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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)

DISCLOSEABLE TRANSACTION CONNECTED TRANSACTION PROVISION OF COUNTER-GUARANTEE

PROVISION OF THE COUNTER-GUARANTEE

Xianghui Energy is a joint venture, the equity interest in which is held by the Company and Xiangyu Joint Stock as to 49% and 51%, respectively. Pursuant to the guarantee quota approved by the shareholders of Xiangyu Joint Stock at its extraordinary general meeting held on 22 March 2022, Xiangyu Joint Stock will provide a corporate guarantee to secure all the repayment obligation of Xianghui Energy under the additional Banking Facilities in an aggregate principal amount of up to RMB300 million. On 20 April 2022, the Company and Xiangyu Joint Stock entered into the Counter-Guarantee, pursuant to which the Company agreed to provide the Counter-Guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the Counter-Guarantee is for the amount drawn down on the Banking Facilities together with any interest accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the Bank Guarantee Contract provided by Xiangyu Joint Stock in favour of the Designated Bank in an aggregate amount of up to RMB160 million.

HONG KONG LISTING RULES IMPLICATIONS

Given the party to the Counter-Guarantee and that to the Previous Counter-Guarantee is the same person, the transaction contemplated under the Counter-Guarantee shall be aggregated with the transaction contemplated under the Previous Counter-Guarantee pursuant to Rule 14.22 of the Hong Kong Listing Rules. As the relevant percentage ratios applicable to the Counter-Guarantee on an aggregate basis exceed 5% but are less than 25%, the transaction contemplated under the Counter-Guarantee constitutes a discloseable transaction of the Company under the Hong Kong Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Xiangyu Joint Stock is a substantial shareholder of Inner Mongolia E-35 and Haotong Environmental Technology, both are indirect non-wholly owned subsidiaries of the Company, therefore, Xiangyu Joint Stock is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Hong Kong Listing Rules. As a result, the provision of Counter-Guarantee constitute connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the relevant percentage ratios applicable to the Counter-Guarantee exceed 1% but are less than 5%, the transaction contemplated under the Counter-Guarantee is therefore 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. PROVISION OF THE COUNTER-GUARANTEE

Xianghui Energy is a joint venture, the equity interest in which is held by the Company and Xiangyu Joint Stock as to 49% and 51%, respectively. Pursuant to the guarantee quota approved by the shareholders of Xiangyu Joint Stock at its extraordinary general meeting held on 22 March 2022, of which Xiangyu Joint Stock will provide a corporate guarantee to secure all the repayment obligation of Xianghui Energy under the additional Banking Facilities in an aggregate principal amount of up to RMB300 million. On 20 April 2022, the Company and Xiangyu Joint Stock entered into the Counter-Guarantee, pursuant to which the Company agreed to provide the Counter-Guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the Counter-Guarantee is for the amount drawn down on the Banking Facilities together with any interest accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the Bank Guarantee Contract provided by Xiangyu Joint Stock in favour of the Designated Bank in an aggregate amount of up to RMB160 million.

The principal terms of the Counter-Guarantee contract are set out below.

THE COUNTER-GUARANTEE CONTRACT

Date

20 April 2022

Parties

- (1) the Company; and
- (2) Xiangyu Joint Stock

Amount Guaranteed

Pursuant to the Counter-Guarantee, the Company agreed to provide the Counter-Guarantee in favour of Xiangyu Joint Stock in an aggregate amount of up to RMB160 million for the drawdown amount under the Banking Facilities together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the relevant bank guarantee contracts in relation to the corporate guarantee provided by Xiangyu Joint Stock in favour of the Designated Bank.

Term of the Counter-Guarantee

The term of the Counter-Guarantee is three years from the date of performance of the obligations by Xiangyu Joint Stock in favour of the Designated Bank under the relevant bank guarantee contracts.

Bank Guarantee Contracts

In connection with the Banking Facilities, according to the requirements of the Designated Bank, a guarantee from the controlling shareholder to secure all the repayment obligations of Xianghui Energy is required for a loan application. In this regard, Xiangyu Joint Stock agreed to provide the corporate guarantee in favour of the Designated Bank to secure all the repayment obligations of Xianghui Energy under the relevant Banking Facilities.

B. REASONS FOR AND BENEFITS OF THE COUNTER-GUARANTEE CONTRACT

To further expand Mongolian coal trading businesses, the two parties have achieved the arrangement under the Counter Guarantee and the related transaction documents, to settle the working capital demand of Xianghui Energy.

The Counter-Guarantee has been reviewed and approved by the Board and none of the Directors has material interests in the transaction.

The Directors (including the independent non-executive Directors) consider that the terms of the Counter-Guarantee are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

C. HONG KONG LISTING RULES IMPLICATIONS

Given the party to the Counter-Guarantee and that to the Previous Counter-Guarantee is the same person, the transaction contemplated under the Counter-Guarantee shall be aggregated with the transaction contemplated under the Previous Counter-Guarantee pursuant to Rule 14.22 of the Hong Kong Listing Rules. As the relevant percentage ratios applicable to the Counter-Guarantee on an aggregate basis exceed 5% but are less than 25%, the transaction contemplated

under the Counter-Guarantee constitutes a discloseable transaction of the Company under the Hong Kong Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Xiangyu Joint Stock is a substantial shareholder of Inner Mongolia E-35 and Haotong Environmental Technology, both are indirect non-wholly owned subsidiaries of the Company, therefore, Xiangyu Joint Stock is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Hong Kong Listing Rules. As a result, the provision of Counter-Guarantee constitute connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the relevant percentage ratios applicable to the Counter-Guarantee exceed 1% but are less than 5%, the transaction contemplated under the Counter-Guarantee is therefore subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

D. 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.

Xiangyu Joint Stock

Xiangyu Joint Stock is a state-owned enterprise owned by Xiamen Xiangyu Group Co., Ltd.* (廈門象嶼集團有限公司) and its shares are listed on the main board of the Shanghai Stock Exchange. Xiangyu Joint Stock is principally engaged in commodities trading, related logistics services, and the development and operation of logistics platforms (parks).

E. DEFINITION

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

“Banking Facilities”	the banking facilities in an aggregate principal amount of up to RMB300 million to be extended to Xianghui Energy by the Designated Bank
“Board”	the board of Directors

“Counter-Guarantee”	the counter-guarantee in an aggregate amount of up to RMB160 million to be provided by the Company in favour of Xiangyu Joint Stock under the terms of the guarantee contract dated 20 April 2022 entered into between the Company and Xiangyu Joint Stock
“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
“Designated Bank”	the bank providing the Banking Facilities to Xianghui Energy
“Director(s)”	the director of the Company
“Haotong Environmental Technology”	Inner Mongolia Haotong Environmental Technology Co., Ltd.* (內蒙古浩通環保科技有限公司), a company established under the laws of the PRC, which is held as to 80% by the Company and 20% by Xiangyu Joint Stock
“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)
“Inner Mongolia E-35”	Inner Mongolia E-35 Technology Co., Ltd.* (內蒙古易至科技股份有限公司), a company established under the laws of the PRC, which to be held as to 80% by the Company and 20% by Xiangyu Joint Stock upon completion of the Capital Increase Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Counter-Guarantee”	the counter-guarantee in an aggregate amount of up to RMB215 million provided by the Company in favour of Xiangyu Joint Stock under the terms of the guarantee contract dated 9 August 2021 entered into between the Company and Xiangyu Joint Stock

“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
“Xianghui Energy”	Xianghui Energy (Xiamen) Co., Ltd.* (象暉能源(廈門)有限公司), a company incorporated under the laws of the PRC with limited liability, the equity in which is held by the Company and Xiangyu Joint Stock as to 49% and 51%, respectively
“Xiangyu Joint Stock”	Xiamen Xiangyu Joint Stock Company Limited* (廈門象嶼股份有限公司), a state-owned enterprise incorporated under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600057.SH)
「%」	per cent.

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

Hong Kong, 20 April 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*