

Fung Investments Makes US\$35 Million Investment in Digital Retail Startup ShopX

Hong Kong, 7 August 2018 – Fung Strategic Holdings Limited (“FSH”), a member of Fung Investments, today announced a US\$35 million investment in India's leading B2B e-commerce company ShopX. Fung Investments is the private investment arm of the families of Dr. Victor Fung and Dr. William Fung, the controlling shareholders of the Fung Group.

This transaction comes on top of recent Fung Group initiatives and investments in new technologies including: a partnership with Tencent-backed WeDoctor to create an e-commerce platform connecting China's myriad of hospitals with medical device manufacturers and service providers to centrally procure medical devices, consumables and services; a partnership with JD.com, China's largest retailer, to develop AI-driven retail solutions; and a new innovation lab with Shima Seiki, the Japanese company behind the world's most advanced computerized flat knitting machines, to conduct specialised materials R&D.

Founded by Amit Sharma and Apoorva Jois in May 2015, ShopX is a technology platform that connects India's consumers and small merchants with brands and suppliers directly to purchase products and services. ShopX's primary vision is to digitally transform the 12 million small merchants across India and build an e-commerce platform for ordering, delivery, payments and localised customer support.

Recent research estimates India's retail market is set to reach US\$1.1 trillion by 2020¹. Small-to-medium sized businesses play a very important role for the Indian economy, making up about 90% of the retail sector and up until today remain 'offline' in small villages and towns serving the local surrounding population. ShopX aims to be the preeminent e-commerce platform serving more than 12 million small merchants across India, enabling everything from ordering to delivery, payments, localized customer support, and more. ShopX has experienced rapid growth and as of today it covers 50,000 retailers in more than 300 locations across the country.

Nandan Nilekani, a leading entrepreneur and investor, has been an early investor in ShopX supporting the company from inception with over US\$18 million in personal investment and active mentorship.

According to Nandan Nilekani: “The ShopX model provides small retailers access to the same cutting-edge technology and supply chain solutions as any established e-commerce or organized retailer. This access provides an onboarding ramp into the formal economy for millions of India's small retailers and the next 400 million consumers. ShopX has been built on scalable and sound business principles like platform thinking, capital efficiency and a sustainable growth model. We are very excited to welcome the Fung Group into ShopX, and look forward to expanding the platform with their investment and strategic synergies.”

Victor Fung, Chairman of Fung Group, said: “This is one of a series of investments the Fung Group and its companies are making to advance new, disruptive technologies shaping the future of retail and supply chain. ShopX is combining technology and an innovative business model to transform the traditional retail model in India. Given the country's sheer population size and rising consumer spending power, not only do we see tremendous opportunity in India, but also the successful application of this model to other parts of the region.”

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¹ India Services Sector: a multi-trillion dollar opportunity for global symbiotic growth (April 2017)
<https://www2.deloitte.com/content/dam/Deloitte/in/Documents/industries/in-india-services-sector-ges-2017-noexp.pdf>

About Fung Strategic Holdings Limited

FSH is a part of Fung Investments, the private investment arm of the families of Dr. Victor Fung and Dr. William Fung, the controlling shareholders of the Fung Group. Other investments under FSH include IDS Medical Systems, Fung Fashion and Heritage Foods.

About Fung Group

Fung Group is headquartered in Hong Kong and operates across the entire global supply chain for consumer goods from design and development, to sourcing, logistics, distribution and retail. It comprises 40,000 people working in more than 40 economies worldwide. With a rich history and heritage in export trading and global supply chain management that dates back to 1906, the Fung Group traces the story of how Hong Kong and the Pearl River Delta emerged as one of the world's foremost manufacturing and trading regions. The Group is focused on creating the supply chain of the future to help brands and retailers navigate the digital economy while also exploring new opportunities for business growth through strategic innovation in new products, retailing and market expansion for brands on a global scale.

Listed entities of the Group include Li & Fung Limited (SEHK: 00494), Global Brands Group Holding Limited (SEHK: 00787), Convenience Retail Asia Limited (SEHK: 00831) and a shareholding in Trinity Limited (SEHK: 00891). Privately-held entities include LH Pegasus, Branded Lifestyle Holdings Limited, Fung Kids Fashion (Holding) Limited, Toys "R" Us (Asia) and Suhyang Networks.

For more information, please visit www.funggroup.com.

About ShopX

ShopX (a brand and platform owned and operated by "10i Commerce Services Private Limited") is building an India-centric infrastructure for commerce for the "next 400 Million" people. It believes that the next wave of growth and market expansion for digital retail in India will come not from the traditional eCommerce model, but rather from a new "digital offline" model which has the potential to be around 20% of the \$1.5 Trillion consumption space by 2025.

In this model, ShopX is targeting to enable 1 Million Small Retailers as digital hubs for ordering, delivery, returns and customer service for 400 Million consumers. The model combines themes of aggregation of small businesses into a network, enabling B2B and B2B2C Commerce and Credit, backed by a scalable and sustainable business model, and technology led platform thinking.

ShopX believes in inclusive and sustainable growth for all ecosystem partners and stakeholders. It also carries out a number of socially responsible activities for the betterment of lives of small retailers and their families.