

## **ECG ESTABLISHES NEW STRATEGIC BUSINESS TO LAUNCH CHINA SOCIAL SHOPPING MOBILE PLATFORM**

- New social shopping mobile platform to connect more authentic, luxury to premium brands directly to consumers in China online
- New strategic investment in a joint venture with market leaders in luxury retail and premier malls in China and Hong Kong
- Strategic investment jointly led by Mr. Christopher Lau as Co-Chief Executive Officer

July 26, 2016 (HONG KONG): eCargo Holdings Limited (ASX:ECG) ("ECG") announced today the establishment of a new strategic investment, in a joint venture with Walton Brown (Hong Kong) Limited ("Walton Brown"), a company of The Lane Crawford Joyce Group.

The new joint venture, WWE & Company (BVI) Limited ("WWE"), is initially capitalised at RMB300 million [A\$60.0 million]. ECG will invest RMB60 million [A\$12.0 million] through ECG Digital Commerce Limited, a wholly-owned ECG subsidiary, for an initial 40% equity interest in MM E-commerce Limited ("MM"). MM, a company registered in Hong Kong, is a joint venture between ECG and Walton Brown. MM will in turn invest RMB150 million [A\$30.0 million] for a 50% equity interest in WWE. Novel Colour Limited ("WHL"), a wholly owned subsidiary of The Wharf (Holdings) Limited (SEHK:0004) ("Wharf") will co-invest RMB150 million [A\$30.0 million] for a 50% equity interest in WWE. As part of this arrangement, ECG will nominate two representatives to the WWE Board of Directors and fund this investment from its existing cash reserves. WWE is a company registered in The British Virgin Islands.

ECG is committed for WWE to become a leading social shopping technology pioneer in China, specialising in the development of mobile, cloud-based, O2O commerce enterprise technologies, targeting the mainland Chinese consumers. ECG expects this social shopping mobile platform, which is similar to an online shopping mall experience for consumers in mainland China, to be launched in the coming twelve months.

WWE will be led jointly by Mr. Christopher Lau, Chief Executive Officer and Founder, ECG, and Mr. Thomson Cheng, President, Walton Brown, who will each respectively act as Co-Chief Executive Officers of WWE, in addition to their existing executive roles at ECG and Walton Brown respectively. Mr. Lau will perform this dual role whilst continuing to fulfill his corporate responsibilities as the Chief Executive Officer of ECG. As part of this important strategic development, Mr. Justus Wilde, Chief Strategy Officer, ECG, will become WWE's Chief Technology Officer.

Commenting, Mr. John Lau, Executive Chairman, ECG, said:

"China has already become one of the key luxury consumer markets and this growth is expected to continue, fuelled by the demand of China's burgeoning middle class which is expected to reach 630 million by 2022 and consume more than 44% of the world's luxury goods. China is already the largest eCommerce market in the world, where we experienced more than RMB3 trillion in online transactions in 2015 with strong growth."

"We are delighted to be working with Walton Brown and Wharf, who collectively, bring strong retail management, brand expertise, a remarkable reputation and rich heritage in Hong Kong and China. Our partners have collaborated closely with many top designers for a long time, and were the very first to introduce many world-renowned international fashion and beauty brands to China in the early nineties."

"Combined with ECG's eMarketplace technology and execution capabilities, we believe WWE can advance us substantially towards our goal of becoming China's leading online destination for fashion, beauty and lifestyle," he said.

According to Mr. Christopher Lau, Chief Executive Officer, ECG and Co-Chief Executive Officer of WWE:

"We have ambitions to bring the social mobile shopping experience in China to another level, by bringing Chinese consumers more choice to many wonderful international and designer brands, linking them directly through a frictionless online user experience."

"We are very excited about this opportunity, which remains true to ECG's mission of connecting Chinese consumers with international brands. We are assembling a fantastic team in technology, designer retail and marketing in China and Hong Kong. Although our journey will be filled with challenges, I could not be more pleased to lead this strategic, ground-breaking development with our Co-CEO Thomson."

"Our time is now. The continued proliferation of smartphone and mobile devices in China, which has currently attracted more than 500 million mobile users, supports our mobile-first development philosophy and presents us with a unique window of opportunity to make a breakthrough," he said.

### **About ECG**

ECG is a China-based eCommerce technology and specialist execution group of companies, with operating companies in China and Australia trading under the eCargo and Amblique brands, providing on-demand digital commerce technology development and related execution capabilities for retailers and fashion brands.

Amblique is a leading digital commerce consultancy, providing retail strategy, eCommerce platform implementation and optimisation services in Australia and New Zealand. eCargo acts as a "one-stop" enabling partner for designer fashion, branded apparel and retail companies seeking to sell their products online in China, Australia and South-east Asia by providing integrated online and offline technology and supply chain solutions.

ECG connects consumers with brands online and offline through the development and marketing of eCommerce platforms, brand site transactional platforms and major marketplace platforms in China such as Alibaba Group's Tmall, Tencent's WeChat and JD.com.

**About Walton Brown**

Walton Brown builds brands in the world's fastest-growing fashion market, bringing the best in contemporary fashion to millions of aspirational consumers in Greater China. Walton Brown provides tailored brand management and a full chain of distribution - from retail and wholesale, to outlets and online - for some of the world's biggest international fashion brands.

Walton Brown is part of The Lane Crawford Joyce Group, Asia's premier fashion retail and brand management group. The Group includes iconic luxury department store Lane Crawford; cutting-edge fashion boutique Joyce (SEHK:0647); fashion footwear, handbag and accessories specialist Pedder Group; and retail, brand management and distribution company ImagineX.

**About Wharf**

Founded in 1886, The Wharf (Holdings) Limited (SEHK:0004) is a premier company with HKD444 billion [A\$76.6 billion] of total assets. The Group is active in Hong Kong and Mainland China with prime real estate as primary strategic focus. Site acquisition, development and marketing are its core competencies while mall development and retail management remain its strategic differentiation. The Group also owns an emerging hotel business under Wharf Hotels, valuable port assets under Modern Terminals, and Communications, Media and Entertainment assets in Hong Kong.

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