

2016 INTERIM FINANCIAL INFORMATION

Highlights:

- **Revenue of HK\$58.7 million [A\$10.2 million]**
- **Gross Profit of HK\$28.5 million [A\$4.9 million]**
- **Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") Loss of HK\$29.1 million [A\$5.1 million], excluding impact of foreign exchange and one-off provision for impairment of interest in an associate**
- **Net Loss of HK\$41.1 million [A\$7.1 million]**
- **Establishes new strategic business to launch China social shopping mobile platform through the establishment of a joint venture with The Wharf Group and Walton Brown, market leaders in luxury retail and premier malls in China and Hong Kong**
- **Well positioned to tap into the growing China's eCommerce market**

August 31, 2016 (HONG KONG): eCargo Holdings Limited (ASX: ECG) ("ECG") today announced its 2016 interim financial information with a revenue performance of HK\$58.7 million for the six month period through June 30, 2016.

ECG earned a gross profit of HK\$28.5 million during the six month period through June 30, 2016 and reported an EBITDA loss of HK\$29.1 million, excluding impact of foreign exchange and one-off provision for impairment of interest in an associate.

Gross profit had increased 10% by comparing with the same period of last year, which is a result of business growth and margin improvement. In order to support the expanded business operations, ECG had invested in human capital leading to an increase in employee benefit expenses of HK\$23.1 million by comparing with the same period of last year. Such amount includes an one-off compensation payment of HK\$7.5 million to retain high capability talents.

During the period, ECG has continued attracting new merchants and established a growing portfolio of international brands and merchants from the U.K., U.S.A. and Australia on its platforms and services, such as Ted Baker (U.K.), Fortnum and Mason (U.K.), Juicy Couture (U.S.A.) and Tiger Mist (Australia).

Online retailing continues to experience rapid growth in China, the world's largest eCommerce market, amid the expansion of its middle class, deeper mobile and internet penetration, and improvement in logistics and infrastructure support.

Commenting, ECG Executive Chairman, Mr. John Lau, said: "We are pleased to see the continuation of the development in ECG of best-in-class processes and technologies to launch and manage online store operations on the eMarketplaces in China for international brands which aim at brand-building in this largest online market in the world. These processes and technologies will make ECG scalable in servicing the brands and merchants effectively."

"We are well-positioned to capitalise on the continuation of the arrival of the international brands at China, providing them with the best available " One-stop " eCommerce enabling services to achieve their ambitions. Also, we have started to see plans from visionary marketers to launch their own brand sites in China. With the strong technology DNA of ECG, it will be an area which ECG could become the undisputed partner for them to embark on this new development in China." John said.

In July 2016, ECG announced the establishment of a new strategic investment, in a joint venture with Walton Brown (Hong Kong) Limited ("Walton Brown"), a company of The Lane Crawford Joyce Group. This joint venture will in turn co-invest with The Wharf (Holdings) Limited (SEHK:0004) to form another joint venture named WWE & Company (BVI) Limited ("WWE"), which aims to become a leading social shopping technology pioneer in China, specialising in the development of mobile, cloud-based, eCommerce enterprise technologies, targeting the burgeoning Chinese fashion-conscious consumers. ECG expects this social shopping mobile platform, which is going to offer a totally new online shopping-mall experience for consumers in mainland China, to be launched in the coming twelve months. WWE is initially capitalised at RMB300.0 million [A\$52.0 million] with ECG investing RMB60.0 million [A\$10.4 million] for an effective interest of 20%.

ECG's Chief Executive Officer, Mr. Christopher Lau, said: "More and more Chinese customers are shopping with their mobile devices. Our new strategic business can advance us substantially towards our goal of becoming China's leading online destination for fashion, beauty and lifestyle. We are excited about the opportunity to launch in China a social shopping mobile platform, which remains true to ECG's mission of connecting Chinese consumers with international brands. We are assembling a fantastic team in technology, designer retail and marketing in China and Hong Kong."

Note to Editors:

Results Overview

(for the six months reporting period January 1, 2016 to June 30, 2016)

Revenue	HK\$58.7 million [A\$10.2 million]
EBITDA (Loss), excluding impact of foreign exchange and one-off provision for impairment of interest in an associate	HK\$(29.1) million [A\$(5.1) million]
Net Profit (Loss)	HK\$(41.1) million [A\$(7.1) million]
Cash Balance as at June 30, 2016	HK\$65.8 million [A\$11.4 million]

*The financial statements are prepared in HK\$ and all figures in A\$ presented in this announcement are for reference only. The exchange rate applied to translate HK\$ into A\$ is A\$1.00=HK\$5.76, according to the rate published by the Reserve Bank of Australia as of June 30, 2016.

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.

Media Contact

Fowlstone Communications

Geoff Fowlstone
T: +612 9955 9899
M: +61 413 746 949
E: geoff@fowlstone.com.au