

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

eCargo Holdings Limited (“eCargo” or the “Group”) is pleased to provide its Appendix 4C cash flows report for the period ended 30 June 2015.

Overview:

During the June 2015 quarter, eCargo generated cash flow from merchants of HKD \$25.0 million, in line with the previous quarter and reflecting the significant growth in the business since inception. Online retail sales amongst existing merchant brands remains positive, with merchants showing strong interest in expanding operations to China and South East Asia.

Personnel costs increased compared to the previous quarter as a result of the incorporation of eCargo’s wholly-foreign owned entity (“WFOE”) subsidiary in Shenzhen, China during the quarter, following which all employees previously under the Transitional Service Agreement (“TSA”) transferred to the WFOE. As a result, salaries and benefit are paid directly by eCargo to its employees, where they had previously been paid under a management fee as per the TSA.

In addition, headcount has increased across the Group following the acquisition of Amblique Pty Limited (“Amblique”) on 13 February 2015.

eCargo maintained a cash balance of HKD 133.0 million at the end of the quarter with net cash outflows for the quarter of HKD 15.6 million.

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Name of entity

eCargo Holdings Limited

ARBN

601 803 069

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter HKD'000	Year to date HKD'000
1.1	Receipts from customers	25,194	50,209
1.2	Payments for (a) staff costs	(15,696)	(24,432)
	(b) advertising and marketing	(109)	(371)
	(c) research and development	-	-
	(d) leased assets	(706)	(1,495)
	(e) other working capital	(20,685)	(44,191)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	221	651
1.5	Interest and other costs of finance paid	(43)	(53)
1.6	Income taxes paid	(2,874)	(6,017)
1.7	Other (provide details if material)	-	-
Net operating cash flows		(14,698)	(25,699)

	Current quarter HKD'000	Year to date HKD'000
1.8 Net operating cash flows (carried forward)	(14,698)	(25,699)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(25,485)
(b) equity investments	-	(4,495)
(c) intellectual property	-	-
(d) physical non-current assets	(931)	(2,186)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(931)	(32,166)
1.14 Total operating and investing cash flows	(15,629)	(57,865)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net decrease in cash held	(15,629)	(57,865)
1.21 Cash at beginning of quarter/year to date	148,658	191,071
1.22 Exchange rate adjustments	13	(164)
1.23 Cash at end of quarter	133,042	133,042

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter HKD'000
1.24	Aggregate amount of payments to the parties included in item 1.2	688
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions 1.2(d) refers to rental and motor car lease payment for the period 1.24 refers to directors remuneration for the period	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

No material financing and investing transactions which do not involve cash flows in current quarter.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available HKD'000	Amount used HKD'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter HKD'000	Previous quarter HKD'000
4.1	Cash on hand and at bank	133,042	148,658
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		133,042	148,658

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Amblique Pty Limited
5.2	Place of incorporation or registration	Australia
5.3	Consideration for acquisition or disposal	AUD6,000,000
5.4	Total net assets	AUD1,812,256
5.5	Nature of business	Digital commerce consultancy

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31 Jul 2015
Company Secretary

Print name: Irene Yip

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. Item 1.2(e) – Other working capital YTD includes a foreign exchange loss of HKD5.6 million, as a result of the depreciation of AUD against HKD.
3. Item 1.9(a) – On 13 February 2015, eCargo completed the acquisition of a 100% interest in Amblique an Australian eCommerce company for cash consideration of AUD6.0 million (HKD36.4 million). According to HKAS 7 (Statement of Cash Flows), the net transaction amount is presented in the cash flow statement (gross consideration less cash and cash equivalent of Amblique as at completion date).
4. Item 1.9(b) – On 28 February 2015, eCargo completed the acquisition of a 20% interest in Purecomm Limited ("Purecomm"), a company registered in the United Kingdom, engaged in the provision of O2O solutions for cash consideration of GBP520,000 (approximately HKD6.2 million). As at completion date, eCargo paid GBP385,000 cash and converted GBP135,000 loans from Purecomm to settle the acquisition consideration.
5. eCargo has adopted 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 disclosed in the report are in HKD, the official currency of Hong Kong, which is the functional currency of eCargo.

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About eCargo

eCargo is a China-based eCommerce solutions provider, providing on-demand digital commerce technology development and related execution capabilities for retailers and fashion brands from around the world. 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 around the world by providing integrated online and offline technology and supply chain solutions. eCargo connects the brands to the online customers through the development and marketing of brand site transactional platforms and in China, on Alibaba Group's Tmall, Tencent's Wechat and JD.com. For more information, please visit: www.ecargo.com