

MEDIA RELEASE

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Chinese and Australian Officials Visit SECOS' Chinese Operations in Show of Support For Bioplastics Producer

Highlights:

- Chinese and Australian key government stakeholders visit SECOS' environmental bioplastics operations in Nanjing, China in a sign of support for the Group's operations.
- SECOS' recently appointed General Manager of Chinese operations, Mr Leo Lu, sees opportunities for further growth and investment with the Nanjing plant now running at high capacity utilisation.
- SECOS' Chinese operations are key to the Company's corporate strategy in meeting ongoing growth in international demand for compostable and biodegradable plastics.

Sustainable and eco-friendly bioplastics developer SECOS Group Limited (ASX: SES, "the Company") is pleased to advise of a renewed vote of confidence in its business with the support of its key stakeholders within the Chinese and Australian governments.

SECOS recently hosted Mr. Tim Dillon, Commissioner for Victoria to Greater China, and Ms Jing Zhao of the Jiangsu Foreign Affairs office on a tour of its manufacturing plant in Nanjing, China.

In touring the recently-upgraded plant, both Mr Dillon and Ms Zhao highlighted the importance of SECOS' business in promoting sustainable economic growth for the local area and for relationships with Australia.

Ms Zhao said:

"We welcome the SECOS Group investment in environmental and bio-based plastics in Jiangsu Province."

Mr Dillon said:

"It is pleasing to see SECOS' business developing well with the support of the Chinese authorities. The success of companies like SECOS — a business of the future, with robust clean technology operations in Victoria and China — helps to drive the economic prosperity of both regions. The Victorian Government will continue to promote trade and investment links between Australia and China, and in doing so, encourage SECOS' sustainable growth."

The official visit follows a significant investment of human and financial capital in boosting the efficiency of SECOS' operations in Nanjing.

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A recent operational review saw SECOS identify opportunities to implement global best practices, boost manufacturing efficiency and strengthen its senior management team.

Having invested more than \$800,000 in one-off costs relating to restructuring its business in China, plus \$300,000 in capital expenditure during FY18, the Company is now running more smoothly and successfully than ever.



General Manager of SECOS' Chinese operations, Mr Leo Lu, provides a guided plant tour to Mr Tim Dillon, Commissioner for Victoria to Greater China, and Ms Jing Zhao of the Jiangsu Foreign Affairs office

General Manager of SECOS' Chinese operations, Mr Leo Lu, said:

"The investments SECOS made in China in FY18, in partnership with the Chinese government, have helped to create a truly world-class eco-friendly manufacturing hub.

"We are seeing demand for our environmental bioplastic resins grow thanks to consumer, industry and regulatory forces which we expect to continue well into the future.

"We are now well-placed to meet this demand, having significantly improved the raw material purchasing, finished goods management and operational efficiency of our product development centre and manufacturing plant for resins and finished products in Nanjing.

"I am pleased to report that we are now running at much higher utilisation at our Nanjing plant, having made material cost and efficiency gains in recent months. In close collaboration with the local authorities, we now see opportunities for further growth and investment in the China market to build upon this promising period of consistent performance."

The recent tour by these key Australian and Chinese government officials confirms the recognition that SECOS is gaining among authorities as well as customers, and the growing interest in the global bioplastics market and SECOS' innovative technology.

Mr Lu and his team look forward to driving sustainable growth in SECOS' business, with production for both local sale as well as export to Australia, Europe and the US, in the context of strong Chinese government support for environmental resin development.



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About SECOS Group Limited

SECOS Group Limited (ASX: SES) is a leading developer and manufacturer of eco-friendly bioplastic materials. Based in Melbourne, Australia, SECOS supplies its proprietary biodegradable resins, packaging products and high-quality cast films to a blue-chip global customer base.

SECOS holds a strong patent portfolio and the global trend toward sustainable packaging is fueling the Company's growth.

The Company's headquarters and Global Application Development Centre are based in Melbourne, Australia. SECOS has a Product Development Centre and manufacturing plant for resins and finished products in Nanjing, China, with manufacturing plants for high quality cast films in Melbourne and Kuala Lumpur, Malaysia. SECOS' annual production capacity is 10,000 tonnes of bioplastic resins, 15,000 tonnes of cast film and 2,000 tonnes of blown film and finished products.

SECOS has sales offices in Australia, Malaysia, China and the US, with a network of leading distributors across the Americas, Europe, Asia, the Middle East, Africa and India.

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