

Fung Retailing Group and JD.com Showcase Hong Kong's First AI Checkout Experience

Circle K first to use AI-image recognition technology, reducing checkout time by 30%

Hong Kong, 13 March 2019 - Fung Retailing Group, with a network of over 3,300 stores, and JD.com, China's largest retailer, today unveiled Hong Kong's first AI-powered checkout solution in a retail store environment, a result of the strategic partnership between the retail giant and JD.com signed in 2018.

As the second pilot test experiment of the AI Boundaryless Retail Center, composed of AI and retail technology experts from Fung Retailing Group and JD.com, the AI-powered checkout solution represents the first AI checkout experience featuring image recognition technology in Hong Kong. This technology is currently installed at the A.I.Retailing Zone in two Circle K stores[^] in Hong Kong.

Designed to make the checkout experience as easy and hassle-free as possible, customers can complete the checkout process using the AI-powered checkout solution in just four seconds with three simple steps: 1) Place products on the smart checkout counter; 2) Press the A.I.Recognition (A.I.R.) button on the cashier screen to scan the products; 3) Complete payment with an Octopus card.

The advanced AI algorithm behind the solution enables the checkout counter to recognize up to five products within one second with an accuracy rate of over 97%, reducing the overall in-store checkout time by 30%.

Sabrina Fung, Group Managing Director of Fung Retailing Group, said, "This is an important milestone for Fung Retailing as the first in the industry to unveil the first AI-powered checkout pilot experience in a convenience store environment. This underscores our on-going commitment to experiment with new technologies like AI and to build partnerships like the one with JD.com to enhance the end-customer experience, further transforming the future of retail for Greater China."

Dr. Bowen Zhou, Vice President of JD.com and Head of JD's AI Platform and Research, said, "AI will continue to play a critical role in transforming the retail landscape. Retailers who are able to capitalize on this trend, will have a competitive edge among their peers. Leveraging Fung Retailing's offline retail expertise and JD.com's leading retail technology, this pilot project represents a critical first step in collectively realizing our vision for smarter and more convenient retail."

Another project from the AI partnership between Fung Retailing Group and JD.com is the facial recognition-enabled smart displays which are currently being trailed at two stores of one of the fashion retail brands under Fung Retailing Group in Shanghai, China. The facial-recognition experiment was to enhance the consumer experience by providing better insights on product

preferences to the retailer, to improve the quality of personalized product recommendations for our customers.

The A.I.Retailing Zone^ is open starting today.

^Circle K store address:

- Shop 126 1st Floor, liberte place, No. 833 Lai Chi Kok Road, Kowloon
- Shop Nos. 9-12 on Ground Floor and Unit Nos. 9-11 on First Floor, Excelsior Plaza, Yee On Building, No. 26 East Point Road, Hong Kong

Please download the pictures here: <https://drive.google.com/open?id=1ot3ZiJbklhzbr--TYTXBcLTTEE5YJckg>

About Fung Retailing Group

The retailing businesses of the Fung Group are brought together under privately-held Fung Retailing Group and extend from Greater China to the UK, France, Korea, Singapore, Malaysia, Thailand, and the Philippines through a combined network of over 3,300 stores, across 95 cities in China. Focused on the Asian consumer and authentic heritage brands they include stores operated separately and independently by publicly-listed Convenience Retail Asia Limited (SEHK: 00831) and Trinity Limited (SEHK: 00891)*, as well as the privately-held Convenience Retail Southern China, Branded Lifestyle Holdings Limited, Fung Kids (Holdings) Limited, Toys “R” Us (Asia) Limited*, Suhyang Networks Company Limited and DX Outlet. Fung Retailing Group employs over 25,000 staff across a portfolio small, mid and large box size formats in the categories of menswear to women’s fashion, toys, kids apparel, convenience stores and bakeries. Its turnover exceeds US\$3.1 billion. The Fung Group (www.funggroup.com) is a Hong Kong-headquartered multinational group whose core businesses are engaged in sourcing, logistics, distribution and traditional and digital retailing.

Note to Editors: Privately-held Fung Retailing Group is totally separate from the publicly-listed company Li & Fung Limited.

**A key stakeholder*

About JD.com, Inc.

JD.com is a leading technology driven e-commerce company and retail infrastructure service provider in China. Its cutting-edge retail infrastructure enables consumers to buy whatever they want, whenever and wherever they want it. The company has opened its technology and infrastructure to partners, brands and other sectors, as part of its Retail as a Service offering to help drive productivity and innovation across a range of industries. JD.com is the largest retailer in China, a member of the NASDAQ100 and a Fortune Global 500 company.

Press Release

FungRetailing



Media Contact

Erica Liu
FleishmanHillard Hong Kong
Tel: +852 2586 7871
Email: erica.liu@fleishman.com

Kelly Yeung
FleishmanHillard Hong Kong
Tel: +852 2586 7863
Email: kelly.yeung@fleishman.com