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## **LI & FUNG LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 494)**

### **NEW SOURCING ARRANGEMENT WITH WAL-MART STORES, INC.**

The Board announces that on 20 September 2012, the Company and its wholly-owned subsidiary, Direct Sourcing Group Pte. Ltd., entered into a new agency agreement with Wal-Mart Stores, Inc. that supersedes the previous buying agency agreements made on 28 January 2010. At the same time, the Option Agreement pursuant to which Wal-Mart Stores, Inc. had the option to purchase all of the shares of Direct Sourcing Group Pte. Ltd. was terminated.

Reference is made to the announcement of Li & Fung Limited (the “Company”, together with its subsidiaries, the “Group”) dated 28 January 2010 (the “Previous Announcement”) in relation to the sourcing arrangements with the Wal-Mart Group. Capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement unless the context requires otherwise.

The board of directors (the “Board”) of the Company announces that on 20 September 2012, the Company and its wholly-owned subsidiary, Direct Sourcing Group Pte. Ltd. (“DSG”) entered into a new agency agreement with Wal-Mart Stores, Inc. that supersedes the previous buying agency agreements made on 28 January 2010. At the same time, the Option Agreement pursuant to which Wal-Mart Stores, Inc. had the option exercisable on or after 1 January 2016 to purchase all of the shares of DSG was terminated.

Under the new agency agreement and related agreements, DSG will continue as the primary direct resource for Sam’s Club in the United States and will continue to provide buying agency services to Walmart U.S. and certain Walmart International markets on a category-specific basis on terms similar to those under the previous buying agency agreements. The new agency agreement will continue for a period of five years with an option to extend for an additional two years upon written mutual consent.

In addition to the new agency agreement, the Group through another of its trading subsidiaries will trade with Walmart International markets on a principal to principal basis. The move to a supplier relationship will allow the Group to provide Walmart International markets with design, replenishment and other services that could not be provided as a buying agent.

Wal-Mart is now one of the Group's largest customers and the Directors are confident that the new agency agreement will allow the Group to build on this relationship.

As at the date of this announcement, the Board comprises the following Directors:

*Non-executive Directors:*

Victor Fung Kwok King  
(Honorary Chairman)  
Paul Edward Selway-Swift\*  
Allan Wong Chi Yun\*  
Franklin Warren McFarlan\*  
Martin Tang Yue Nien\*  
Benedict Chang Yew Teck  
Fu Yuning\*

*Executive Directors:*

William Fung Kwok Lun (Group Chairman)  
Bruce Philip Rockowitz (Group President &  
Chief Executive Officer)  
Spencer Theodore Fung  
(Group Chief Operating Officer)

\* Independent Non-executive Directors

By Order of the Board  
**William FUNG Kwok Lun**  
Group Chairman

Member of the LI & Fung Group



Hong Kong, 20 September 2012

Websites: [www.lifung.com](http://www.lifung.com)  
[www.irasia.com/listco/hk/lifung](http://www.irasia.com/listco/hk/lifung)