

ECG LAUNCHES ABG GROUP A JOINT VENTURE FOR FMCG DISTRIBUTION IN VIETNAM AND CAMBODIA

Highlights

- **ECG launches ABG Group, a joint venture for FMCG distribution in Vietnam and Cambodia, together with OZ Golden Care and AusCom International**
- **Marks a key component of ECG's Core Growth Strategy, with the partnership underpinned by strategic commercial distribution arrangements and pipeline projects**

September 18, 2019 (SYDNEY): eCargo Holdings Limited (ASX: ECG) ("ECG") today announced the formation of an incorporated joint venture (ASEAN Business Group Pty Ltd ("ABG Group")) to undertake the distribution of fast-moving consumer goods ("FMCG") in Vietnam and Cambodia, in partnership with Vietnamese and Australian distributors OZ Golden Care and AusCom International, with ECG holding a 33% interest in ABG Group. The joint venture will establish offices out of Australia and Vietnam to facilitate its operations.

The goal of ABG Group is to create one of the region's most recognised professional sourcing and distribution networks that will provide end to end solutions for brands to enter and grow in the South East Asian markets, such as Vietnam and Cambodia. ABG Group will source quality FMCG goods from around the world and distribute them in the rapidly growing South East Asian markets.

ABG Group will bring together the strong, unique capabilities, market experience and resources of each joint venture partner to create a sustainable and long-term strategy for growth in these emerging markets, together providing an end-to-end market solution for brands to enter and grow in Asia.

ABG Group has entered into an agreement to distribute its first order of products in Vietnam and Cambodia, with a value of AUD1.3 million to be delivered during this month.

Mr. John Lau, Executive Chairman of ECG, said: "We're excited to be joining forces with Oz Golden Care and AusCom International to launch ABG Group, allowing us to take advantage of the rapidly growing demand in the Vietnam and Cambodia markets."

"eCargo and Metcash Asia has been selling products into Vietnam and Cambodia for some time now, and this new joint venture officially establishes a partnership which allows us to create a scalable professional sourcing and distribution network for brands looking to enter and grow in these South East Asian markets," he said. "This partnership plays an integral part in ECG's wider growth strategy," Mr. Lau said.

"As a true Online to Offline (O2O) facilitator, the rapid growth in South East Asia provides ample opportunities for first movers like ECG where we can leverage growth markets through partnerships with local experts and like-minded-businesses." Mr. Lau added.

Mr. Will Zhao, CEO of ECG, said: "ABG Group will buy, transit, distribute, manage and market FMCG, Mother and Baby products to retail channels of Vietnam and Cambodia. There is a growing demand for FMCG products, in particular to Vietnam with statistics pointing to the fact that 97 per cent of consumers in the market are actively seeking out high quality products in food and ingredients.

"This partnership will allow many of our existing strategic brands and suppliers to access these consumers in markets that we know to be growing," Mr. Zhao continued.

Mr. Zhao said: "We are absolutely thrilled to be partnering with excellent businesses as we launch this joint venture. The South East Asian markets are truly a great opportunity for ECG and this will become a very significant development for our business in the region."

About eCargo Holdings Limited

eCargo Holdings Limited is an ASX-listed company specialising in sales and marketing strategy, execution and distribution in China. With a broad range of capabilities across; logistics and fulfilment, eCommerce management and operations, Online to Offline (O2O) distribution and wholesale, as well as strategic advice.

OZ Golden Care

OZ Golden Care has a long history of sourcing and exporting to Vietnam. It will now be a part of the ABG Group formed to secure a consistency in supply chain to enable its Vietnam-based distribution business to focus in local market.

AusCom International Pty Ltd

AusCom International Pty Ltd is a 100% Australian owned and operated business, specialising in first-rate Australian products including milk powder, vitamins, honey and tea. AusCom exports to China and Asia. AusCom has partnership in China with access to over 275 Mum and Baby O2O stores. They also own and operate stores of their own under the same banner in China.

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