

Fung Group Invests in Digital Transformation and Signs Multi-Year Hybrid Cloud and IT Services Agreements with IBM

Leveraging IBM services, Fung Group will move to the cloud and modernize its IT to create a flexible and user-friendly IT infrastructure that will allow the leading global supply chain group to enable the future of work

Hong Kong – Jan 29, 2021 – IBM and the Fung Group today announced a multi-year agreement to support the global supply chain leader's transformation of its IT infrastructure, enabled by hybrid multicloud and supported by IBM Global Technology Services (GTS).

The Fung Group, operating in more than 40 markets and across the entire global supply chain for consumer goods including sourcing, logistics, distribution and retail, is focused on creating the supply chain of the future. To power that vision, the Group is consolidating, modernizing and optimizing its IT infrastructure with hybrid multicloud capabilities from IBM, creating an agile, IT-as-a-Service technology framework that will enable its long-term business transformation.

IBM GTS will support Fung Group's move to flexible, scalable and secure IT operations that are business and user-centric, by leveraging a secure and open hybrid multicloud model to exploit the fast-paced opportunities of a digital economy. The move will help unlock the benefits of agility and flexibility from full cloud adoption and cost structure transformation, fueling business growth. IBM will also provide ongoing IT support for the Group's 30,000 employee end-users located across 280 office locations.

The new agreement builds upon a long-standing relationship between IBM and Fung Group. In 2019, Fung Group began to leverage the IBM IT Service Desk function and most recently, a member of the Group signed an agreement to use IBM's Application Management Services (AMS) to optimize its Enterprise Resources Planning capabilities. The company will rely on IBM's AMS solution to optimize two sets of existing Enterprise Resource Planning applications – SAP and Microsoft Dynamics. Covering Hong Kong, Europe and the United States, the solution will also implement IBM Watson-enabled cognitive and automation capabilities to improve efficiency and accuracy of application maintenance by acting on behalf of live agents to complete simple or repetitive tasks such as regular data reports, which are copied from one location to another, to free up employees to focus on higher-value work.

"IBM demonstrated a thorough understanding of the Fung Group's strategic transformation plans to digitize our supply chain ecosystem to meet today's changing market dynamics. A more flexible and agile infrastructure, powered by a hybrid multicloud network and an enhanced infrastructure services and operations, will enable us to move closer towards realizing our vision of transforming the future of retail and supply chains. We are confident that IBM has the technology, experience, vision and skills to modernize and optimize our IT infrastructure to support the Fung Group's ambitious transformation plans," said Patrick Ho, Group Managing Director, Fung Group.

"The Fung Group has a proud 114-year legacy as a leading global supply chain orchestrator, and an inspiring vision for the future that they are boldly investing in. The digital economy presents many opportunities for the Fung Group, and by consolidating their IT, embracing hybrid multicloud, and leveraging IBM's skills and experience, the Group is able to focus on their core business with laser focus. We are honored to partner the Fung Group, and look forward to a dynamic partnership now, and well into the future, including after the 'NewCo' infrastructure services spin off from IBM," said James Zheng, General Manager, IBM Global Technology Services, Greater China Group.

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 30,000 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 Pearl River Delta emerged as one of the world's foremost manufacturing and trading regions. 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.

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

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

About IBM

For more information about IBM Hong Kong, please visit www.ibm.com/hk and the Facebook page at www.facebook.com/IBMHongKong.

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