

Press Release

Li & Fung announces investment of US\$300 million by Temasek in LF Logistics

- Investment to accelerate LF Logistics' strong growth momentum
- Proposed spin-off IPO of LF Logistics is postponed until further notice
- Post completion, Temasek will hold 21.7% and Li & Fung, the controlling shareholder, with 78.3%

Hong Kong, 28 June 2019 – Li & Fung Limited (“Li & Fung,” “the Group,” or “the Company;” SEHK: 494), the world’s leading supply chain solutions partner for consumer brands and retailers, today announced it has entered into a Subscription Agreement with Temasek, the Singapore-headquartered investment company (“Temasek”), for a cash consideration of US\$300 million for approximately 21.7% stake of its Logistics business (“LF Logistics”).

The investment values LF Logistics at approximately US\$1.4 billion on a post-money equity valuation basis. Upon completion, Li & Fung will remain a controlling shareholder of LF Logistics, which at a 78.3% stake equates to approximately HK\$1 of the Company’s current share price. Proceeds from the investment will be used to fund future capital expenditures, repay existing bank facilities and accelerate business growth initiatives at LF Logistics. As a result of this investment, the proposed spin-off IPO will be postponed until further notice.

LF Logistics has achieved multiple-year double digit organic growth and it maintains strong momentum from multiple growth drivers, including robust growth in China, the e-logistics boom, accelerated development in ASEAN across all of its services, and its rapid expansion into new geographies including Japan, Korea and India.

Joseph Phi, Group President, Li & Fung said, “We expect the strong growth of LF Logistics to continue. With operations in all of Asia’s fastest growing cities, we are well positioned to capitalize on rising middle class consumption and our early investment in e-logistics allows us to enjoy first-mover advantage. Our logistics strength combined with Li & Fung’s sourcing and new digital supply chain solutions, represents a unique end-to-end offering that encompasses the entire value chain.”

Spencer Fung, Group CEO, Li & Fung added, “The investment from Temasek will allow us to unlock the value of LF Logistics and accelerate its business growth. It will also enhance Li & Fung’s capital structure and financial flexibility. Our strong operating cash flow and solid balance sheet provides us with ample liquidity to fund future growth and complete our transformation efforts, as we execute our Three-Year Plan goal of creating the Supply Chain of the Future.”

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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 50 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

About Temasek

Incorporated in 1974, Temasek is a global investment company headquartered in Singapore. Supported by its network of international offices, Temasek owns a S\$308 billion (US\$235 billion) portfolio as at 31 March 2018, with significant exposure to Singapore and the rest of Asia. Temasek’s investment activities are guided by four investment themes and the long term trends they represent: Transforming Economies; Growing Middle Income Populations; Deepening Comparative Advantages; and Emerging Champions.