

24 April 2020

Privatisation by way of scheme of arrangement

Disclosure of dealings in the shares of Li & Fung Limited

The Executive received the following disclosure of securities dealings pursuant to Rule 22 of the Hong Kong Code on Takeovers and Mergers:

Party	Date	Purchase / Sale	Number of shares	Price per share	Resultant balance (including those of any person with whom there is an agreement or understanding)	Percentage of class (including those of any person with whom there is an agreement or understanding)
Silchester International Investors LLP	24 April 2020	Sale	6,202,000	\$1.1200	1,095,337,355	12.8276%
		Sale	178,000	\$1.1250	1,095,159,355	12.8255%
		Sale	2,116,000	\$1.1300	1,093,043,355	12.8007%
		Sale	68,000	\$1.1350	1,092,975,355	12.7999%
		Sale	3,866,000	\$1.1400	1,089,109,355	12.7546%

End

Note:

1. Silchester International Investors LLP ("Silchester") has confirmed that (a) the closing balance and percentage of shares of Li & Fung Limited under its management and control on the above date was 931,572,000 shares (representing 10.9%); (b) the difference between the balance and percentage stated above and Table 2(a) includes, as required by the Executive, 29,506,000 other shares (representing 0.3%) which are instead under the separate management and control by Edgbaston Investment Partners LLP ("Edgbaston" - see separate Addendum) and 128,031,355 other shares (representing 1.5%) which are instead under the separate management and control by Sanderson Asset Management LLP ("Sanderson" - see separate Addendum). The trades reported on this disclosure represent shares in Li & Fung Limited that were sold by Edgbaston in its capacity as investment manager for Edgbaston's clients and shares sold by Sanderson in its capacity as investment manager for Sanderson's clients.
2. Silchester International Investors LLP is a Class (6) associate connected with the Offeree company.
3. Dealings were made for the account of discretionary investment clients.
4. Silchester International Investors LLP is ultimately owned by Stephen C. Butt.

Silchester International Investors LLP

Information on Disclosures of Dealings in the Shares of Li & Fung Limited (“Li & Fung” – 494 HK) made pursuant to Rule 22 of the Hong Kong Code on Mergers and Takeovers

Silchester International Investors LLP (“**Silchester**”) has filed disclosures of dealings in the ordinary shares of Li & Fung on the basis of aggregating shares that are controlled by Edgbaston Investment Partners LLP (“**Edgbaston**”) and Sanderson Asset Management LLP (“**Sanderson**”) with those controlled by Silchester. Silchester has certain connections with Edgbaston and Sanderson but Silchester is not involved in Edgbaston’s or Sanderson’s investment management business or implementation.

As of the close of business on 24th April 2020:

- Silchester was able to exercise control over 931,572,000 ordinary shares of Li & Fung, representing approximately 10.9% of Li & Fung’s share capital.
- Edgbaston was able to exercise control over 29,506,000 ordinary shares of Li & Fung, representing approximately 0.3% of Li & Fung’s issued share capital.
- Sanderson was able to exercise control over 128,031,355 ordinary shares of Li & Fung, representing approximately 1.5% of Li & Fung’s issued share capital.

The aggregate holdings controlled by Silchester, Edgbaston and Sanderson respectively produces a total of 1,089,109,355 ordinary shares of Li & Fung, representing approximately 12.75% of Li & Fung’s issued share capital. If Edgbaston or Sanderson purchases or sells any Li & Fung shares on behalf of their respective clients during the offer period, it will notify Silchester, and Silchester will disclose these transactions. Silchester notes that it is not required to aggregate Edgbaston’s or Sanderson’s holdings of Li & Fung shares for non-takeover related Hong Kong disclosures.

Silchester wishes to ensure that current and potential shareholders in Li & Fung are aware Silchester does not have any voting control in respect of the shares controlled by Edgbaston or Sanderson.



Silchester International Investors LLP

Silchester has been appointed as the investment manager for five collective investment schemes. In this capacity, Silchester is given full discretion over the investments held by these collective investment schemes and Silchester is empowered to vote on their behalf. The underlying unitholders in each collective investment scheme are prohibited from exercising any control over any shares held by the collective investment schemes. Silchester is a UK limited liability partnership. Silchester has 17 legal members that are individuals (also referred to as “**working partners**”). It has one legal member that is a corporation, Silchester Continuation Limited (“**SCL**”). SCL has provided 100% of Silchester’s regulatory capital and holds more than 90% of its aggregate capital. SCL, in turn, is more than 90% owned by Silchester Partners Limited (“**SP Ltd**”). Stephen C. Butt and his family control more than 50% but less than 75% of SP Ltd’s issued share capital.

Silchester is indirectly related to Edgbaston and Sanderson by virtue of the fact that SP Ltd has an indirect economic interest in Edgbaston and Sanderson as well as in Silchester. However, Silchester, SCL and SP Ltd are not involved in Edgbaston’s or Sanderson’s day to day investment management business or implementation and cannot exercise any proxy voting authority over the Li & Fung shares controlled by Edgbaston or Sanderson.

Edgbaston Investment Partners LLP

Edgbaston Investment Partners LLP is a UK based investment management firm. Edgbaston has been appointed as the investment manager for two collective investment schemes. In this capacity, Edgbaston is given full discretion over the investments held by these collective investment schemes and is empowered to vote on their behalf. The underlying unitholders in each collective investment scheme are prohibited from exercising any control over any shares held by the collective investment schemes. Edgbaston is a UK limited liability partnership. One member of the limited liability partnership is a corporation, Edgbaston Partners Limited (“**EPL**”). EPL has provided 100% of Edgbaston’s regulatory capital and holds more than 90% of its aggregate capital.

As regards the ownership of EPL, Edgbaston current and former employees and working partners own 100% of EPL’s Class B shares which represent 50.1% of EPL’s issued share capital. SP Ltd owns 100% of EPL’s Class A shares which represent 49.9% of EPL’s issued share capital. Except in the case of restricted matters that could materially impact the rights of minority shareholders, SP Ltd has agreed to limit its voting rights on any resolution proposed at any general



meeting of all EPL's shareholders to a maximum of 9.9% of the voting rights capable of being cast at such general meeting. Significant differences also exist between the rights provided to each class of shares. Class B shareholders are entitled, in perpetuity:

- To name and dismiss a majority of EPL's board of directors and appoint EPL's chairman; and,
- To exercise day to day management and control over EPL's business including exercising control over issues related to Edgbaston's day to day investment management business and operations.

Charu Fernando and her family own more than 50% but less than 75% of EPL's Class B shares. As such, Mrs. Fernando controls EPL. Mrs. Fernando is also the Chairman and Chief Investment Officer of Edgbaston and is responsible for Edgbaston's day to day business and operations.

Silchester, SP Ltd and SCL (on the one hand) and EPL and Edgbaston (on the other) have no common employees or working partners.

Mr. Ray Cheung is a Senior Partner and the Head of Administration of Silchester, an EPL Director, and a member of Edgbaston's executive committee (the other members being working partners in Edgbaston). Other than Mr. Cheung in his capacity as SP Ltd's nominee on the board of EPL and EPL's current designated representative in Edgbaston's executive committee, there is no overlap in directors, senior management, investment and portfolio managers, working partners or other employee positions between Silchester, SP Ltd, SCL (on the one hand) and EPL and Edgbaston (on the other).

Edgbaston's supervisory group discussions are limited to its partnership operations, not including particular investments made or to be made by Edgbaston on behalf of Edgbaston's collective investment schemes; these are discussed only by Edgbaston's employees and working members. Mr. Cheung is not involved, directly or indirectly, in the day to day activities of EPL or Edgbaston.

Sanderson Asset Management LLP

Sanderson Asset Management LLP ("**Sanderson**") is a UK based investment management firm. Sanderson has been appointed as the investment manager for a

number of collective investment schemes and separate account clients. In this capacity, Sanderson is given full discretion over the investments held by these collective investment schemes and/or separate account clients and is empowered to vote on their behalf. The underlying unitholders in each collective investment scheme are prohibited from exercising any control over any shares held by the collective investment schemes. Sanderson is a UK limited liability partnership. One member of the limited liability partnership is a corporation, Sanderson Partners Limited (“**SAM Ltd**”). SAM Ltd has provided 100% of Sanderson’s regulatory capital and holds more than 90% of its aggregate capital.

As regards the ownership of SAM Ltd, Sanderson current and former employees and working partners own 100% of SAM Ltd Class B shares which represent 50.1% of SAM Ltd’s issued share capital. SP Ltd owns 100% of SAM Ltd’s Class A shares which represent 49.9% of SAM Ltd’s issued share capital. Except in the case of restricted matters that could materially impact the rights of minority shareholders, SP Ltd has agreed to limit its voting rights on any resolution proposed at any general meeting of all SAM Ltd’s shareholders to a maximum of 9.9% of the voting rights capable of being cast at such general meeting. Significant differences also exist between the rights provided to each class of shares. Class B shareholders are entitled, in perpetuity:

- To name and dismiss a majority of SAM Ltd’s board of directors and appoint SAM Ltd’s chairman; and,
- To exercise day to day management and control over SAM Ltd’s business including exercising control over issues related to Sanderson’s day to day investment management business and operations.

Tim Sanderson and his family and related parties own more than 50% but less than 75% of SAM Ltd’s Class B shares. As such, Mr. Sanderson controls SAM Ltd. Mr. Sanderson is also the Chairman and Chief Investment Officer of Sanderson and is responsible for Sanderson’s day to day business and operations.

Silchester, SP Ltd and SCL (on the one hand) and SAM Ltd and Sanderson (on the other) have no common employees or working partners.

Mr. Tim Linehan is a Senior Partner and the Head of Operations of Silchester, a SP Ltd director, a SCL director and a member of Silchester’s Supervisory Group. Mr. Linehan is also a SAM Ltd Director, and a member of Sanderson’s supervisory group (the other members being working partners in Sanderson). Other than Mr. Linehan in his capacity as SP Ltd’s nominee on the board of SAM Ltd and SAM Ltd’s current designated representative in Sanderson’s supervisory group, there



is no overlap in directors, senior management, investment and portfolio managers, working partners or other employee positions between Silchester, SP Ltd, SCL (on the one hand) and SAM Ltd and Sanderson (on the other).

Sanderson's supervisory group discussions are limited to its partnership operations, not including particular investments made or to be made by Sanderson on behalf of Sanderson's collective investment schemes and separate account clients; these are discussed only by Sanderson's employees and working members. Mr. Linehan is not involved, directly or indirectly, in the day to day activities of SAM Ltd or Sanderson.