at all). Therefore, there may not be any New Notes issued by the Company for which tendering Noteholders may receive an allocation preference.

Source of Funds

Cash on hand, all or a portion of the proceeds from the New Note Offering, if any, and/or other sources of liquidity.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest Payment, if any, pursuant to the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Information and Tender Agent by the Expiration Deadline.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or revoke their instruction to participate in, the Offer by the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this announcement and the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of

no less than US\$100,000 being the minimum denomination of the Notes, and may be submitted in integral multiples of US\$1,000 thereafter.

See “*Procedures for Participating in the Offer*” in the Tender Offer Memorandum.

Withdrawal Rights

Tender Instructions may be validly withdrawn by following the procedures described herein:

- at any time before the Expiration Deadline, but not thereafter;
- at any time after the 60th business day after the Commencement of the Offer if, for any reason, the Offer has not by then been consummated by then.

Amendment and Termination

The Company may, in its sole discretion, extend, re-open, amend, waive any condition of and/or terminate an Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

Announcement of Results

The results of the Offer, in relation to Notes validly tendered on or prior to the Expiration Deadline, are expected to be announced on 3 October 2019. The Company will announce the aggregate principal amount of Notes accepted for purchase. Such information will be notified to Noteholders as described below in “*Further Information and Terms and Conditions — Announcements*” in the Tender Offer Memorandum. The Offer will be irrevocable upon expiration of the Expiration Deadline. Tender Instructions which are so accepted will constitute binding obligations of the submitting Noteholders and the Company to settle the Offer.

Notes repurchased by the Company pursuant to the Offer will be immediately cancelled. Notes which have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Settlement Date.

General

The Offer will expire at the Expiration Deadline and the expected Tender Offer Settlement Date for the Offer is expected to be on 4 October 2019.

The Company is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Company of Notes tendered pursuant to the Offer is at the sole discretion of the Company and tenders may be rejected by the Company for any reason. The Company is under no obligation to

Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

For further information on the Offer and the further terms and conditions on which the Offer are made, Noteholders should refer to “*Further Information and Terms and Conditions*” in the Tender Offer Memorandum.

Notes may only be tendered pursuant to the Offer in accordance with the procedures described in the “*Procedures for Participation in the Offer*” in the Tender Offer Memorandum.

In the event any New Note Issuance proceeds before the Expiration Deadline, indicative terms for any New Notes will be available from the Dealer Managers (each in its capacity as a manager of the issue of any New Notes) in advance of the pricing of any New Notes and any Noteholder that wishes to obtain such indicative terms must contact one of the Dealer Managers (in its capacity as a manager of the issue of any New Notes) for this information. Noteholders should note that any such terms are indicative only and are non-binding on the managers of the issue of any New Notes and the Company, and that terms for any New Notes will only be finalised at, and announced via a Notifying News Service following, the time of pricing of any New Notes. All Tender Instructions or applications to purchase New Notes are subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Noteholder) and such request or application being made as set out in the Tender Offer Memorandum. See “*Procedures for Participating in the Offer*” in the Tender Offer Memorandum.

It is the sole responsibility of each Noteholder to satisfy itself that it is eligible to purchase any New Notes before registering its interest with and making an application to the Dealer Managers (in their capacity as managers of the issue of any New Notes) for the purchase of any New Notes. Any failure to validly submit a Tender Instruction (or an indication of a firm intention to tender) in accordance with the procedures set out in “*Procedures for Participating in the Offer*” in the Tender Offer Memorandum, or any failure of such Noteholder to make an application to the Dealer Managers (in their capacity as managers of the issue of any New Notes) for the purchase of any New Notes in accordance with the standard new issue procedures of the relevant manager of the issue of any New Notes, will (subject to the terms of this announcement and the Tender Offer Memorandum) result in no allocation preference being given in respect of such Noteholder’s Tender Instruction or firm intention to tender.

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Information and Tender Agent, the contact details for each of which are set out

below.

EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only.

Events

Times and Dates

(All times are London time)

Commencement of the Offer

23 September 2019

Offer announced through publication through a Notifying News Service and the Clearing Systems. Tender Offer Memorandum available (subject to the offer and distribution restrictions set out in “*Offer and Distribution Restrictions*”) from the Tender Offer Website and the Information and Tender Agent.

Expiration Deadline and Withdrawal Deadline

4.00 p.m. on 2 October 2019

Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent in order for Noteholders to be able to participate in the Offer. Final deadline for Noteholders to withdraw Tender Instructions.

Announcement of Results

3 October 2019

The Company will announce promptly through publication through a Notifying News Service, the Clearing Systems and the Tender Offer Website (i) the amount of Notes to be accepted for purchase on the Tender Offer Settlement Date and (ii) the expected Tender Offer Settlement Date.

Tender Offer Settlement Date

Expected to be on 4 October 2019

Expected Tender Offer Settlement Date for the Offer.

*The above times and dates are subject to the right of the Company to extend, re-open, amend, waive any condition of and/or terminate the Offer (subject to applicable law and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or revoke their instruction to participate in, the Offer before the deadlines specified in the Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.***

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offer.

Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank are acting as Dealer Managers for the Offer and D.F. King Limited is acting as Information and Tender Agent.

Questions and requests for assistance in connection with the Offer may be directed to the Dealer Managers.

Citigroup Global Markets Limited	The Hongkong and Shanghai Banking Corporation Limited	Standard Chartered Bank
Citigroup Centre	Level 17, HSBC Main Building	15/F, Two International Finance Centre, 8 Finance Street Central
Canada Square	1 Queen's Road Central	
Canary Wharf	Hong Kong	Hong Kong
London E14 5LB	+852 2822 4100 (Hong Kong)	+852 3983 8658 (Hong Kong)
United Kingdom	+44 20 7992 6237 (London)	+44 20 7885 5739 (London)
Attention: Liability Management	+1 212 525 5552 (United States)	+65 6596 8807 (Singapore)
Telephone: +852 2501 2693 (Hong Kong)	E-mail:	E-mail:
+44 20 7986 9000 (London)	liability.management@hsbcib.com	liability_management.sc.com
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Questions and requests for assistance in connection with the delivery of Tender Instructions may be directed to the Information and Tender Agent.

D.F. King Limited

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In London:

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By Telephone: (+44) 20 7920 9700

Email: lifung@dfkingltd.com

Website: <https://sites.dfkingltd.com/lifung>

Disclaimers

This announcement must be read in conjunction with the Tender Offer Memorandum. No offer or invitation to acquire or exchange any Notes is being made pursuant to this announcement. This announcement and the Tender Offer Memorandum contain important information which must be read carefully before any decision is made with respect to the Offer. If any holder of Notes is in any doubt as to the action it should take, it should seek its own legal, tax and financial advice, including as to any tax consequences, from its legal, accounting, financial and other advisers. None of the Dealer Managers or the Information and Tender Agent (or their respective directors, employees or affiliates) makes any representation or recommendation whatsoever regarding the Tender Offer Memorandum or the Offer, and none of the Company, the Dealer Managers or the Information and Tender Agent (or their respective directors, employees or affiliates) makes any recommendation as to whether Noteholders should tender Notes in the Offer. The Information and Tender Agent is the agent of the Company and owes no duty to any Noteholder.

Nothing in this announcement constitutes an offer to buy or the solicitation of an offer to sell securities, including any New Notes, in any jurisdiction in which such offer or solicitation would be unlawful. The Notes which are the subject of the Offer and any New Notes have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of the United States or any State thereof or the applicable laws of any other jurisdiction.

NEITHER THIS ANNOUNCEMENT OR THE TENDER OFFER MEMORANDUM NOR ANY RELATED DOCUMENT HAS BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS ANY SUCH DOCUMENT BEEN FILED WITH OR REVIEWED BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF

ANY COUNTRY. NO AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER OR ANY RELATED DOCUMENTS, AND IT MAY BE UNLAWFUL AND A CRIMINAL OFFENCE TO MAKE ANY REPRESENTATION TO THE CONTRARY.

Tenders of Notes in the Offer will not be accepted from Noteholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, such Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

Hong Kong, 23 September 2019

By Order of the Board

William FUNG Kwok Lun

Group Chairman, Li & Fung Limited

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