



Incorporated in Bermuda with limited liability

**ANNOUNCEMENT OF FORMATION OF
LONG-TERM STRATEGIC PARTNERSHIP WITH MAERSK AND
DISPOSAL OF LOGISTICS BUSINESS**

The board (the “**Board**”) of directors of Li & Fung Limited (the “**Company**”) is pleased to announce that on 22 December 2021, the Company has agreed to form a long-term strategic partnership with A.P. Moller - Maersk (“**Maersk**”), an integrated logistics company working to connect and simplify its customers’ supply chains.

In addition to this strategic partnership, the Company, together with Temasek, the Singapore sovereign wealth fund (“**Temasek**”), entered into a sale and purchase agreement with Maersk, whereby Maersk agreed to acquire (the “**Transaction**”) their jointly-owned logistics business, LF Logistics Holdings Limited (“**LF Logistics**”) and its various entities valuing the business at US\$3.6 billion on an enterprise value basis. Subject to regulatory approvals, the Transaction is expected to complete in 2022.

As at the date of this announcement, the Company holds 78.3% and Temasek holds 21.7% of the issued shares of LF Logistics. LF Logistics is a leading logistics services provider, offering both contract logistics services across Asia and freight management services globally.

The strategic partnership between the Company and Maersk will enable both companies to utilise their respective resources and global networks to create a comprehensive range of end-to-end global supply chain services.

The Transaction will further simplify the Company’s business to focus on its core trading business, which has seen a strong rebound back to pre-Covid levels. After completion of the Transaction, the Company intends to continue to optimise its capital structure, maintaining low levels of debt.

Spencer Theodore Fung

Group Executive Chairman, Li & Fung

Hong Kong, 22 December 2021

As at the date of this announcement, the directors of the Company are Spencer Theodore FUNG; Joseph C. PHI; LAM Sung Lai, Edward; MEI Ming Zhi; and Michihiro HIGASHI.