

## **2015 FULL YEAR FINANCIAL RESULTS**

### **Highlights:**

- **Revenue of HK\$118.1 million [A\$20.9 million], an increase to 523% of the prior year period (FY2014: HK\$22.6 million)**
- **Gross Profit of HK\$61.2 million [A\$10.9 million], an increase to 695% of the prior year period (FY2014: HK\$8.8 million)**
- **Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") loss of -HK\$26.5 million [-A\$4.7 million], excluding impact of foreign exchange (FY2014: -HK\$24.4 million)**
- **Net Loss of -HK\$52.9 million [-A\$9.4 million] (FY2014: -HK\$36.8 million)**
- **Expansion into food, groceries, healthcare and beauty sectors**
- **Successful completion and integration of Amblique acquisition**
- **Selected by Woolworths Supermarkets for digital commerce launch in China**
- **Launch of Esprit on eCargo's proprietary enrich® platform in Asia Pacific**
- **Ongoing investment and development of scalable eOperation and eCommerce IT technologies**

February 29, 2016 (HONG KONG): eCargo Holdings Limited (ASX: ECG) ("ECG") today announced a strong revenue performance of HK\$118.1 million [A\$20.9 million] for the twelve month period through December 31, 2015, representing a more than five-fold of the previous year period. This was driven by ECG's success in establishing a significant portfolio of Australian and international brands and merchants on its platforms and services including Cotton On (Australia), Sony (Japan) and Tom Tailor (Germany), across the core eCargo and Amblique businesses.

ECG earned a gross profit of HK\$61.2 million for the year ended December 31, 2015 and reported an earnings before interest, tax, depreciation and amortisation ("EBITDA") loss of HK\$26.5 million, excluding the impact of foreign exchange translation gains or losses.

During the period, ECG has been successful in engaging or expanding the engagement with a significant portfolio of Australian and international brands and merchants. On December 21, 2015, ECG announced that eCargo was selected by Woolworths Supermarkets ("Woolworths") for the provision of services to support Woolworths' entry into China, starting with establishing a presence on Tmall Global, part of Tmall and Alibaba, the largest eCommerce platform business in China today, based on Gross Merchandise Value ("GMV"). This represents eCargo's first entry into the food and groceries sector for China digital commerce, one of the fastest growing sectors in the import digital commerce industry in China today.

To cope with the strong growth ahead, ECG has strengthened its executive leadership team significantly during the past year. On June 9, 2015, ECG announced three senior executive appointments: Mr. Franc Renzi, Chief Operating Officer; Mr. Garnok Cheung, Chief Financial Officer and Mr. Justus Wilde, Chief Strategy Officer. These appointments further strengthen the existing team, and bring considerable experience to ECG for the next phase of ECG's development.

The integration of Amblique, acquired in February 2015, has progressed well. There are already numerous examples of success from the combined offering of Amblique's Demandware and eCargo's eCommerce platform solutions and global supply chain capabilities. This has enabled ECG to provide an expanded service to its existing Australian retail and fashion customers, which continue to be a core component of ECG's expansion strategy. ECG will continue seeking investment opportunities which provide synergy and value for ECG and its shareholders.

Online retailing continues to experience rapid growth in China, with recent reports forecasting that the Chinese mainland will account for over half of the global retail eCommerce market by 2018, driven by the growing middle-class and increasing use of smart mobile devices driving domestic consumption<sup>1</sup>. New York-based research firm eMarketer predicted China's total retail eCommerce sales in 2018 would increase 133% to US\$1.568 trillion, up from an estimated US\$672 billion in 2015.

Commenting, ECG's Executive Chairman, Mr. John Lau, said: "The 2015 financial results demonstrated a solid top line revenue growth driven by the successful establishment of the brand and merchant portfolio."

"The ongoing growth of online retail in China remains a key driver of ECG's business, as international brands seek to enter the market with a logistics partner that can offer highly specialised insight and support. eCargo's entry into the food, groceries, healthcare and beauty sectors marks an important expansion in our business, and it is particularly pleasing to be partnering with such a strong brand and retailer as Woolworths. The Board believes that the food and groceries segment will be a strong area of growth going forward, particularly as cross-border trade restrictions ease and the China Australia FTA takes effect."

"The integration of Amblique has been highly successful and we will continue to seek strategic acquisitions that will bring together complementary eCommerce specialist execution, enabling and technology services. The online retail market continues to grow rapidly in China and eCargo is ideally positioned to capitalise on this growth," he said.

ECG's Chief Executive Officer, Mr. Christopher Lau, said: "We continue to move forward through our strong business development efforts by emphasising the "one-stop" comprehensive capabilities that our ECG companies are able to offer international brands, and continue growing our investment of financial and human capital resources into scalable eMarketplace technology and technology-driven execution abilities. We believe that this compelling offer and advanced technology solutions for Australian and international brands will remain the key driver of our future growth."

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<sup>1</sup> Source: South China Morning Post, 17 December 2015

**Note to Editors:****Results Overview**

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(for the twelve month reporting period January 1 2015 to December 31 2015)

Net Revenue	HK\$118.1 million [A\$20.9 million]
Normalised Loss	-HK\$41.3 million [-A\$7.3 million]
EBITDA Loss, excluding impact of foreign exchange	-HK\$26.5 million [-A\$4.7 million]
Net Loss	-HK\$52.9 million [-A\$9.4 million]
Cash Balance as at 31 December 2015	HK\$97.3 million [A\$17.2 million]

\*The financial statements are prepared in HK\$ and all figures in A\$ presented in this announcement (except for the Amblique acquisition) are for reference only. The exchange rate applied to translate HK\$ into A\$ is A\$1.00=HK\$5.64, according to the rate published by the Reserve Bank of Australia as of December 31, 2015.

**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 Amblique and eCargo brands, providing on-demand digital commerce technology development and related execution capabilities for retailers and fashion brands.

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

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 such as Alibaba Group's Tmall, Tencent's WeChat and JD.com.

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