

# Press Release

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## Li & Fung Completes Strategic Divestment of Product Verticals Business

**Hong Kong, 3 April 2018** – Li & Fung Limited (“Li & Fung,” “the Group,” or “the Company,” SEHK: 494), the world’s leading supply chain solutions partner for brands and retailers, today announced the successful completion of the strategic divestment of three of its product vertical businesses, Furniture, Beauty and Sweaters (“product verticals”), having obtained the necessary shareholder and regulatory approvals. Li & Fung will pay a special dividend of 47.6 HK cents per share to our shareholders. This brings the full-year dividend to 60.6 HK cents per share.

With the completion of the strategic divestment, the product verticals are now 55% owned by the Fung Group and 45% owned by Hony Capital. The remaining business of Li & Fung now consists of its Services Segment, which includes Supply Chain Solutions and Logistics businesses, and the Products Segment, which includes its Onshore Wholesale businesses in the Americas, Europe and Asia.

As announced on 14 December 2017, this divestment continues Li & Fung’s strategy of simplifying its overall business and will allow its senior management team to focus resources on its Three-Year Plan (2017 – 2019) goal of creating the Supply Chain of the Future. The product verticals will also gain from the dedicated resources and management attention to allow them to be more nimble as a separate company.

Spencer Fung, Group CEO of Li & Fung, said, “We are excited about the new chapter for Li & Fung following this further simplification of our business to focus resources on our core competences and achieving our Three-Year Plan goal of creating the Supply Chain of the Future. The US\$1.1 billion proceeds further strengthen our capital structure and allow us to pay a special dividend of 47.6 HK cents per share to our shareholders, bringing our full-year dividend to 60.6 HK cents per share.”

“Our recent 2017 annual results were solid and our new Three-Year Plan had a strong start in its first year and we are on track to meet our financial targets and strategic goals of creating the Supply Chain of the Future. Customers are responding well to our speed and digital supply chain model to achieve speed-to-market, realizing tangible improvements in their inventory management, sell-through and mark-downs,” added Spencer. “I would like to thank all of our colleagues in the three product verticals for their support, commitment and dedication over the past years and I wish them all the best for their success in the future.”

John Zhao, Chairman and CEO of Hony Capital and Executive Vice President of Legend Holdings, commented, “We are excited to welcome our new colleagues and look forward to working with the management teams of the product verticals and to help them expand both upstream and downstream.”

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### About Li & Fung Limited

Li & Fung (SEHK: 494), the Hong Kong-headquartered multinational group, is the world’s leading supply chain solutions partner. With 230 offices across more than 40 economies, Li & Fung specializes in responsibly managing the supply chains of high-volume, time-sensitive goods for leading retailers and brands worldwide. The Company’s goal is to create the Supply Chain of the Future to help its customers navigate the digital economy and to improve the lives of a billion people in the supply chain.

For more information, please visit [www.lifung.com](http://www.lifung.com)

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