

+Rule 4.7B

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 September 30, 2016.

Name of entity

eCargo Holdings Limited

ABN

601 803 069

Quarter ended ("current quarter")

September 30, 2016

Consolidated statement of cash flows	Current quarter HKD'000	Year to date (9 months) HKD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36,814	103,487
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(13,035)	(42,221)
(c) advertising and marketing	(377)	(1,148)
(d) leased assets	(1,174)	(3,812)
(e) staff costs	(16,228)	(62,556)
(f) administration and corporate costs	(7,128)	(24,539)
1.3 Dividends received	-	-
1.4 Interest received	357	437
1.5 Interest and other costs of finance paid	(95)	(131)
1.6 Income taxes paid	-	(1,608)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(866)	(32,091)

Consolidated statement of cash flows		Current quarter HKD'000	Year to date (9 months) HKD'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(768)	(1,247)
	(b) businesses (see item 10)	-	-
	(c) investments	(70,248)	(70,248)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(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	(71,016)	(71,495)

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	10,400	10,400
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	10,400	10,400

Consolidated statement of cash flows	Current quarter HKD'000	Year to date (9 months) HKD'000
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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	65,758	97,300
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(866)	(32,091)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(71,016)	(71,495)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	10,400	10,400
4.5 Effect of movement in exchange rates on cash held	4	166
4.6 Cash and cash equivalents at end of quarter	4,280	4,280

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	4,280	65,758
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)	4,280	65,758

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	989
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 for 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	3,911
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

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end HKD'000	Amount drawn at quarter end HKD'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	50,000	10,400
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 August 29, 2016, ECG entered into an agreement with JL Enterprises Holdings Limited, the Company's major shareholder and a company wholly owned by Mr. John Lau, the Executive Chairman of the Company, as to provide a standby loan facility in an aggregate amount of up to HKD50 million to support the Company's working capital requirements. The loan facility is unsecured and bears interest at prime rate quoted from The Hong Kong and Shanghai Banking Corporation Limited from time to time.

9. Estimated cash outflows for next quarter	HKD'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(14,000)
9.3 Advertising and marketing	(300)
9.4 Leased assets	(1,150)
9.5 Staff costs	(16,000)
9.6 Administration and corporate costs	(7,500)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(38,950)

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: October 26, 2016

Print name: Ms. Irene Yip

Notes

1. This quarterly report provides a basis for informing the market how ECG's activities have been financed for the past quarter and the effect on its cash position.
2. ECG 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 ECG.
3. For the third quarter of 2016, ECG generated cash flow from Merchants of HKD36.8 million.
4. The commercial activity and outlook for online retail sales remain positive. During the period, a number of new contracts were signed which demonstrated a continued trend of growing interest in expanding to online operations among the Merchants. The service contract with Woolworths ("WOW"), which included the operation of its Tmall store, concluded on October 19, 2016. The continuing service to be provided to WOW by ECG is in support of Tmall store's backend operating system, warehouse management system and eFulfillment. Overall, Management believes the existing contracted Merchants shall continue to grow and contribute positively to ECG.
5. On August 30, 2016, ECG invested RMB60 million into a new joint venture company WWE & Company (BVI) Limited with an effective interest of 20% through its investment in MM E-commerce Limited.
6. ECG maintained a cash balance of HKD4.3 million and unutilised standby credit facility of HKD39.6 million at the end of the quarter which can be utilised at demand of ECG.

For further information, please contact:

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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.

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 South-east Asia 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.