

eCargo Holdings Limited

香港新界葵涌三號貨櫃碼頭亞洲貨櫃物流中心 B 座 13 樓 13103N 室北翼

Room 13103N, ATL Logistics Centre B, Berth 3, Kwai Chung Container Terminals, New Territories, Hong Kong. www.eCargo.com

September 20, 2017

Rupa Kapadia
Listings Adviser, Compliance
ASX Compliance Pty Ltd
20 Bridge Street
Sydney
NSW 2000

Dear Miss Kapadia,

Re: eCargo Holdings Limited ("ECG"): Appendix 4C Query

We refer to your letter dated September 18, 2017 (the "Letter") regarding eCargo Holdings Limited's ("ECG") Appendix 4C quarterly report for the period ended June 30, 2017.

In response, we confirm that ECG is operating in the normal course of business and maintaining sufficient cash to continue funding its operations.

Specific responses to the five questions you asked in the Letter are:

1. Does ECG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The negative net operating cash flows are expected by management considering ECG's long term growth strategy which is a reflection of investment by ECG in its key staff and the continued development of its technology and service capabilities. ECG had reviewed its operations to maximise cost efficiency and expects cost reductions in its overheads from the current quarter onwards.

2. Has ECG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

**eCargo Holdings Limited**

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ECG currently does not have a plan to raise further cash to fund its operations. ECG will provide material details of such plan, if any, to the market as and when required under the relevant Listing Rules.

3. Does ECG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

ECG expects to continue its operations and to meet its business objectives considering its future liquidity, working capital requirements, future performance, and availability of financing including a standby loan facility from its major shareholder, JL Enterprises Holdings Limited, of HK\$70.0 million. The drawdown of such facility was HK\$43.3 million as at August 31, 2017.

4. Please confirm that ECG is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

ECG confirms that to the best of its knowledge and belief, it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

The Directors are conscious of their obligations and that of ECG relating to continuous disclosure and other obligations under the Listing Rules, in particular, their obligations in keeping the market informed about any activities that may affect the price and value of ECG's CHESS Depository Interests.

5. Please confirm that ECG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ECG with delegated authority from the board to respond to ASX on disclosure matters.

ECG confirms that these responses to the questions in the Letter have been authorised and approved in accordance with its published continuous disclosure policy.



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The Directors confidently believe that ECG's financial condition warrants the continue quotation of its CHES Depository Interests and ECG's continued listing on the ASX and, as such, ECG is in compliance with Listing Rule 12.2.

If ASX requires any further information or considers ECG should make further disclosure to the market in this regard, please let us know and we are happy to do so.

Yours sincerely,

Yip Sau Ling

Company Secretary

eCargo Holdings Limited



18 September 2017

Irene Yip
Company Secretary
eCargo Holdings Limited

By email: ireneyip@cargofe.com

Dear Irene,

eCargo Holdings Limited ("ECG"): Appendix 4C Query

I refer to ECG's Appendix 4C quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform and released on 28 July 2017 (the "Appendix 4C").

ASX notes that ECG has reported:

- negative net operating cash flows for the quarter of -\$8,228,000;
- cash at the end of the quarter of \$6,940,000; and
- estimated cash outflows for the next quarter of -\$31,150,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ECG were to continue to expend cash at the rate indicated by the Appendix 4C, ECG may not have sufficient cash to continue funding its operations. In view of that, ASX asks ECG to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does ECG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ECG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ECG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ECG is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that ECG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ECG with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that ECG considers may be relevant to ASX forming an opinion on whether is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by **no later than 12:00 pm AEST on 21 Thursday 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ECG's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ECG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at rupa.kapadia@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to ECG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that ECG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ECG's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Rupa Kapadia
Listings Adviser, Compliance
P: 02 9227 0932
E: rupa.kapadia@asx.com.au