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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)

CONTINUING CONNECTED TRANSACTION ENTERING INTO THE CONSULTANCY AGREEMENT

THE CONSULTANCY AGREEMENT

The Board announces that on 30 December 2022, the Company and the Senior Strategy Consultant entered into the Consultancy Agreement in relation to the provision of, on an exclusive basis, consultation and advisory services to the Company in relation to the development and construction of infrastructures and the related facilities for the Company's business operation along the Chinese port areas for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

IMPLICATIONS UNDER THE LISTING RULES

As the Senior Strategy Consultant is the father of Ms. Wang Yihan (the controlling shareholder of the Company), therefore, an associate of Ms. Wang Yihan, the Senior Strategy Consultant constitutes a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the Consultancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the annual consultancy fees payable by the Company to the Senior Strategy Consultant under the Consultancy Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A. ENTERING INTO THE CONSULTANCY AGREEMENT

The Board announces that on 30 December 2022, the Company and the Senior Strategy Consultant entered into the Consultancy Agreement in relation to the provision of, on an exclusive basis, consultation and advisory services to the Company in relation to the development and construction of infrastructures and the related facilities for the Company's business operation along the Chinese port areas for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

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

Date	:	30 December 2022
Parties	:	(1) the Company; and (2) the Senior Strategy Consultant
Term	:	The Consultancy Agreement shall be valid for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).
Scope of Services	:	Under the Consultancy Agreement, the Senior Strategy Consultant shall provide, on an exclusive basis, consultation and advisory services to the Company in relation to the development and construction of infrastructures and the related facilities for the Company's business operation along the Chinese port areas including but not limited to, (i) give advice on the formulation and development of border-crossing business and operation strategies and directions; (ii) develop loyalty and relationship with the major suppliers and customers of the Group along the Chinese port areas; and (iii) give advice and recommendations on the overall planning of the development and construction of infrastructures and the related facilities along the Chinese port areas based on the Group's business and operation strategies and directions.
Fees and Payment Terms	:	Under the Consultancy Agreement, the Company shall pay an annual service fees in Hong Kong dollars equivalent to US\$1,000,000 on a monthly basis.

The payment to the Senior Strategy Consultant under the Consultancy Agreement will be financed by the internal resources of the Group.

Termination : Pursuant to the Consultancy Agreement, either party thereto may terminate the Consultancy Agreement by serving a written notice upon the other party at any time during the term of the Consultancy Agreement.

The Company may unilaterally terminate the Consultancy Agreement by serving a prior written notice upon the Senior Strategy Consultant at any time during the term of the Consultancy Agreement if the Company reasonably believes that the services cannot be performed in accordance with the terms of the Consultancy Agreement.

B. ANNUAL CAPS

There is no historical transaction amounts with respect to the provision of services under the Consultancy Agreement. The maximum annual caps of the service fees to be paid by the Company to the Senior Strategy Consultant for the provision of services under the Consultancy Agreement are as follows:

For the year ending 31 December	Annual Cap
2023	US\$1,000,000
2024	US\$1,000,000
2025	US\$1,000,000

C. BASIS OF DETERMINING THE FEES AND ANNUAL CAPS

The service fees of US\$1,000,000 per annum was determined based on arm's-length negotiation between the Company and the Senior Strategy Consultant with reference to (i) the extensive experience of the Senior Strategy Consultant in international commodities business and management, and in the development of cross-border logistics infrastructures and its operations; (ii) the duties and responsibilities of the Senior Strategy Consultant under the Consultancy Agreement; (iii) the business development strategies, planning and demand of the relevant consultation and advisory services of the Group in respect of its cross-border business and operation; (iv) an exclusive basis on the consulting services provided, that the Senior Strategy Consultant will not knowingly provides services regarding developing land ports or logistics solutions along Chinese port areas to any other companies during the term of the Consultancy Agreement; and (v) the comparable market price for the similar consultancy services.

In arriving at the annual caps for the payment under the Consultancy Agreement, the Board has taken into account of the annual service fees to be paid by the Company to the Senior Strategy Consultant in accordance with the terms of the Consultancy Agreement, and on the principal assumptions that, during the term of the Consultancy Agreement, there will not be any significant change in the market conditions, operation and business environment or government policies which may materially affect the business of the Group.

D. REASON FOR AND BENEFIT OF THE CONSULTANCY AGREEMENT

The Senior Strategy Consultant is the founder of the Company, and was a former executive director and the chairman of the Company, who was responsible for formulating the overall business development strategies for our Company and communication with key suppliers and customers of the Group. The Senior Strategy Consultant has over 30 years of international commodities business and management experience, as well as experience in the development of cross-border logistics infrastructure and its operations. The Board is of the view that the appointment of the Senior Strategy Consultant will be a key factor to the Group's success in developing its cross-border business and operation taking into account of (i) the strategic role of the Senior Strategy Consultant as the founder of the Company, as well as his previous roles and responsibilities in the Group; and (ii) his experience and expertise necessary for continuity and stability of the Group's business operations and corporate development. Through entering into the Consultancy Agreement, it is expected that the Group will have the benefits of consultation and advisory services to be provided by the Senior Strategy Consultant, and his contributions in furtherance of the interest of the Group. The Senior Strategy Consultant is not a Director or a member of the senior management of the Company, nor will he participate in the corporate governance of the Company.

None of the Directors has a material interest in the Consultancy Agreement and there was no Director required to abstain from voting on the relevant board resolutions approving the Consultancy Agreement. The Directors (including the independent non-executive Directors) consider that the Consultancy Agreement is entered into in the ordinary course and usual course of the business of the Group, and are on normal commercial terms or better, and the terms thereof and transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

E. IMPLICATIONS UNDER THE LISTING RULES

As the Senior Strategy Consultant is the father of Ms. Wang Yihan (the controlling shareholder of the Company), therefore, an associate of Ms. Wang Yihan, the Senior Strategy Consultant constitutes a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the Consultancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the annual consultancy fees payable by the Company to the Senior Strategy Consultant under the Consultancy Agreement is more than 0.1% but less than 5%, the transactions contemplated

under the Consultancy Agreement are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

F. INFORMATION ON THE 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 Yihan.

The Senior Strategy Consultant

Mr. Wang Xingchun is the father of Ms. Wang Yihan, our controlling shareholder, and the founder of the Company.

G. 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 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 and traded on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consultancy Agreement”	the consultancy agreement dated 30 December 2022 entered into between the Company and the Senior Strategy Consultant in relation to the provision of consultation and advisory services regarding the development and construction of infrastructures and the related facilities for the Company's business operation along the Chinese port areas
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Senior Strategy Consultant”	Mr. Wang Xingchun
“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
“United States”	the United States of America
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 30 December 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.