

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C QUARTERLY CASH FLOW REPORT

July 30, 2018 SYDNEY: eCargo Holdings Limited (ASX:ECG) (the "Company" or "ECG") submits its Appendix 4C Quarterly Cash Flow Report for the second quarter, period ended June 30, 2018.

HIGHLIGHTS

- Fourth consecutive quarter of positive cash flows
- Appointment of Mr. Dennis Lin as an Independent Non-Executive Director

Fourth consecutive quarter of positive cash flows with improvement on quarterly results

Ms. Eva Zhang, Chief Executive Officer, said, "For the fourth consecutive quarter, the Company has continued to demonstrate its discipline in delivering positive cash flows."

The Company has carried its momentum from the marked improvement in results. The continuous positive cash flow demonstrated the Company's effort on the improvement of trade receivables turnover date and the cost reduction by streamlining processes.

Appointment of Mr. Dennis Lin as an Independent Non-Executive Director

Mr. Dennis Lin was appointed as an Independent Non-Executive Director in May 2018. Mr. Lin is the Chairman of Bubs Australia Limited and a director of Buderim Group Limited, both are ASX listed consumer goods companies. Mr. Lin was a former partner of BDO, leading the firm's China Advisory Services in Australia.

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.

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

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 and South-east Asia.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

eCargo Holdings Limited ("ECG" or the "Company") is pleased to provide its Appendix 4C cash flows report for the period ended June 30, 2018.

Name of entity

eCargo Holdings Limited

ABN

601 803 069

Quarter ended ("current quarter")

June 30, 2018

Consolidated statement of cash flows	Current quarter HKD'000	Year to date (6 months) HKD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	42,046	78,106
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(16,258)	(29,611)
(c) advertising and marketing	(245)	(428)
(d) leased assets	(1,165)	(2,147)
(e) staff costs	(13,734)	(28,798)
(f) administration and corporate costs	(7,609)	(13,113)
1.3 Dividends received	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund/(paid)	-	786
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	3,037	4,799

Consolidated statement of cash flows		Current quarter HKD'000	Year to date (6 months) HKD'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	(1,317)	(2,064)	
(b) businesses (see item 10)	-	-	
(c) investments	-	-	
(d) intellectual property	-	-	
(e) other non-current assets	-	-	
2.2 Proceeds from disposal of:			
(a) property, plant and equipment	920	920	
(b) businesses (see item 10)	-	-	
(c) investments	-	-	
(d) intellectual property	-	-	
(e) other non-current assets	-	-	
2.3 Cash flows from loans to other entities	-	-	
2.4 Dividends received	-	-	
2.5 Other (provide details if material)	-	-	
2.6 Net cash from / (used in) investing activities	(397)	(1,144)	

3. Cash flows from financing activities			
3.1 Proceeds from issues of shares	-	-	
3.2 Proceeds from issue of convertible notes	-	-	
3.3 Proceeds from exercise of share options	-	-	
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-	
3.5 Proceeds from borrowings	-	-	
3.6 Repayment of borrowings	-	-	
3.7 Transaction costs related to loans and borrowings	-	-	
3.8 Dividends paid	-	-	
3.9 Other (provide details if material)	-	-	
3.10 Net cash from / (used in) financing activities	-	-	

Consolidated statement of cash flows		Current quarter HKD'000	Year to date (6 months) HKD'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	13,707	12,702
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,037	4,799
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(397)	(1,144)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(440)	(450)
4.6	Cash and cash equivalents at end of quarter	15,907	15,907

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter HKD'000	Previous quarter HKD'000
5.1	Bank balances	15,907	13,707
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,907	13,707

6. Payments to directors of the entity and their associates		Current quarter HKD'000
6.1	Aggregate amount of payments to these parties included in item 1.2	36
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 refers to directors remuneration and salary paid during the period.		

7. Payments to related entities of the entity and their associates	Current quarter HKD'000
7.1 Aggregate amount of payments to these parties included in item 1.2	737
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

7.1 refers to payment to related entities for product manufacturing and operations for the period.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end HKD'000	Amount drawn at quarter end HKD'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	70,000	42,334
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On March 15, 2017, ECG renewed the standby loan facility agreement signed on August 29, 2016 with JL Enterprises Holdings Limited, ECG's major shareholder and a company wholly owned by Mr. John Lau, the Executive Chairman of ECG, as to extending the standby loan facility from HKD50 million to HKD70 million to support ECG's working capital requirements. The standby loan facility is unsecured and bears interest at prime rate quoted from The Hong Kong and Shanghai Banking Corporation Limited from time to time. The standby loan facility can be utilised at ECG's discretion and is repayable in accordance with a separate agreement to be made between ECG and JL Enterprises Holdings Limited. There was no drawdown on the facility during the quarter.

9. Estimated cash outflows for next quarter	HKD'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(16,000)
9.3 Advertising and marketing	(250)
9.4 Leased assets	(980)
9.5 Staff costs	(15,300)
9.6 Administration and corporate costs	(8,000)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(40,530)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
Company secretary

Date: July 30, 2018

Print name: Ms. Irene Yip

Notes

1. This quarterly report provides a basis for informing the market on how ECG's activities have been financed for the past quarter and the effect on its cash position.
2. ECG adopts accounting policies that comply with Hong Kong Financial Reporting Standards ("HKFRS") and the figures in this report are prepared in accordance with all applicable HKFRS. The figures in this report are presented in HKD, the official currency of Hong Kong, which is the functional currency of ECG.
3. ECG maintained a cash balance of HKD15.9 million and unutilised standby credit facility of HKD27.7 million at the end of the quarter which can be utilised at demand of ECG.
4. ECG adopts prudent liquidity risk management and maintains sufficient cash and ensures the availability of sufficient funding to safeguard ECG's ability to continue as a going concern. ECG management is actively and regularly reviewing its cash position and the projected operating cash flows.