2018 FULL YEAR FINANCIAL RESULTS

Highlights:

- **Positive Operating Cash Flow of HK$4.6 million [A$0.8 million], increased by HK$20.5 million [A$3.7 million] from negative cash flow of HK$15.9 million [A$2.9 million] in 2017**
- **Adjusted EBITDA loss reduced 38% to HK$10.0 million [A$1.8 million]. Without the non-recurring costs, Adjusted EBITDA would be positive for the 1st time since IPO at HK$0.05 million [A$0.01 million]**
- **Net Loss increased to HK$134.7 million [A$24.4 million] mainly due to impairment on associates**
- **Revenue of HK$134.5 million [A$24.3 million], down 6% due to closing of underperformed non-core business**

February 22, 2019 (SYDNEY): eCargo Holdings Limited (ASX: ECG) (the "Company" or "ECG") today announced its preliminary financial results for the year ended December 31, 2018 with the Adjusted EBITDA loss reduced by 38% to HK$10.0 million (2017: HK$16.4 million loss). If the non-recurring costs on reorganisation and corporate transactions were excluded, the Adjusted EBITDA would become HK$0.05 million, the first time that the Company reports positive results since its IPO.

Net loss increased to HK$134.7 million (2017: HK$68.5 million) primarily reflecting the non-cash charges on the interests in associates such as (i) HK$72.5 million impairment on MM-E-Commerce Limited; (ii) fair value gain on financial assets at fair value through profit or loss of HK$13.9 million; and (iii) loss on disposal of interest in an associate of HK$39.0 million. Aside from the non-cash items and the non-recurring costs, operating expenses were HK$75.9 million (2017: HK$96.9 million) with major savings coming from personnel cost which decreased from HK$81.4 million of 2017 to this year's HK$62.0 million.

Mr. John Lau, Executive Chairman of ECG, said: "2018 has been a year of strategy formulation for ECG following 2017's business transformation plan which emphasised consolidating ongoing business offerings and cost reduction initiatives. I am pleased to report that today's result is the reflection of ongoing implementation of our transformation, achieving positive operating cash flow from the existing core business segments, closed non-core business that underperformed and identified acquisition targets that complements ECG's redefined strategies. The Company has continued to increase operating efficiency and reduce costs. Barring the non-cash losses and the non-recurring costs, ECG has achieved a positive Adjusted EBITDA for 2018, the first time since its IPO in 2014."

Consolidated revenue of the year was HK$134.5 million (2017: HK$144.5 million) with HK$32.5 million (2017: HK$49.8 million) coming from the eCommerce-enabling business, HK$97.1 million (2017: HK$92.3 million) contributed by Amblique while HK$2.5 million (2017: nil) from Jessica's Suitcase when ECG started to consolidate Jessica's Suitcase results in its group accounts following its full acquisition in November 2018. The

remaining was licensing revenue of HK$2.4 million attributed to the corporate segment same as the previous year.

The eOperations and eFulfilment units continued to be the core revenue drivers of the eCommerce-enabling business despite the segment's total revenue decreasing by 33% compared to last 2017. The decline in revenue was expected given it was primarily revenue from non-core businesses that were discontinued during the year.

Amblique's revenue, primarily comprising the sharing of clients' sales generated from the online storefront built under the reseller agreement and revenue earned from providing enhancements and value added services to the existing clients, remained stable compared to 2017.

Mr. Lau said: "The 2018 financial results demonstrates that ECG is moving to the right direction. The imminent completion of the acquisition of Metcash's China Business together with Jessica's Suitcase, which is already 100% owned by ECG, will completely transform ECG business into a fully-fledged O2O platform that will propel brands and retailers into the China market with a unique one-stop solution."

Note to Editors

The underlying financial statements supporting the figures in this announcement are prepared in Hong Kong Dollars (HK$) and all figures in Australian Dollars (A$) are for reference only. The exchange rate applied to translate HK$ into A$ is A$1.00=HK$5.5285, according to the rate published by the Reserve Bank of Australia as of December 31, 2018.

Adjusted EBITDA is defined as earnings before non-cash items such as interest, tax, depreciation, amortisation, share of results of an associate, impairment provision for interest in an associate, gain or loss on fair value of acquisitions and financial derivatives, and impact of foreign exchange.

About eCargo Holdings Limited

eCargo Holdings Limited (ASX: ECG) [ECG] is an eCommerce, technology and specialist execution group of companies, with operating companies in China and Australia trading under the brand names of eCargo, Jessica's Suitcase and Amblique, providing on-demand digital commerce strategy, China trading strategy, technology development and the related execution services for retailers and brands. Following the acquisition of Metcash's China business, ECG's service offering would extend to offline wholesale distribution channels in China, providing a fully-fledged Online to Offline platform that will propel brands and retailers into the China market with an unique one-stop solution.

eCargo acts as a "one-stop" enabling partner for designer fashion, branded apparel and retail companies seeking to sell their products online in China by providing integrated online and offline technology and supply chain solutions.

Jessica's Suitcase, headquartered in Sydney, operates an online store on Alibaba's Tmall Global Platform, offering quality Australia and New Zealand groceries and foodstuff products to Chinese consumers through the cross-border online channel.

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

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