

Li & Fung hosts Analyst Day to discuss new Three-Year Plan (2017-2019)

- Goal is to create the Supply Chain of the Future
- The focus is on speed, innovation and digitalization to help brands and retailers navigate the digital economy

Hong Kong, 30 March 2017 – Li & Fung Limited (“Li & Fung,” “the Group,” or “the Company;” SEHK: 494), today will host an Analyst Day in its headquarters to showcase its new Three-Year Plan (2017-2019).

The new Three-Year Plan represents the Company’s continuing business transformation with the goal of creating the Supply Chain of the Future and helping brands and retailers to better respond to consumer trends and navigate the digital economy. At its core is a focus on three key themes of speed, innovation and digitalization.

Spencer Fung, Group CEO of Li & Fung, said “We have taken a zero-based approach to imagining the future of retail and how we can best support our customers. Our vision is to build the Supply Chain of the Future, help our customers navigate the digital economy, and strive to improve the lives of a billion people in the supply chain. Speed, innovation, and digitalization of the supply chain are at the heart of our plan. We have also realigned our leadership team, reorganizing into two new divisions to bring more innovative solutions to our customers and suppliers. I am more excited and optimistic about our business prospects than ever before.”

Overview of the Three-Year Plan (2017-2019) and discussion points at the Analyst Day

As it creates the supply chains of the future, the Company is focused on speed, innovation and digitalization to help its customers enhance their business performance and differentiate their product offering for consumers.

Today’s Analyst Day will include presentations from senior executives of Li & Fung, including an overview of the forward direction of the business and strategic initiatives.

Speed

The Company said speed is crucial in meeting the needs of its brand and retail customers who are operating on shorter lead times, placing smaller orders and requiring greater flexibility in inventory replenishment. The Company is therefore focused on being more agile and producing results more quickly by simplifying processes, using technology and embracing new ways of working with its customers and other industry partners.

To do this the Company will focus on simplifying its business and using productivity initiatives to drive internal agility. This is expected to result in shorter lead times for customers competing in the digital economy and productivity gain reducing operating costs for the Company.

Innovation

The Company is focused on creating innovative solutions for customers to address the ever-changing needs of their consumers with solutions to maximize the value from their supply chain and differentiated products that delight the consumers. The Company is embedding innovation not only into its product and service offerings but also in its business models and ways of working with its customers and other ecosystem partners, enabling a culture of open innovation and collaboration.

To do this the Company will focus on new ways of working, partnering for new products, and new business models which feature supply chain solutions for customers and vendors. This is expected to result in long-term growth over the course of the Three-Year Plan.

Digitalization

In order to achieve speed and innovation the Company’s goal is the digitalization of the entire supply chain. The Company aims to digitalize all key aspects of the supply chain from product development, material costings, and sampling, to the final creation and delivery of products. This end-to-end platform will make

customers' processes more seamless, efficient and cost effective and enable the Company to deliver data-driven insights as well as customized services to brands and retailers.

"Our focus on speed, innovation and digitalization will not only enhance our customers' speed to market allowing for cost savings and fewer markdowns with improved products, it will also offer tremendous data-driven insights resulting in better commercial decisions for our customers, productivity gains and improved operating cash flow for our customers as well as efficiencies for Li & Fung. Also, the culture of innovation and collaboration that we are creating across our organization will empower our people to experiment and collaborate on new ideas, allowing us to capture new business opportunities and enhance our top line growth," said Spencer Fung.

Further Simplification of the Business

As a continuation of the drive to simplify the business, and in an immediate first step in the implementation of the new Three-Year Plan, the Company also announced it will reorganize into two major divisions, focused on services (supply chain solutions and logistics solutions) and products (three product verticals and onshore wholesale businesses).

The Company expects this focus will allow each area the autonomy to plan for growth and bring greater efficiency and productivity for Li & Fung as a whole. Further it will allow the businesses to create enhanced solutions for its existing and target customers as well providing differentiated and innovative products.

Spencer Fung concluded, "The next three years will be one of the most exciting periods we have embarked on. As an organization we are fully aligned and focused on the continued transformation and growth of our business. We are well on the way with our plans to digitalize the supply chain, allowing us to create an ecosystem that benefits all our stakeholders. We are confident that our strategic initiatives and reorganization will enable us to drive long-term success for our business and sustain our position as a global supply chain leader well into the future."

Additional Information

For additional information, please refer to the materials posted on the Company's dedicated Three-Year Plan website <https://threeyearplan.lifung.com> which is also accessible via the Li & Fung website www.lifung.com.

About Li & Fung Limited

Li & Fung (SEHK: 494), the Hong Kong-headquartered multinational group, is the world's leader in consumer goods design, development, sourcing and logistics. It specializes in responsibly managing supply chains of high-volume, time-sensitive goods for leading retailers and brands worldwide, in more than 250 offices across 40 economies.

For more information, please visit www.lifung.com

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