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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

CONTINUING CONNECTED TRANSACTIONS: REVISION OF ANNUAL CAPS FOR FRAMEWORK AGREEMENT AND PROVISION FOR SERVICES AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “**Company**”) dated 22 March 2024 in relation to the Framework Agreement and Provision of Services Agreement and the continuing connected transactions contemplated thereunder. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL AGREEMENT TO FRAMEWORK AGREEMENT

On 3 April 2024, Tripler and Dan Dan Group entered into a supplemental agreement to the Framework Agreement (the “**Supplemental Framework Agreement**”), pursuant to which (i) the expiry date of Framework Agreement was revised from 31 March 2027 to 31 December 2026 so that the Framework Agreement is effective from 1 April 2024 to 31 December 2026; (ii) the relevant period of each Annual Cap is revised to be in line with the financial year of the Company; (iii) the Annual Caps for each of the three years ending 31 December 2026 were revised to HK\$8,400,000; and (iv) the credit period granted by Tripler to Dan Dan Group was set at within 30 days after the date of delivery of the Products. For further details of the changes to the Annual Caps, please refer to the paragraph headed “Revision of Annual Caps” below in this announcement.

SUPPLEMENTAL AGREEMENT TO PROVISION OF SERVICES AGREEMENT

On 3 April 2024, Dan Dan Group and Tripler entered into a supplemental agreement to the Provision of Services Agreement (the “**Supplemental Agreement**”), pursuant to which (i) the expiry date of Provision of Services Agreement was revised from 31 March 2027 to 31 December 2026 so that the Provision of Services Agreement is effective from 1 April 2024 to 31 December 2026; (ii) the relevant period of each Annual Cap is revised to be in line with the financial year of the Company; (iii) the annual caps for the rendering of the Services for each of the three years ending 31 December 2026 were revised to HK\$1,200,000; and (iv) the credit period granted by Dan Dan Group to Tripler was set at being payable upon the issuance of the debit note and the service fee for rendering of the Services is payable semi-annually. For further details of the changes to the annual caps, please refer to the paragraph headed “Revision of Annual Caps” below in this announcement.

REVISION OF ANNUAL CAPS

Under the revised Annual Caps (the “**Revised Annual Caps**”) as amended by the Supplemental Framework Agreement and the revised annual caps under the Supplemental Agreement, the total revised annual caps (the “**Total Revised Annual Caps**”) for the three years ending 31 December 2026 are summarised as follows:

Financial year	Revised Annual Caps	Revised annual caps for rendering of Services	Total Revised Annual Caps
From 1 January 2024 to 31 December 2024	HK\$8,400,000	HK\$1,200,000	HK\$9,600,000
From 1 January 2025 to 31 December 2025	HK\$8,400,000	HK\$1,200,000	HK\$9,600,000
From 1 January 2026 to 31 December 2026	HK\$8,400,000	HK\$1,200,000	HK\$9,600,000

The Revised Annual Caps for the three years ending 31 December 2026 were determined with reference to the following factors: (i) the latest revenue forecast for sale of Products to Dan Dan Group for the first three months ending 31 March 2024 that amounted to approximately HK\$1,500,000 and (ii) a downward adjustment to the expected sale demand from Dan Dan Group in particular in the second half of 2024.

The revised annual caps under the Supplemental Agreement for the three years ending 31 December 2026 were determined primarily due to the downward adjustment to the expected sale demand from Dan Dan Group which led to a decrease in expected demand of the Services by Tripler.

Save as disclosed, all other terms under the Framework Agreement and the Provision of Services Agreement remain unchanged and continue to remain in full force and effect.

INTERNAL CONTROL

The Board is pleased to supplement the following additional internal control measures and procedures that the management will follow to determine whether the price and terms of the transactions will be conducted on normal commercial terms and not prejudicial to the interest of the Company and its independent Shareholders.

- (i) The finance department of the Company will closely monitor the transactions under the Framework Agreement (as amended by the Supplemental Framework Agreement) and the Provision of Services Agreement (as amended by the Supplemental Agreement) to ensure that the total transaction amount will not exceed the Total Revised Annual Caps;
- (ii) The Company’s external auditor will conduct an annual review of the transactions entered into under the Framework Agreement (as amended by the Supplemental Framework Agreement) and the Provision of Services Agreement (as amended by the Supplemental Agreement) to ensure that the total transaction amount is within the Total Revised Annual Caps and the transactions are in accordance with the terms set out therein;

- (iii) The Company's independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Framework Agreement (as amended by the Supplemental Framework Agreement) and the Provision of Services Agreement (as amended by the Supplemental Agreement) to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules;
- (iv) Tripler maintains a price list of the Products that sets out the indicative prices for the Products on the Point of Sale (POS) system, which is applicable to all parties. The price list is subject to regular review by the general manager of Tripler and may be adjusted based on market conditions at that time. Tripler will fix the selling prices for the Products being sold to the Dan Dan Group according to the price list. Tripler's finance team will conduct review on those transactions with Dan Dan Group, which will involve comparing the selling prices to the Dan Dan Group against the price list. The purpose of this step is to ensure that the sale to be made with Dan Dan Group will align with the prices listed for Independent Third Parties and will be no less favourable to the Group than those offered to Independent Third Parties; and
- (v) Furthermore, the finance team at Tripler will compare the quotation or service charge payable to the Dan Dan Group for marketing functions such as posting billboards. This will be done by obtaining quotes from at least two independent suppliers for comparable functions and postings. Similarly, for other proprietary marketing and promotional events, the team will conduct market research by engaging independent marketing consultant to determine the appropriate quotation or service charge chargeable by Independent Third Parties. The final results are subject to review and approval by the general manager of Tripler.

The Directors consider that the terms of the Supplemental Framework Agreement (including the Revised Annual Caps) and the Supplemental Agreement (including the revised annual caps) are fair and reasonable and the transactions contemplated thereunder to be entered into are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the aggregation of (i) the consideration expected to be received by the Group from Dan Dan Group, in aggregate, for sale of the Products under the Framework Agreement (as amended by the Supplemental Framework Agreement), on an annual basis, and (ii) the service fees expected to be payable by the Group to Dan Dan Group, in aggregate, for rendering of the Services under the Provision of Services Agreement (as amended by the Supplemental Agreement), on an annual basis, are less than 25% and the highest aggregated revised annual cap is less than HK\$10,000,000, the Framework Agreement (as amended by the Supplemental Framework Agreement), the Provision of Services Agreement (as amended by the Supplemental Agreement) and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, all other information disclosed in the Announcement remains unchanged.

By order of the Board
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman and Executive Director

Hong Kong, 3 April 2024

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Siu Wai Bun, Mr. Tao Ke and Mr. Ng Tin Shui as Executive Directors; (2) Ms. Yip Man Yi as Non-Executive Director; and (3) Mr. Ng Kwok Sang, Mr. Ho Hin Yip, Mr. Wu Kai Tang and Mr. Leung Yiu Ming, David as Independent Non-Executive Directors.