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Incorporated in Bermuda with limited liability  
Stock Code: 494

## OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued by Li & Fung Limited (the “Company”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Please refer to the attached announcement on the next page. A copy of the English version of the announcement is available on the website of the Singapore Exchange Securities Trading Limited at [www.sgx.com](http://www.sgx.com).

By Order of the Board  
William FUNG Kwok Lun  
Group Chairman, Li & Fung Limited

Hong Kong, 20 April 2018

*As at the date of this announcement, Executive Directors of the Company are William Fung Kwok Lun (Group Chairman), Spencer Theodore Fung (Group Chief Executive Officer), Marc Robert Compagnon and Joseph C. Phi; Non-executive Director is Victor Fung Kwok King (Honorary Chairman); 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.*



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## 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