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E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1733)

CONNECTED TRANSACTION ENTERING INTO THE TENANCY AGREEMENT

THE TENANCY AGREEMENT

On 30th September 2022, E-Commodities Japan, a subsidiary of the Company, entered into the Tenancy Agreement with the Landlord, pursuant to which the Landlord agreed to lease the Relevant Premise to E-Commodities Japan (as the tenant) for a term of 36 months commencing from 1 October 2022.

HONG KONG LISTING RULES IMPLICATIONS

In accordance with IFRS 16 “Leases”, the Relevant Premise leased under the Tenancy Agreement will be recognised as right-of-use asset of the Group in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Tenancy Agreement will be regarded as acquisition of right-of-use assets by the Group for the purpose of the Hong Kong Listing Rules.

The Landlord is a subsidiary owned as to 80% by Ms. Wang, the controlling shareholder of the Company, and constitutes an associate of Ms. Wang, therefore, the Landlord is a connected person of the Company under Rule 14A.07(4) of the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. Given the party to the Tenancy Agreement is a person connected to the party to the Previous Tenancy Agreement, the transaction contemplated under the Tenancy Agreement shall be aggregated with the transactions contemplated under the Previous Tenancy Agreement pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As each of the relevant percentage ratios applicable to the Tenancy Agreement and the Previous Tenancy Agreement on an aggregated basis exceeds 0.1% but is less

than 5%, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

A. THE TENANCY AGREEMENT

On 30th September 2022, E-Commodities Japan, a subsidiary of the Company, entered into the Tenancy Agreement with the Landlord, pursuant to which the Landlord agreed to lease the Relevant Premise to E-Commodities Japan (as the tenant) for a term of 36 months commencing from 1 October 2022.

The principal terms of the Tenancy Agreement are set out below.

Date	:	30th September 2022
Parties	:	(1) the Landlord (2) E-Commodities Japan (as the tenant)
Relevant Premise	:	a unit of a leased area of 99m ² in a building located at 1-4-15 Otsuka, Bunkyo-ku, Tokyo, Japan
Lease term	:	from 1 October 2022 to 30 September 2025
Rent	:	JPY565,000 per month (equivalent to approximately HK\$30,689.11)
Property management fees	:	JPY46,820 per month (equivalent to approximately HK\$2,543.12) for common area maintenance cost, subject to revision based on negotiation between the parties
Deposit	:	JPY565,000 (equivalent to one month rent)
Payment arrangement	:	E-Commodities Japan shall pay the rent and the property management fees on or before 31st of every month
Usage	:	Temporary accommodation provided to the employees of the Group during their business trips in Japan

The monthly rent and property management fees were determined after arm's-length negotiations between the parties to the Tenancy Agreement with reference to (i) the market rent and property management fees of comparable premises in the vicinity of the Relevant Premise; and (ii) condition of the Relevant Premise, including the location of the Relevant Premise as well as the facilities and management services associated with the Relevant Premise.

B. RIGHT-OF-USE ASSET

The total estimated value of the right-of-use assets to be recognised by the Group under the Tenancy Agreement is approximately JPY20.32 million (approximately HK\$1.10 million), which is calculated with reference to the present value of maximum rent payable for the entire term of the Tenancy Agreement in accordance with IFRS 16 "Leases".

The rent payable will be financed by the internal resources of E-Commodities Japan.

C. REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

With respect to the Group's commodities supply chain business, it has been continuously put forward its globalization strategy of commodities procurement and sales. Japan is an important country for the Group's commodities supply chain business. The transaction contemplated under the Tenancy Agreement is intended to provide convenience for our employees' business trips in Japan with a view to accommodate their needs in business development.

The Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreement are entered into in the ordinary course of business of the Group and on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. None of the Directors has any material interest in the Tenancy Agreement and was required to abstain from voting on the Board resolution in relation to the transaction contemplated under the Tenancy Agreement.

D. HONG KONG LISTING RULES IMPLICATIONS

In accordance with IFRS 16 “Leases”, the Relevant Premise leased under the Tenancy Agreement will be recognised as right-of-use assets of the Group in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Tenancy Agreement will be regarded as acquisition of right-of-use assets by the Group for the purpose of the Hong Kong Listing Rules.

The Landlord is a subsidiary owned as to 80% by Ms. Wang, the controlling shareholder of the Company, and constitutes an associate of Ms. Wang, therefore, the Landlord is a connected person of the Company under Rule 14A.07(4) of the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. Given the party to the Tenancy Agreement is a person connected to the party to the Previous Tenancy Agreement, the transaction contemplated under the Tenancy Agreement shall be aggregated with the transactions contemplated under the Previous Tenancy Agreement pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As each of relevant percentage ratios applicable to the Tenancy Agreement and the Previous Tenancy Agreement on an aggregated basis exceeds 0.1% but is less than 5%, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Hong Kong Listing Rules.

E. INFORMATION ON THE COMPANY AND PARTIES

The Company

The Company is a company incorporated in the British Virgin Islands and is principally engaged in the processing and trading of coal and other products and providing logistics services throughout the commodity supply chain. The Company is ultimately controlled by Ms. Wang.

E-Commodities Japan

E-Commodities Japan is a company incorporated in Japan and a subsidiary of the Company. E-Commodities Japan is principally engaged in supply chain trading business that focuses on expansion of the Group’s business in Japanese market.

The Landlord

The Landlord is North Energy Co., Ltd., a company established under the laws of Japan with limited liability and owned as to 80% by Ms. Wang, the controlling shareholder of the Company, and is mainly engaged in new energy investment and other relevant businesses.

F. DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“Company”	E-Commodities Holdings Limited, a limited liability company incorporated in the British Virgin Islands, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director of the Company
“E-Commodities Guangdong”	E-Commodities (Guangdong) Supply Chain Management Co., Ltd.* (易大宗(廣東)供應鏈管理有限公司), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
“E-Commodities Japan”	E-Commodities Japan Co., Ltd.* (株式会社イー・コモディティーズジャパン), a company incorporated in Japan with limited liability, and a subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“JPY”	the Yen, the lawful currency of Japan
“Landlord”	North Energy Co., Ltd., a company established under the laws of Japan with limited liability and owned as to 80% by Ms. Wang

“Ms. Wang”	Ms. Wang Yihan (王奕涵女士), the ultimate controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Tenancy Agreement”	the tenancy agreement dated 30 June 2022 entered into between Mr. Wang Xingchun (王興春先生) (father of Ms. Wang) and E-Commodities Guangdong, in relation to the lease of certain premises. For further details, please refer to the announcement of the Company dated 30 June 2022
“Relevant Premise”	a unit of a leased area of 99m ² in a building located at 1-4-15 Otsuka, Bunkyo-ku, Tokyo, Japan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company with no par value
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 30 September 2022 entered into between the Landlord and E-Commodities Japan, in relation to lease of the Relevant Premise
「%」	per cent.

By Order of the Board
E-Commodities Holdings Limited
Cao Xinyi
Chairman

Hong Kong, 30 September 2022

As at the date of this announcement, the executive directors of the Company are Ms. Cao Xinyi, Mr. Wang Yaxu, Ms. Di Jingmin and Mr. Zhao Wei; the non-executive director of the Company is Mr. Guo Lisheng; and the independent non-executive directors of the Company are Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. Gao Zhikai.

* *For identification purpose only*