

Press Release

For Immediate Release

2018 Integral Conversation

fosters dialogues and addresses challenges under Industry 4.0

Hundreds of experts gathered in Guilin to discuss sustainable development in the digital era

Hong Kong, November 17, 2018 – Prominent leaders in business and academia gathered and discussed about the future of human work, the emergence of robotics, corporate leadership and sustainable practices in manufacturing to enable coexistence and shared prosperity between people and environment, in the 2018 Integral Conversation held in Guilin, China.

The annual conference was convened between November 15 and 17 under the theme "Industry 4.0: Working in Harmony". Hundreds of globally prominent business leaders, well-respected scholars, policymakers and influencers had engaging dialogues on the trends, challenges and possibilities of finding balance in the post-industrial age.

At the welcome dinner, Dee Poon, Managing Director, Brands and Distribution of Esquel Group, welcomed the guests from near and far. Hui Huang, Co-Founder and CEO of CoolCharacter Inc. and Leong Cheung, Executive Director of Charities and Community at The Hong Kong Jockey Club, had a fire-side chat with the audience to on the historical forms and cultural aspect of Chinese words and the importance to preserve the essence of such culture.

Teresa Yang, Vice Chairman of Esquel Group, kicked off the main conference of the 2018 Integral Conversation by elaborating on the relationship between Industry 4.0 and sustainability. "With the advent of the Fourth Industrial Revolution, we are undergoing transformation and changes where technology enables the migration of workforce from repetitive tasks to more meaningful value-adding activities and Big Data helps reduce waste and increase efficiency. These will help make work of the future more sustainable to both the people and the environment," Yang said.

Feng Xu, Vice-director of Standing Committee of Guilin Municipal People's Congress, extended his warm welcome to distinguished speakers and guest and encouraged a vivid exchange of knowledge and experiences on exploring new business models. Xu expressed his appreciation to Esquel Group for hosting the Integral Conversation as a platform for sharing of unique and in-depth insights.

At the **Opening Keynote "Hard Goods and Soft Truths"**, Andrew Sheng, Distinguished Fellow of Asia Global Institute at The University of Hong Kong analyzed the business case of sustainability and called for a nimble shift from dependence on "hard" bureaucracies and structures to reliance of "soft" qualities in the coping with the fast changes in trends enabled by a myriad of new technologies.



In-depth dialogues

Established in 2014 by Esquel Group, a leading global textile and apparel manufacturer, the 2018 Integral Conversation has entered its fifth year and continues to provide a platform for discussing how economic progress can proceed in harmony with the environment and society.

- The Corporate Plenary on "Leadership Amid Industry 4.0" was moderated by Hau Lee, Professor of Stanford Graduate School of Business and Chairman of Sustainability Council of Esquel Group. Speakers delved into challenges that modern industries face during this period of transformation and addressed questions about standardization versus customization, talent retention, new methods of collaboration and environmental awareness. Bonnie Tu, Chairperson of the Giant Group, emphasized workers should not be treated as just labors, and they should acquire skills that allow them to supervise robotic work. She was joined by Pan Shiyi, Chairman and Co-Founder of SOHO China, who stated that the guiding theme for modern industry should be balance of practicality and aesthetics to design and produce beauty.
- Norman Tien, Chair Professor in Microsystems Technology, Department of Electrical and Electronic Engineering, The University of Hong Kong, hosted the panel on "Al and Robotics: Tech Trends Changing the Landscape of Labor and Business" covering a wide range of topics, including latest developments of Artificial Intelligence ("AI") and how manufacturing companies can thrive in the virtual age. Antoine Blondeau, Managing Partner and Co-founder at Alpha Intelligence Capital, and Charles Sodini, LeBel Professor of Electrical Engineering at Massachusetts Institute of Technology, discussed how AI was often misused as a buzzword, and explored the integration of technology and businesses in the future considering AI and robotics. Blondeau introduced the idea of AI as a black box, and suggested that adaptability was the art of the game. Sodini explained the challenges of acquiring high-quality physiological data despite the large amount of data currently available.
- Jennifer Li, CEO and Managing Partner of Changcheng Investment Partners talked about the rapid adoption of new trends and technologies, such as mobile payment and vehicle sharing, in the Chinese market, while providing an interesting analysis of such technology adoption trends in China versus the USA.
- The "Future of Work: Transformation Towards an Inclusive Society" panel was hosted by Maxine Fu, Co-founder and Chief Executive Officer (CEO) of Yo-I Technology. The dynamic session focused on the skills required for the future workforce and education needed in the fast-changing society. Karen Thornber, Professor of East Asian Languages and Civilizations and of Comparative Literature, Victor and William Fung Director of Harvard University Asia Center, believed in empowering students with the capacity for lifelong learning. Her view was resonated by Jacob Hsu, CEO of Catalyte, who added that university education should not be seen as a path to a specific career, but a place to explore individual interests. Yongsheng Zhang, Senior Research Fellow and Chief Expert on Green Development at the Development Research Center of the State Council of PRC, Special Advisor of CCICED, elaborated on how Industry 4.0 and AI will bring about a new way of working that will release workers from futile labor.



 Jianyu Zhang, Vice President, Environmental Defense Fund hosted the panel on "Innovative Manufacturing: Industrial Sustainability." Joachim Hensch, Managing Director of HUGO BOSS Textile Industries Ltd., examined the evolving relationship between manufacturer and customer, presenting a future where overproduction can be avoided by producing clothes that directly and specifically addresses customers' needs. Jeff Zhou, Director of the Research Center for Made in China and Associate Professor of Industrial Engineering at Tongji University, talked about the difficulties in implementing "lean" systems and processes. Rounding up the panel, Steve Evans envisioned a "restorative" manufacturing model that does not only reduce waste production, but restores people's lives.

In the closing remarks for the 2018 Integral Conversation, John Cheh, Vice Chairman & CEO of Esquel Group, called for attention and actions from the distinguished speakers, guests and every one of us, to work hand in hand and strive to address the impending challenges in sustainability, especially climate change.

"At this year's conference, we foster lively discussions on exploring the new approaches and trends amongst innovative technologies, science and sustainability. I hope that the Fifth Integral Conversation has also brought us closer to answering how we can achieve sustainable development in the era of Industry 4.0," Cheh concluded.

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About Integral Conversation

Integral Conversation aims to establish an independent platform bringing together experts from a wide range of fields to explore a more holistic approach to sustainable development. The dialogue takes place in Guilin, a city known for its well-preserved stunning landscape and waters. This location provides a backdrop for the meaningful dialogues while allowing us to reflect on the future of sustainable development.

Since 2014, Integral Conversation attracts more than 300 experts every year from the public, private and academic sectors attending the annual events and discussing sustainable development in multi-facets. Past conferences explore topics including the next development model for China, sustainability and living to such basics as clothing, food, urban living and mobility, connectivity and sustainability and reimagining health.

About Integral

In 2011, Esquel Group acquired the Guilin Yinhai Textile Group, which has a company history of 53 years, and established Guilin Esquel Textiles Co. Ltd. The Esquel Group is now developing its "Integral" in Guilin. With an investment of RMB 2 billion, the Group aims to build an eco-tourism industrial park in Guilin's beautiful natural surroundings. Incorporated with the concept of "ten suchnesses", this significant new industrial base in Guilin will demonstrate a new development model for the textile industry that is human- and ecology-oriented.

About Esquel Group

Founded in 1978, Esquel Group is a global textile and apparel manufacturer with a verticallyintegrated supply chain that straddles from cotton to retailing. Esquel employs a 57,000 multinational workforce, with manufacturing facilities in China, Malaysia, Mauritius, Sri Lanka and Vietnam, and merchandising offices servicing markets worldwide. Esquel manufactures



over 100 million pieces of garments annually for leading brands including Ralph Lauren, Tommy Hilfiger and Nike.

Long an advocate in innovation, environmental protection and corporate social responsibility, Esquel aspires to make a difference in the textile and apparel industry and contribute to the well-being of a wider community.

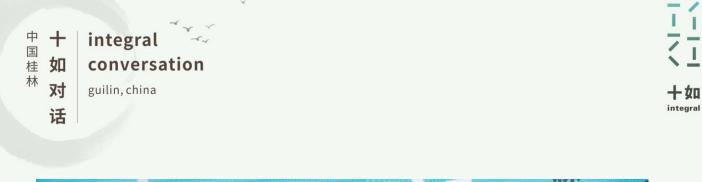
For more details, please visit <u>2018 Integral Conversation</u>.

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The 2018 Integral Conversation kicked off with a toasting ceremony on the stage.





Dee Poon, Managing Director, Brands and Distribution of Esquel Group, welcomed the dinner guests.





In welcome dinner, Hui Huang, Co-Founder and CEO of CoolCharacter Inc. discussed with Leong Cheung, Executive Director, Charities and Community of The Hong Kong Jockey Club about Chinese words and culture.









Teresa Yang, Vice Chairman of Esquel Group, set the tone for 2018 Integral Conversation in her welcoming remarks.





Feng Xu, Vice-director of Standing Committee of Guilin Municipal People's Congress, expressed his appreciation to Esquel Group for hosting the Integral Conversation as a platform sharing unique and indepth insights.

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At the opening keynote "Hard Goods and Soft Truths", Andrew Sheng, Distinguished Fellow of Asia Global Institute, The University of Hong Kong, analyzed the business case of sustainability.







[From Left] The corporate plenary on "Leadership Amid Industry 4.0" was moderated by Hau Lee, Professor of Stanford Graduate School of Business and Chairman of Sustainability Council of Esquel Group. The speakers were Shiyi Pan, Chairman and Co-founder of SOHO China and Bonnie Tu, Chairperson of Giant Group.







[From Left] Norman Tien, Chair Professor in Microsystems Technology, Department of Electrical and Electronic Engineering of The University of Hong Kong, hosted the panel on "Al and Robotics: Tech Trends Changing the Landscape of Labor and Business", with speakers Antoine Blondeau, Managing Partner and Co-founder of Alpha Intelligence Capital and Charles Sodini, LeBel Professor of Electrical Engineering of Massachusetts Institute of Technology.





Jennifer Li, CEO and Managing Partner of Changcheng Investment Partners shared technology adoption during the luncheon keynote.



[From Left] The "Future of Work: Transformation Towards an Inclusive Society" panel was hosted by Maxine Fu, Co-founder and Chief Executive Officer (CEO) of Yo-I Technology. Speakers of this panel included Jacob Hsu, CEO, Catalyte; Karen Thornber, Professor of East Asian Languages and Civilizations and of Comparative Literature, Victor and William Fung Director, Harvard University Asia Center; and Yongsheng Zhang, Deputy Director General, Department of Development Strategy and Regional Economy, Development Research Center (DRC) of the State Council of P.R. China Chief Expert, Green Development, DRC Special Advisor, China Council for International Cooperation on Environment and Development (CCICED).





[From Left] Jianyu Zhang, Vice President of Environmental Defense Fund hosted the panel on "Innovative Manufacturing: Industrial Sustainability". Speakers on the panel included: Steve Evans, Director of Research in Industrial Sustainability at the Institute for Manufacturing, Department of Engineering of Cambridge University; Joachim Hensch, Managing Director of HUGO BOSS Textile Industries Ltd.; and Jeff Zhou, Director of the Research Center for Made in China, Associate Professor of Industrial Engineering, Tongji University.

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John Cheh, Vice Chairman & CEO of Esquel Group, presented the closing remarks for 2018 Integral Conversation.









Shenyang, renowned Chinese bass-baritone singer, accompanied on piano by Gabriel Leung, Dean of Medicine from the University of Hong Kong, delivered a sweeping performance followed with a post-performance dialogue about classical music and cultural accessibility.







Hosted by Esquel Group, 2018 Integral Conversation comes to a successful end with distinguished speakers, business leaders, scholars and other key stakeholders joining the event.

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