

CDI Holder Letter

July 8, 2024

Dear CDI Holder,

Voluntary delisting from the Australian Securities Exchange

eCargo Holdings Limited (ARBN 601 083 069) (ASX:ECG) ("**eCargo**" or "**the Company**") has applied for and received approval for the voluntary removal of eCargo from the Australian Securities Exchange ("**ASX**") official list ("**ASX Official List**") ("**Delisting**"). The Delisting means that the Company's CHESS Depository Interests ("**CDIs**") will no longer be quoted or traded on the ASX.

Subject to Shareholders and CDI holders approving the Delisting, trading in eCargo's CDIs will be suspended with effect from close of trading on the ASX (being 4:00pm Australian East Standard Time) on August 30, 2024 ("**Suspension Date**"). The Delisting is then expected to occur at close of trading on the ASX (being 4:00pm Australian East Standard Time) on September 6, 2024 ("**Delisting Date**").

This letter contains important information about your holding of CDIs and the Delisting process.

If you wish to sell your CDIs on the ASX, this will need to be done before the Suspension Date.

eCargo's securities will not be tradeable on the ASX following the removal of the Company from the ASX Official List.

1 Reasons for delisting

The Board of Directors of the Company ("**Board**") has determined that it is in the best interests of the Company and its shareholders/CDI holders for the Company to delist from the ASX for the following reasons:

- (a) **Valuation:** The CDI price of ECG is A\$0.019 per CDI (based on the trading price of CDIs on June 5, 2024).

The Board considers that the trading price of the Company's CDIs in recent years implies a valuation that has been (and remains) consistently and materially lower than the valuations of unlisted and listed companies of a comparable nature and scale of eCargo in Australia and other capital markets. In addition, the valuation does not reflect the continuous improvement of the business over the last three years.

- (b) **Liquidity:** Stock liquidity remains at low levels, with an average daily trading volume around 56,000 over the 12 months ended May 31, 2024 (which represents about 0.009% of eCargo stock). Trades occurred on 141 trading

days over the 12 months ended May 31, 2024 (in which there were 254 total trading days on the ASX, representing more or less 55%), which the Board considers is a result of the Australian market sentiment towards the Company and Chinese listed stocks on the ASX.

After the Delisting, ECG's Shares will only be capable of sale via off-market private transactions, which will require the Company's Shareholders to identify and agree terms with potential purchasers of the Company's shares in accordance with the Company's Articles of Association and the Companies Ordinance (Chapter 622, Laws of Hong Kong) (Companies Ordinance). While the Company cannot guarantee the growth momentum of the Company following Delisting, it does anticipate that the Delisting may result in increased liquidity when compared to the liquidity while the Company was trading on the ASX. Refer to paragraph 4 for further information on the consequences of the Delisting

- (c) **Australian market sentiment:** The negative perception towards Chinese listed stocks will continue to remain a significant impediment towards recognition of fair market value and prospective capital raising irrespective of eCargo's business performance.
- (d) **Costs of remaining listed on the ASX:** According to 2023 financial data, the total costs of remaining listed on the ASX were approximately AUD558,000 for the 12-month period ending on December 31, 2023. The AUD558,000 is made up of the following:

Item	Amount
Administrative (including registry and company secretarial services):	AUD60,000
Compliance (includes legal fees, auditor fees, internal audit fees):	AUD290,000
Direct (includes ASX listing fees, IR agency fees):	AUD145,000
Director Liability Insurance:	AUD63,000
TOTAL	AUD558,000

eCargo anticipates the costs for the Delisting to be approximately AUD250,000. Such costs relate to corporate advisory, legal and administrative fees and expenses of the Delisting process and the transfer of Shares to CDI holders and do not include any costs of the ASX.

The Company's ASX listing provides limited access to growth capital, therefore

removing the key rationale of remaining listed on the ASX. The ongoing annual administrative, compliance and direct costs associated with the Company's ASX listing are disproportionate to the benefits of remaining an ASX listed security.

(e) **Growth and Equity Raising requirements:**

- (i) Raising growth capital whilst listed on the ASX will impose a significant dilutionary cost on non-participating Shareholders.
- (ii) Alternate debt and equity financing have been sourced without any prospect of obtaining whilst remaining an ASX-listed entity.
- (iii) Debt financing has become more available during Q1 and Q2 2024 however, it will require the third party support of the Company Chairman in order to facilitate such debt instruments. This requirement further removes the rationale of remaining listed on the ASX to source debt capital.
- (iv) Given the main business activities of eCargo are in China, the Company has also sought debt and/or equity financing in the Chinese market. Domestic funding in the Chinese market is provided preferentially to Chinese domestic and HK-listed entities and to Chinese private companies.
- (v) Debt and/or equity financing options in China are significantly hampered by the Australian market capitalisation of eCargo. This dynamic has provided a competitive funding advantage to its competitors in the market.

(f) **Current limitations on business growth:**

- (i) eCargo's advanced supply chain technology has been experiencing a less than favourable valuation that is not reflective of the Company's business growth and is hindering its ability to raise funds.
- (ii) eCargo is focused on the opportunities available for growth in the Chinese and South East Asian digital economies and considers the growth trajectory of the business will require access to growth funding to protect the interests of all Shareholders.

(g) **Returning value to CDI holders:** The Board considers it has two key priorities:

- (i) To protect the interests of all Shareholders and ensure the business can access funding to survive and grow to build CDI/Shareholder value.
- (ii) To ensure that the funding pathway can provide Shareholders with the prospect of a liquidity event at a fair market value.

2 Delisting process

It is expected that CDIs will continue to trade on the ASX until close of trading on the Suspension Date. At such time, CDI holders will be suspended from trading CDIs on the ASX.

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Following the suspension of trading in CDIs, CDI holders will no longer be able to trade their holdings of CDIs on the ASX. Following the suspension of trading of CDIs, ECG will be removed from the official list of the ASX on September 6, 2024.

This document contains details on the Delisting process and the options available to you in respect of your CDIs. Full details on the options available to you in respect of your CDIs are set out in **Section 5**.

Please note that eCargo does not make any recommendation or give any advice as to which option you should select. This is because the option that is most appropriate for you will depend on your personal circumstances. eCargo strongly encourages you to read this document in full and to consult your financial and tax advisors in relation to the options available to you.

3 Dates for the delisting process

The following table sets out the timetable for the Delisting of eCargo from the ASX. eCargo reserves the right to change or extend any of these dates and/or procedures and processes and will promptly announce any such change. Unless otherwise indicated, all dates are Sydney, Australia dates.

July 31, 2024	Company holds general meeting seeking approval from Shareholders/CDI holders for the delisting.
August 30, 2024	<p>Suspension Date – effective date of suspension in trading of CDIs on the ASX (on the basis that approval from Shareholders/CDI holders is received at the general meeting).</p> <p>Trading in the CDIs on the ASX is permitted up to close of trading on August 30, 2024. Please note that you will not be able to trade your CDIs on the ASX after close of trading on this date.</p>
August 30, 2024	Last date for CDI holders to elect to convert CDIs into Shares.
September 6, 2024	Delisting Date – anticipated delisting date and date of removal of eCargo from the ASX Official List.
September 6, 2024	Commencement of process for mandatory conversion of CDIs into Shares.

4 Impact on ECG following delisting from the ASX

Following eCargo's removal from the ASX Official List:

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- (a) ECG will continue to be subject to applicable Hong Kong corporate and securities laws;
 - (b) The Company's CDIs will no longer be quoted on the ASX and will no longer be traded on the ASX.
 - (c) The Company's shares will only be capable of sale via off-market private transactions which will require the Company's Shareholders to identify and agree to terms with potential purchasers of the Company's shares in accordance with the Company's Articles of Association and the Companies Ordinance (Chapter 622, Laws of Hong Kong) ("**Companies Ordinance**").
 - (d) During any period eCargo remains an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of limited disclosure fundraising documents.
 - (e) The Company will remain as a public company under the Companies Ordinance as either one of the following conditions are met:
 - (i) the Company has more than 50 shareholders (including but not limited to CDI holders); or
 - (ii) the Company's Articles of Association do not (a) restrict the transferability of the shares by members; or (b) prohibit any invitation to the public to subscribe for any shares or debentures of the Company.

Under such circumstances, the Company will remain subject to The Codes on Takeovers and Mergers regulated by the Securities and Futures Commission of Hong Kong.

- (f) Given eCargo is a company incorporated and registered under Hong Kong law, following the Delisting, continuous disclosure obligations under ASX Listing Rules will no longer apply to eCargo, but it will remain to be subject to the annual filing requirements under the Companies Ordinance which include the filing of annual returns and the Company's financial statements (including directors' reports and auditors' reports) to the Companies Registry in Hong Kong. Further, apart from keeping a register of members, the Companies Ordinance requires the Company to maintain a significant controllers register to be accessible by law enforcement officers upon demand. The Company will still provide disclosure to Shareholders of material matters on the Company's website.
- (g) A reduction of obligations associated with a listing on the ASX, which may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of shares by the Company and requirements concerning significant changes to the Company's activities.
- (h) The ASX Listing Rules and ASX Corporate Governance Principles and Recommendations will no longer be applicable to the Company.
- (i) The Company's Articles of Association and, therefore, Shareholders' rights

under the Articles of Association will remain unchanged immediately following the Delisting, such that Shareholders will continue to have the right to:

- (i) receive notices of meetings and other notices issued by the Company;
- (ii) exercise voting rights attached to shares; and
- (iii) receive dividends payable by the Company from time to time.

5 Options for CDI holders on Delisting of eCargo from the ASX

CDI holders will have the following options with respect to their CDI holdings in conjunction with the Delisting of eCargo from the ASX Official List.

OPTION 1: Sell your CDIs on the ASX before the Suspension Date (on or before August 30, 2024)

You can elect to sell your CDIs on the ASX prior to close of trading on the Suspension Date (August 30, 2024) by contacting your stockbroker or financial advisor who can arrange the sale.

If you elect to sell your CDIs on the ASX prior to the Suspension Date, you will be responsible for any costs associated with the sale of your CDIs as is customary, including any broker commission. You must ensure that the trade occurs prior to the Suspension Date at which point the register will be moved from Australia to Hong Kong.

After the Suspension Date, you will not be able to sell your CDIs on the ASX.

OPTION 2: Convert your CDIs into Shares (on or before August 30, 2024)

On or before August 30, 2024 you have the right to convert your CDIs into the underlying Shares at the rate of (1) CDI to (1) Share.

To do this, you will need to complete the "CDI Cancellation – Australia to Hong Kong" form ("**CDI Cancellation Request Form**") and submit the form to Link Market Services for processing via:

Email to ecargo@linkmarketservices.com.au

Post to eCargo Holdings Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia

The CDI Cancellation Request Form is available at:

<https://ecargo.com/pages/ecargo-investor>

The Hong Kong Registry will also require a signed (wet ink) Instrument of Transfer. This will be sent to you directly in the event you provide a CDI Cancellation Request Form.

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Following the conversion of the CDIs, the Shares will be held on eCargo's Hong Kong share register.

Once a validly completed CDI Cancellation Request Form and duly signed Instrument of Transfer are received, it is expected that they will be actioned within 2 business days of receipt. The preparation of the draft register of members and draft new share certificate for the underlying Shares will then take up to a further 10 business days. The register of members will be updated and new share certificate will be issued upon completion of the Conversion. However, no guarantee can be given in respect of the time for the CDI conversion to be fully completed.

OPTION 3: Do nothing – Mandatory Conversion to Shares (on or after September 6, 2024)

You may choose to do nothing in which case on or after September 6, 2024 the process will commence to convert your CDIs into the underlying Shares on the Hong Kong register, with the underlying Shares being registered in the name and address of the former CDI holder. The share certificate will be issued and mailed to the name and address that the CDIs were registered in.

If, for any reason, the registration is unable to be completed, the Shares will be sold and the net proceeds of the sale will be remitted to the former CDI Holder, or if they are unable to be located, the proceeds will be dealt with in accordance with any applicable laws relating to unclaimed money.

6 Tax implications

ECG strongly encourages you to obtain your own independent professional tax advice based on your individual circumstances before deciding which option you should select. This document does not purport to provide you with any tax advice.

This announcement is approved by the Board of Directors of eCargo.

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About eCargo Holdings Limited

eCargo Holdings Limited ("eCargo") is an ASX-listed supply chain solutions provider helping brands expand in the Asia market, with a specific focus on China. eCargo's one stop service covers logistics, eCommerce, online to offline distribution, and B2B supply chain solutions. Trusted by brands across different categories, eCargo builds an agile, digitalised, and integrated supply chain infrastructure to drive operational efficiency for brands to deliver omnichannel growth in new markets.

For further information, the Company is now using "Dialog" to ensure Shareholders have the ability to communicate with the Company both prior to and post delisting.

All Shareholders may download the “Dialog” Mobile app by following the link below:

<https://www.dialog.com.au/retail-investors>

Alternatively scan the following QR code for access to the “Dialog” mobile app download.



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