

ECG SUCCESSFULLY COMPLETES THE PURCHASE OF METCASH'S CHINA EXPORT BUSINESS

- **ECG successfully acquired 85% of Metcash's China Business with Metcash retaining 15%**
- **ECG now a fully integrated Online Retailer to Offline Distributor**
- **ECG and Metcash to cooperate on supply and export opportunities**
- **Metcash's China Head to be appointed CEO of ECG**

February 25, 2019 (SYDNEY): eCargo Holdings Limited (ASX: ECG) ("ECG") is pleased to announce the successful completion and financial closure of its transformational acquisition of 85% of Metcash Export Services Pty Limited which includes its subsidiary Metcash Asia Limited, a wholly-owned foreign enterprise in China, from Metcash Trading Limited ("Metcash"), a wholly-owned subsidiary of Metcash Limited (ASX: MTS) ("Metcash"), one of Australia's largest wholesalers.

The acquisition was first announced at the inaugural China International Import Expo held in Shanghai on November 8, 2018.

Compelling proposition for future China growth

The successful acquisition of 85% of Metcash Asia Limited allows ECG to create a one-stop offering for businesses intent on capturing the attention of China's growing consumer market, taking their products to Chinese virtual and bricks and mortar shelves. The combined businesses offer:

- eCommerce operations and content generation services;
- Online incubation platform for small and emerging brands;
- B2C multi-platform, multi-brand eCommerce hub for established brands;
- B2B wholesale distributor in 1st – 4th tier cities with tailored market activation strategy; and
- Leading Alibaba Tmall Stores of Jessica's Suitcase and Metcash as well as Key Opinion Leader endorsement on key products.

The consideration paid for the acquisition is A\$2.5 million plus 85% of the net asset value of the business of A\$5.8 million and deferred compensation of up to A\$3.5 million funded by a combination of ECG's existing cash reserves and available facility. ECG is also entering into individual agreements with Metcash covering supply, services and licencing to access Metcash's extensive sourcing capability and private label development in Australia.

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Executive Chairman of ECG, Mr. John Lau said, "The completion of this transaction with Metcash demonstrates that we are serious about becoming the leader of consumer products export into China and especially into its regional cities. Having the supply power of Metcash completes the missing piece of the puzzle for ECG where good products at a good price is complemented by good logistics and sales and marketing into the right channels."

Mr. Lau is the Founder of Cargo Services Far East, one of the most international logistics service providers based in Greater China with over 9,000 staff in 40 countries.

Metcash and its China business

Metcash is Australia's leading wholesaler and distributor. The company supplies and supports more than 10,000 independent retailers across the food, liquor and hardware sectors. Metcash's retail customers operate some of Australia's leading independent brands, including IGA, Mitre 10, and Cellarbrations.

Metcash wholesales and distributes to a number of supermarkets and retail groups in China and operates cross-border eCommerce stores through key platforms such as Alibaba's Tmall Global and JD Worldwide.

Metcash Group CEO, Mr. Jeff Adams said, "We are looking forward to building a strong relationship with ECG and its management. We thank all our team members who are transitioning as part of this transaction and wish them well in the future."

ECG leadership

As a result of the successful completion, Mr. Will Zhao, Metcash's current Head of China Operations based in Shanghai will be appointed CEO of ECG. Prior to joining Metcash in 2016, Mr. Zhao spent seven years with Goodman Group in Australia, New Zealand, Hong Kong and China. Ms. Hai Yun Chen, Metcash's Head of China Export Development, will be appointed as ECG's Chief Product Officer based in Sydney. Ms. Chen has over thirteen years of sourcing experience at both Woolworths Limited and Metcash.

As part of the acquisition, the Metcash's Australian based export team that services China will merge with ECG's Sydney-based team, while Metcash Shanghai-based team will be integrated with ECG and Jessica's Suitcase teams in China meaning ECG will have an integrated team of over 50 people on mainland China to help Australian and international brands reach the Chinese consumers from ECG's corporate headquarters in Hong Kong.

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About eCargo Holdings Limited

eCargo Holdings Limited (ASX: ECG) [ECG] is an eCommerce, technology and specialist execution group of companies, with operating companies in China and Australia trading under the brand names of eCargo, Jessica's Suitcase and Amblique, providing on-demand digital commerce strategy, China trading strategy, technology development and the related execution services for retailers and brands. Following the acquisition of Metcash's China business, ECG's service offering would extend to offline wholesale distribution channels in China, providing a fully-fledged Online to Offline platform that will propel brands and retailers into the China market with a unique one-stop solution.

eCargo acts as a "one-stop" enabling partner for designer fashion, branded apparel and retail companies seeking to sell their products online in China by providing integrated online and offline technology and supply chain solutions.

Jessica's Suitcase, headquartered in Sydney, operates an online store on Alibaba's Tmall Global Platform, offering quality Australia and New Zealand groceries and foodstuff products to Chinese consumers through the cross-border online channel.

Amblique is a leading digital commerce consultancy, providing retail strategy, eCommerce platform implementation and optimisation services in Australia and New Zealand.

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