

Fung Group makes its third appearance at CIIE to showcase a future-ready global supply chain innovation ecosystem

- *Fung Group showcases innovation shaping the future of digital supply chains in the post-epidemic era such as a new on-demand knitwear digital design and manufacturing platform and smart logistics and automated warehouse management in the Trade in Services exhibition area.*
- *Fung Group signs a memorandum of strategic cooperation with KidsWant to jointly explore growth opportunities in China's new family market.*
- *Fung Group releases its "Dual Circulation Series" and "Country Sourcing Report" to share insights into China's consumer and retail markets and help industry partners seize new opportunities.*

Shanghai, 6 November 2020- Fung Group, a global leader in supply chain solutions for consumer goods, joined the 3rd China International Import Expo (CIIE) in Shanghai from November 5th to 10th. Taking up a total of 360 sqm exhibition area in Trade in Services area of Hall 8.2 (Booth No.: B2-01, B3-01), Fung Group conceptualized five experiential zones for visitors: Supply Chain, Innovation, Logistics, Retailing, and IP Licensing, showcasing its digital journey in future supply chain management.

In preparing for the post-pandemic era, companies across the globe are accelerating smart supply chain transformation and building resilience to transform their businesses. As external uncertainties are likely to persist, the best strategy for companies is to optimize the allocation of their resources globally, strengthen upstream and downstream collaborations, and drive digital innovations to improve the efficiency of global supply chains.

Stephen Fung, Fung Group China President, said: "Since the outbreak of COVID-19, the Chinese market has shown huge growth potential even in times of great uncertainty. We saw this in its response to the pandemic and now it has emerged stronger in its economic recovery and growth. For supply chains, we have witnessed advanced technologies such as artificial intelligence and big data, both key driving forces to deliver end-to-end solutions from design, sourcing, production, logistics to retail, optimizing the allocation of global resources in response to market needs through the global supply chain.

"An industry leader with a legacy of over 114 years, Fung Group has always been committed to leading industry transformations to build a future-ready global supply chain. Through CIIE, we aim to showcase the group's integrated resources and competitive advantages, to continue to deepen cooperation with local and global brands, and help our partners shape a more sustainable future. We remain committed in this relentless pursuit of building a more resilient global supply chain and driving inclusive growth of the industry."

Driving efficiency with smart integrated offerings under Fung Group

Faced with evolving demands under the new normal, Fung Group unveiled its latest smart solutions at CIIE this year. This includes 'COBALT's on-demand knitwear digital design and manufacturing platform' which supports the creation and manufacturing of highly customized products, leveraging advanced AI and virtual design technology. By connecting the knitting machines around the world, the platform shortens the entire process from design to manufacturing from a traditional 10 months to just 2 weeks.

Another innovative solution on display is the "smart logistics and automated warehouse management" designed by Li & Fung Logistics. Equipped with integrated advanced technologies such as RFID, automated sorting robotic arms, and visual autonomous mobile

freight robots, it brings automated logistics future solutions to life - fast, accurate, reliable, flexible and cost efficient.

In addition, about a hundred licensees from diversified businesses were invited by KTL Licensing, a member of Fung Group, to discuss successful cases of tailored solutions and future trends in IP licensing and co-branding opportunities. Popular IP licensed characters such as Snoopy and Hello Kitty also appeared at the booth, highlighting the Group's vast management expertise and experience with an array of day-to-day consumer items.

Deeply rooted in China to lead the innovation of supply chains for both domestic and international markets

CIIE offers a platform for organizations around the world to come together and form lasting partnerships. At this year's expo, Fung Group's subsidiary, Fung Kids, signed a memorandum of understanding with KidsWant, a leading omnichannel maternity-infant-children retailer in China. This signifies an elevated collaboration between both parties, reflecting Fung Group's continuing efforts in helping brands unleash their full potential in response to the rising demands of China's young families with high-quality, diversified products and services.

Meanwhile, Fung Business Intelligence, which collects, analyzes, and interprets market data on global sourcing, supply chains, distribution, retail, and technology, released two research reports during CIIE. The latest issue of "Country Sourcing Report" gives comprehensive coverage of cost, speed, compliance, and production capacity among major sourcing countries. It also identifies five forces shaping the future of fashion sourcing.

A newly launched "Dual Circulation Series" provides insights into opportunities available to domestic and foreign businesses under China's new "dual circulation" development mode. The series aims specifically to look at new initiatives and policies to help export manufacturers overcome institutional barriers to sell in China's domestic market, as well as policies to further open the domestic market to foreign players, including in southern China's Greater Bay Area.

A legacy of more than 100 years, connecting the world through smart supply chain to jointly embrace prosperity

This year, Fung Group has become an official member of the CIIE Exhibitor's Alliance, a clear testament of Fung Group's leadership position. Membership of the Alliance presents more opportunities to grow and collaborate with our partners to jointly promote trade partnerships between China and the world.

Victor Fung, Chairman of Fung Group, said: "With more than a 100-year legacy rooted in China, Fung Group has always been committed to embracing development opportunities in China with an open mind to offer high-quality products and services as we unlock value through our smart global supply chain. In the future, Fung Group shall continue to focus on the development of the Chinese market with strong knowledge and expertise refined over many decades, to support and empower emerging or established businesses in China to build safer, more efficient and resilient supply chains as we jointly embrace prosperity together. "

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About Fung Group

Fung Holdings (1937) Limited, a privately-held business entity headquartered in Hong Kong, is the major shareholder of the Fung Group of companies, whose core businesses operate

across the entire global supply chain for consumer goods including sourcing, logistics, distribution and retail. The Fung Group comprises over 34,000 people working in more than 40 economies worldwide. We have a rich history and heritage in export trading and global supply chain management that dates back to 1906 and traces the story of how Hong Kong and the Greater Bay Area emerged as one of the world's foremost trading and innovation hubs. We are focused on both creating the Supply Chain of the Future to help brands and retailers navigate the digital economy as well as creating new opportunities, product categories and market expansion for brands on a global scale.

For more information, please visit www.funggroup.com

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