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LI & FUNG LIMITED

Incorporated in Bermuda with limited liability

ANNOUNCEMENT OF DRAWDOWN UNDER MEDIUM TERM NOTE AND PERPETUAL SECURITIES PROGRAMME

Reference is made to the announcement of the Company on 20 September 2019 in relation to the annual update of the Programme.

The Board is pleased to announce that on 11 August 2020, the Company entered into the Subscription Agreement to carry out a drawdown under the Programme to offer and issue the Drawdown Notes in an aggregate nominal amount of US\$300,000,000 on 18 August 2020, which are exempt from, and not subject to, the registration requirements under the U.S. Securities Act. Completion of the issue of the Drawdown Notes is subject to the satisfaction or waiver of the conditions precedent set forth in the Subscription Agreement.

The Drawdown Notes are denominated in U.S. dollars, will have a maturity date of 18 August 2025 and will bear interest at the rate of interest described in their terms.

DRAWDOWN UNDER THE MEDIUM TERM NOTE AND PERPETUAL SECURITIES PROGRAMME BY THE COMPANY

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PRINCIPAL TERMS OF THE DRAWDOWN NOTES

Issuer	Li & Fung Limited																				
Joint Lead Managers	Citigroup Global Markets Limited, Goldman Sachs (Asia) L.L.C., DBS Bank Ltd., Mizuho Securities Asia Limited, MUFG Securities EMEA plc and Standard Chartered Bank																				
Issue Currency	U.S. dollars																				
Issue Size	US\$300,000,000																				
Issue Price	100.00 per cent. of the Issue Size																				
Rate of Interest	4.50 per cent. per annum (the “ Initial Rate of Interest ”) subject to each Interest Rate Adjustment and the occurrence of an Interest Rate Adjustment Cessation Event.																				
Interest Rate Adjustment	<p>Provided that no Interest Rate Adjustment Cessation Event has occurred:</p> <p>(a) if the rating of the Drawdown Notes from one or both of Moody’s or S&P (or, if applicable, any Substitute Rating Agency) is downgraded to a rating set forth in the table below applicable to that Rating Agency, the Rate of Interest will increase from the Initial Rate of Interest by an amount equal to the sum of the percentages per annum set forth in the following tables opposite the then current revised ratings assigned to the Drawdown Notes by the Rating Agencies, provided that the Rate of Interest shall not at any time exceed 1.00 per cent. above the Initial Rate of Interest:</p> <table border="1" data-bbox="751 1272 1259 1608"> <thead> <tr> <th>Moody’s Rating</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Ba1</td> <td>0.25%</td> </tr> <tr> <td>Ba2</td> <td>0.50%</td> </tr> <tr> <td>Ba3</td> <td>0.75%</td> </tr> <tr> <td>B1 or below</td> <td>1.00%</td> </tr> </tbody> </table> <table border="1" data-bbox="751 1675 1259 2011"> <thead> <tr> <th>S&P Rating</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>BB+</td> <td>0.25%</td> </tr> <tr> <td>BB</td> <td>0.50%</td> </tr> <tr> <td>BB-</td> <td>0.75%</td> </tr> <tr> <td>B+ or below</td> <td>1.00%</td> </tr> </tbody> </table> <p>(b) if at any time the Rate of Interest has been adjusted upwards and either of the Rating Agencies subsequently upgrades its rating</p>	Moody’s Rating	Percentage	Ba1	0.25%	Ba2	0.50%	Ba3	0.75%	B1 or below	1.00%	S&P Rating	Percentage	BB+	0.25%	BB	0.50%	BB-	0.75%	B+ or below	1.00%
Moody’s Rating	Percentage																				
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S&P Rating	Percentage																				
BB+	0.25%																				
BB	0.50%																				
BB-	0.75%																				
B+ or below	1.00%																				

	<p>of the Drawdown Notes, the Rate of Interest on the Drawdown Notes will be further adjusted (and decreased, if appropriate) such that the Rate of Interest equals the Initial Rate of Interest plus (if applicable) an amount equal to the sum of the percentages per annum set forth opposite the ratings in the tables above with respect to the then current revised ratings assigned to the Drawdown Notes by the Rating Agencies, provided that the Rate of Interest shall not at any time be less than the Initial Rate of Interest. If Moody's or any Substitute Rating Agency subsequently increases its rating on the Drawdown Notes to "Baa3" (or its equivalent if with respect to any Substitute Rating Agency) or higher and S&P or any Substitute Rating Agency subsequently increases its rating on the Drawdown Notes to "BBB-" (or its equivalent if with respect to any Substitute Rating Agency) or higher, the Rate of Interest shall be decreased to the Initial Rate of Interest.</p> <p>Upon the occurrence of an Interest Rate Adjustment Cessation Event, (a) the Rate of Interest shall be reset to the Initial Rate of Interest and (b) no subsequent Interest Rate Adjustment shall apply to the Drawdown Notes, in each case with effect from (and including) the next interest payment date immediately following the date of the notification referred to therein.</p> <p>"Interest Rate Adjustment Cessation Event" means (a) the occurrence of a public announcement by both Rating Agencies (or, in the case where either Rating Agency has ceased to make and publish a rating of the Drawdown Notes, the remaining Rating Agency only) of an increase in the rating of the Drawdown Notes to at least Baa1 (in the case of Moody's) and/or BBB+ (in the case of S&P), in each case with a stable or positive outlook and (b) the provision of a notification by the Issuer to the holders and the trustee, accompanied by a certificate signed by two directors of the Issuer, confirming that such ratings increase has taken place.</p> <p>"Rating Agencies" means each of Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P").</p> <p>"Substitute Rating Agency" means any "nationally recognized statistical rating organization" selected by the Issuer as a replacement agency for either S&P or Moody's, as the case may be.</p>
Pricing Date	11 August 2020
Issue Date	18 August 2020
Issuer Optional Redemption	<p>The Issuer may redeem the Drawdown Notes in whole but not in part at any time before 18 July 2025 on giving not less than 30 nor more than 60 days' notice to the holders of the Drawdown Notes at a redemption price equal to the principal amount of the Drawdown Notes redeemed plus (i) an applicable premium, calculated as of the redemption date, equal to the then present value of all required remaining scheduled interest payments due on such Notes to the maturity date of the Drawdown Notes, and (ii) accrued and unpaid interest, if any, to (but not including) the redemption date.</p> <p>In addition, the Issuer may redeem the Drawdown Notes in whole but not in part at any time on or after 18 July 2025 on giving not less than 30 nor more than 60 days' notice to the holders of the Drawdown Notes at a redemption price equal to the principal</p>

	amount of the Drawdown Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date.
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The Company currently intends to use the net proceeds from the Drawdown Notes for refinancing short term and long term indebtedness, working capital and general corporate purposes.

An application will be made by the Company to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for the listing of and permission to deal in the Drawdown Notes and such permission will be granted when the Drawdown Notes have been admitted to the Official List of the SGX-ST, which is expected to be on or about 19 August 2020.

DEFINITIONS

In this announcement, the following terms have the meanings set forth below unless the context requires otherwise:

“Board”	the board of directors of the Company
“Company”	Li & Fung Limited, a company incorporated in Bermuda with limited liability
“Drawdown Notes”	the US\$300,000,000 4.50 per cent. notes due 2025 offered and to be issued by the Company pursuant to a drawdown under the Programme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Programme”	US\$2 billion medium term note and perpetual securities programme established by the Company on 11 October 2016
“Subscription Agreement”	the subscription agreement entered into between the Company and the Joint Lead Managers on 11 August 2020 in connection with the issue of the Drawdown Notes
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“United States”	the United States of America
“US\$”	U.S. dollar(s), the lawful currency of the United States

William FUNG Kwok Lun
Group Chairman, Li & Fung Limited

Hong Kong, 11 August 2020

As at the date of this announcement, the Directors of the Company include William Fung Kwok Lun, Spencer Theodore Fung, Joseph C. Phi, Edward Lam Sung Lai, Ming Zhi Mei and Wenjing Zhuge.