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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 PURCHASE OF PROPERTIES

THE PROPERTIES PURCHASE AGREEMENTS

The Board announces that on 4 August 2023 (after trading hours), each of the Purchasers, being an indirect wholly-owned subsidiary of the Company, and each of the Vendors entered into Property Purchase Agreements, respectively, pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase the Properties with a total gross floor area of 2,863.44 square meters, for a total consideration of RMB78.20 million.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendors are parents of Ms. Wang, the controlling shareholder of the Company, each of the Vendors is an associate of Ms. Wang, and therefore constitutes a connected person of the Company under Rules 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Property Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the Vendors are the same parties to the relevant transactions under the Master Tenancy Framework Agreement, the transactions contemplated under the Property Purchase Agreements shall be aggregated with the transactions under the Master Tenancy Framework Agreement pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions under the Property Purchase Agreements and the Master Tenancy Framework Agreement on an aggregated basis exceeds 0.1% but is less than 5%, the transactions contemplated under the Property Purchase Agreements are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE PROPERTY PURCHASE AGREEMENTS

The Board announces that on 4 August 2023 (after trading hours), each of the Purchasers, being an indirect wholly-owned subsidiary of the Company, and each of the Vendors entered into Property Purchase Agreements, respectively, pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase the Properties with a total gross floor area of 2,863.44 square meters, for a total consideration of RMB78.20 million.

The principal terms of each of the Property Purchase Agreements are summarised below.

Zhuhai Property Purchase Agreement

Date	:	4 August 2023
Parties	:	(1) E-Commodities Guangdong as the Purchaser; and (2) Mr. Wang as the Vendor
Property to be purchased	:	20/F of Sinoport Plaza located at No. 258 Haojiang Road, Hengqin New District, Zhuhai City, Guangdong Province, the PRC with an aggregate gross floor area of 2,239.42 square meters.
Consideration and payment terms	:	The total consideration for the purchase of Zhuhai Property shall be RMB70,100,000. E-Commodities Guangdong shall pay a deposit of RMB13,000,000 within 5 business days after the date of the Zhuhai Property Purchase Agreement.

Under the Previous Tenancy Agreement dated 30 June 2022 entered into between E-Commodities Guangdong and Mr. Wang in relation to the lease of certain properties (of which Zhuhai Property forms a part) for a term of 36 months, as at the date of this announcement, E-Commodities Guangdong had paid the rent and deposit in the aggregate amount of RMB1,803,137 for the second half of 2023. Pursuant to a supplemental agreement to the Previous Tenancy Agreement dated 4 August 2023 entered into between E-Commodities Guangdong and Mr. Wang, the lease of Zhuhai Property shall be terminated on 31 July 2023, and the balance of paid rent and deposit for the corresponding period beyond the termination date shall be offset against the total consideration payable under the Zhuhai Property Purchase Agreement.

The remaining balance of the total consideration under the Zhuhai Property Purchase Agreement shall be paid within 30 days following the date of the Zhuhai Property Purchase Agreement.

The consideration for the Zhuhai Property was determined after arm's-length negotiations with the parties to the Zhuhai Property Purchase Agreement, taking into account, among others, (i) the original acquisition cost (including consideration and tax) for purchase of the Zhuhai Property by Mr. Wang in the amount of RMB69,890,297, (ii) the prevailing market prices of commercial properties in vicinity of Zhuhai Property, and (iii) the appraised market value of Zhuhai Property in the amount of RMB70,819,418 as at the valuation benchmark date of 22 July 2023 according to the valuation report issued by an independent professional property valuer by using comparative method of valuation given a considerable number of comparable transactions and properties with similar characteristics available for sale in the same area of Zhuhai Property at the valuation benchmark date, which was then determined by applying the necessary adjustments to the conditions and status of the relevant comparable transactions, market conditions and the physical conditions of properties in relation to such selected comparable transactions.

Delivery of the Property : Zhuhai Property shall be delivered to E-Commodities Guangdong on or before 5 August 2023, and the parties confirmed that there is no objection to the condition of the property delivered as at the date of the Zhuhai Property Purchase Agreement. The parties shall jointly apply to the relevant authority for the transfer of title of Zhuhai Property after entering into the Zhuhai Property Purchase Agreement.

Nantong Property Purchase Agreement

Date : 4 August 2023

Parties : (1) E-Commodities Jiangsu as the Purchaser; and
(2) Ms. Bai as the Vendor

Property to be purchased : Rooms 2405, 2406, 2407, and 2408 of Tower B, Huijin International Plaza, South Gongnong Road, Chongchuan District, Nantong City, Jiangsu Province, the PRC with an aggregate gross floor area of 624.02 square meters.

Consideration and payment terms : The total consideration for the purchase of Nantong Property shall be RMB8,100,000. The Purchaser shall pay a deposit of RMB1,600,000 within 5 business days after entering into the Nantong Property Purchase Agreement, and the remaining balance of the total consideration shall be paid within 30 days following the date of the Nantong Property Purchase Agreement.

The consideration for Nantong Property was determined after arm's-length negotiations with the parties to the Nantong Property Purchase Agreement, taking into account, among others, (i) the original acquisition cost (including consideration and tax) for purchase of the Nantong Property by Ms. Bai in the amount of RMB7,057,715, (ii) the prevailing market prices of commercial properties in vicinity of Nantong Property, and (iii) the appraised market value of Nantong Property in the amount of RMB8,176,300 as at the valuation benchmark date of 14 July 2023 according to the valuation report issued by an independent professional property valuer by using comparative method of valuation given a considerable number of comparable transactions and properties with similar characteristics available for sale in the same area of Nantong Property at the valuation benchmark date, which was then determined by applying the necessary adjustments to the conditions and status of the relevant comparable transactions, market conditions and the physical conditions of properties in relation to such selected comparable transactions.

Delivery of the Property : The Purchaser has confirmed the conditions of Nantong Property at the time of entering into the Nantong Property Purchase Agreement, and the Vendor shall deliver Nantong Property to the Purchaser on or before 31 August 2023. The Vendor and the Purchaser shall jointly apply to the relevant authority for the transfer of title of Nantong Property after entering into the Nantong Property Purchase Agreement.

The Purchasers will settle the consideration for the purchase of Properties in cash by using the Group's internal resources..

REASON FOR AND BENEFIT OF THE PURCHASE OF PROPERTIES

Zhuhai is the regional headquarters for the Company's cross-border business. Through its unremitting efforts, E-Commodities Guangdong has been recognized by the Department of Commerce of Guangdong Province as a "Regional Headquarters of Multinational Corporations in Guangdong Province" in 2023 and a "Growth Leader in Hengqin Guangdong Macau In-depth Cooperation Zone" in 2022. The Zhuhai Property, which was previously rented by the Group, is currently used as the dormitory apartment for the employees of the Company and for other business development opportunities as the Company sees fit. The purchase of Zhuhai Property is expected to further facilitate the Company to fully take advantages of the benefits offered by the Guangdong Macau In-depth Cooperation Zone, better attract outstanding talents, take root in Zhuhai, and further promote the Company's strategy of "intelligent logistics, intelligent ports and intelligent customs clearance".

The Nantong Property to be purchased by the Group is located in the Yangtze River Delta region, which is expected to allow the Company to rely on the developed inland transportation, booming export-oriented economy and trade advantages of Yangtze River Delta region, and may further enable the Company to explore a broader market space and promote the development of its supply chain trading business.

The Directors (including the independent non-executive Directors) consider that the terms of the Property Purchase Agreements 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 Property Purchase Agreements and was required to abstain from voting on the Board resolutions in relation to the transactions contemplated under the Property Purchase Agreements.

IMPLICATIONS UNDER THE LISTING RULES

As Vendors are parents of Ms. Wang, the controlling shareholder of the Company, each of the Vendors is an associate of Ms. Wang, and therefore constitutes a connected person of the Company under Rules 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Property Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the Vendors are the same parties to the relevant transactions under the Master Tenancy Framework Agreement, the transactions contemplated under the Property Purchase Agreements shall be aggregated with the transactions under the Master Tenancy Framework Agreement pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions under the Property Purchase Agreements and the Master Tenancy Framework Agreement on an aggregated basis exceeds 0.1% but is less than 5%, the transactions contemplated under the Property Purchase Agreements are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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 Guangdong

E-Commodities Guangdong is a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. E-Commodities Guangdong is principally engaged in the business of commodity supply chain services.

E-Commodities Jiangsu

E-Commodities Jiangsu is a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. E-Commodities Jiangsu is principally engaged in the business of commodity supply chain trading and management.

Mr. Wang

Mr. Wang is the father of Ms. Wang, the controlling shareholder of the Company.

Ms. Bai

Ms. Bai is the spouse of Mr. Wang and mother of Ms. Wang.

DEFINITION

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

“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
“Director(s)”	the director(s) 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 an indirect wholly-owned subsidiary of the Company
“E-Commodities Jiangsu”	E-Commodities (Jiangsu) Supply Chain Management Co., Ltd.* (易大宗(江蘇)供應鏈管理有限公司), a company incorporated under the laws of the PRC with limited liability, and an indirect wholly-owned 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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Master Tenancy Framework Agreement”	the master tenancy framework agreement entered into between the Company and Ms. Wang on 31 March 2023 in relation to the leases of premises and/or car parking spaces by Ms. Wang and/or her associates to the Company or its subsidiaries for a term commencing 1 April 2023 and ending on 31 December 2025
“Mr. Wang”	Mr. Wang Xinchun (王興春先生), father of Ms. Wang
“Ms. Bai”	Ms. Bai Jianping (白建平女士), spouse of Mr. Wang and mother of Ms. Wang
“Ms. Wang”	Ms. Wang Yihan (王奕涵女士), the controlling shareholder of the Company
“Nantong Property”	Rooms 2405, 2406, 2407, and 2408 of Tower B, Huijin International Plaza, South Gongnong Road, Chongchuan District, Nantong City, Jiangsu Province, the PRC with an aggregate gross floor area of 624.02 square meters
“Nantong Property Purchase Agreement”	the agreement entered into between E-Commodities Jiangsu and Ms. Bai on 4 August 2023 in relation to the purchase of Nantong Property
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Previous Tenancy Agreement”	the tenancy agreement entered into between Mr. Wang and E-Commodities Guangdong on 30 June 2022 in relation to lease of properties. For further details, please refer to the Company’s announcement dated 30 June 2022
“Properties”	Zhuhai Property and Nantong Property
“Property Purchase Agreements”	Zhuhai Property Purchase Agreement and Nantong Property Purchase Agreement
“Purchasers”	E-Commodities Guangdong and E-Commodities Jiangsu, each a “Purchaser”
“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
“Vendors”	Mr. Wang and Ms. Bai, each a “Vendor”
“Zhuhai Property”	20/F of Sinoport Plaza located at No. 258 Haojiang Road, Hengqin New District, Zhuhai City, Guangdong Province, the PRC with an aggregate gross floor area of 2,239.42 square meters
“Zhuhai Property Purchase Agreement”	the agreement entered into between E-Commodities Guangdong and Mr. Wang on 4 August 2023 in relation to the purchase of Zhuhai Property
“%”	per cent

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

Hong Kong, 4 August 2023

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.