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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 379)**

**CONTINUING CONNECTED TRANSACTIONS:  
(1) SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT;  
AND (2) 2025 TEI FRAMEWORK PURCHASE AGREEMENT**

**SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT**

Reference is made to the circular of the Company dated 10 January 2023 in relation to, among other things, TEI Framework Purchase Agreement.

It came to the attention to the Board that the TEI Framework Purchase Agreement had expired on 31 December 2023, while the Group continued the purchase of Medical and Healthcare Products from TEI during the year ended 31 December 2024. Thus, EGHC, a wholly-owned subsidiary of the Company, entered into the conditional Supplemental TEI Framework Purchase Agreement with TEI to extend the TEI Framework Purchase Agreement for one year commencing from 1 January 2024 to 31 December 2024 (both days inclusive). Such Supplemental TEI Framework Purchase Agreement will be subject to the approval, confirmation and ratification of the Independent Shareholders at the EGM.

**2025 TEI FRAMEWORK PURCHASE AGREEMENT**

The Board is pleased to announce that on 17 February 2025 (after trading hours of the Stock Exchange), EGHC, as purchaser, and TEI, as supplier, entered into the conditional 2025 TEI Framework Purchase Agreement pursuant to which the Group may purchase, and TEI may sell, the Medical and Healthcare Products from time to time during the period from the Effective Date up to 31 December 2026.

**LISTING RULES IMPLICATIONS**

TEI is owned by Mr. Ng Tin Shui, who is also an executive Director, and Ms. Chi Chin as to 50% and 50%, respectively. Mr. Ng Tin Shui and Ms. Chi Chin are spouses of each other. As at the date of this announcement, Mr. Ng Tin Shui and Ms. Chi Chin are deemed to be collectively interested in a total of 220,470,000 Shares, representing 13.07% of the total issued share capital of the Company and therefore are regarded as substantial shareholders of the Company. Therefore, TEI is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules and the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. Mr. Ng Tin Shui and Ms. Chi Chin and their associates will abstain from voting in the resolutions to be proposed at the EGM for approving the above matters.

As the applicable percentage ratios as set out in Rule 14A.07 of the Listing Rules in respect of each the 2024 Annual Cap in relation to the Supplemental TEI Framework Purchase Agreement and the Annual Caps in relation to the 2025 TEI Framework Purchase Agreement are higher than 5% and the amount of the Annual Caps are higher than HK\$10 million, the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps in relation thereto are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on, among other things, whether or not the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps thereof are in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned. Messis Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps thereof and whether the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group.

A circular containing, inter alia, (a) further information on the Supplemental TEI Framework Purchase Agreement and the transactions contemplated thereunder and the ratification of the 2024 Transactions; (b) further information on the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder; (c) the letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders; (d) the recommendation from the Independent Board Committee; and (e) a notice of the EGM will be dispatched to the Shareholders on or before 31 March 2025 in accordance with the Listing Rules.

## **SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT**

Reference is made to the circular of the Company dated 10 January 2023 in relation to, among other things, TEI Framework Purchase Agreement.

For reasons set forth in the section headed "RECTIFICATION OF THE 2024 TRANSACTIONS", it came to the attention to the Board that the TEI Framework Purchase Agreement had expired on 31 December 2023, while the Group continued the purchase of Medical and Healthcare Products from TEI during the year ended 31 December 2024. Thus, EGHC, a wholly-owned subsidiary of the Company, entered into the conditional Supplemental TEI Framework Purchase Agreement with TEI to extend the TEI Framework Purchase Agreement for one year commencing from 1 January 2024 to 31 December 2024 (both days inclusive).

### **Supplemental TEI Framework Purchase Agreement**

Major terms of the Supplemental TEI Framework Purchase Agreement are as follows:

<b>Date</b>	17 February 2025
<b>Parties</b>	EGHC, as purchaser TEI, as supplier

<b>Term</b>	From 1 January 2024 to 31 December 2024
<b>Subject Matter</b>	The Supplemental TEI Framework Purchase Agreement governs the purchases of Medical and Healthcare Products by the Group from TEI during the term which forms the 2024 Transactions
<b>Pricing basis</b>	<p>The price of the Medical and Healthcare Products were determined with reference to:–</p> <ul style="list-style-type: none"> <li>(i) the prevailing market price of similar Medical and Healthcare Products (if applicable) of comparable quality, ingredients, formula and quantities and applicable foreign exchange rates based on market information collected by the Group from time to time; and</li> <li>(ii) the terms agreed with other suppliers who are Independent Third Party of the Group for the Medical and Healthcare Products of comparable quality, ingredients, formula and quantities and applicable foreign exchange rates at the relevant time.</li> </ul>

The price and the terms of the purchase of the Medical and Healthcare Products were agreed after arm's length negotiation between the Group and TEI based on normal commercial terms, and in any event were no less favourable to the Group than terms purchased by the Group from Independent Third Parties.

<b>Maximum Price Offered by TEI</b>	TEI further agreed that the maximum price of the Medical and Healthcare Products offered to the Group must not be higher or equal to the acquisition cost together with 1% markup thereon of the Medical and Healthcare Products as procured by TEI.
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<b>2024 Annual Cap</b>	FY2024: HK\$55 million
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<b>Historical transaction amounts</b>	<p>FY2023: approximately HK\$12.1 million</p> <p>FY2024: approximately HK\$54.7 million</p>
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**Basis of determination of 2024 Annual Cap**

The 2024 Annual Cap is HK\$55 million. It was set with reference to the actual transaction amount under the 2024 Transactions.

**Conditions precedent**

The Supplemental TEI Framework Purchase Agreement will be subject to the approval, confirmation and ratification by the Independent Shareholders at the EGM.

## **Internal Control Measures**

The Group has performed the general internal control procedures (i) to (iii) as set out in pages 12 to 13 of the Company's circular dated 10 January 2023 and will perform the remaining procedures (iv) and (v) to ensure all continuing connected transactions conducted under the Supplemental TEI Framework Purchase Agreement were in accordance with the requirements under Chapter 14A of the Listing Rules.

The Board considers that these procedures and policies are effective to ensure that the 2024 Transactions have been conducted on normal commercial terms or better and not prejudicial to the interests of the Company and the Independent Shareholders.

## **RECTIFICATION OF THE 2024 TRANSACTIONS**

As the TEI Framework Purchase Agreement expired on 31 December 2023 while the Group continued to purchase the Medical and Healthcare Products from TEI during the year ended 31 December 2024, such transactions constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

During the preparation of the forthcoming annual results of the Group for the year ended 31 December 2024 and in attempt to review the 2024 Transactions, the financial department of the Group revisited the TEI Framework Purchase Agreement and discovered that the TEI Framework Purchase Agreement had expired. Due to miscommunication between the outgoing and incoming management personnels of the Company, there was an inadvertent oversight of the expiry date of the TEI Framework Purchase Agreement and there was no annual cap obtained for the 2024 Transactions in advance, and the management personnels mistakenly believed that an annual cap of HK\$80 million was valid and subsisting for the FY2024.

From 1 January 2024 to 31 December 2024, the 2024 Transactions amounted to approximately HK\$54.7 million. As the highest applicable percentage ratio in respect of the amount of the 2024 Transactions was more than 5%, the 2024 Transactions should be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In light of the 2024 Transactions, to safeguard the interests of the Group, the Group all along examined the pricing of continuing connected transactions regularly to ensure the 2024 Transactions were conducted in accordance with the pricing terms thereof. The relevant operating departments of the Company had, on a quarterly basis, reviewed the prices obtained from or offered to Independent Third Parties and the prevailing market prices for the same type of services, as the case may be, and compare such prices with those of the 2024 Transactions. The terms of the transactions were no less favourable to the Group than prices offered to or received from Independent Third Parties and the prevailing market prices for the same types of products or services. The 2024 Transactions were conducted in line with the market pricing principle and carried out on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

To prevent reoccurrence of similar event, the Group has/will put in place the following additional internal control measures:

- (i) regularly reviewing, monitoring and verifying the existing database relating to continuing connected transactions (including identity of connected persons, annual cap amount, monthly transaction amount and cumulated amount and expiry date, etc.) to ensure accuracy and the validity of the existing agreements. The finance department of the Company will assign additional personnel to closely monitor the status of the agreements and continuing connected transactions contemplated; and
- (ii) providing internal trainings on the relevant requirements of connected transaction under Chapter 14A of the Listing Rules to all relevant personnel, accounting staff, internal auditor and senior management in all business departments of the Group to reinforce the importance of the compliance with the Listing Rules.

The Directors believe that the implementation of the above enhanced internal control measures will strengthen and reinforce the knowledge of the responsible staff, management and Directors in relation to connected transactions under the Listing Rules, and avoid similar event from happening again.

## **2025 TEI FRAMEWORK PURCHASE AGREEMENT**

The Board is pleased to announce that on 17 February 2025 (after trading hours of the Stock Exchange), EGHC, as purchaser, and TEI, as supplier, entered into the 2025 TEI Framework Purchase Agreement pursuant to which the Group will purchase, and TEI will sell, the Medical and Healthcare Products during the term from the Effective Date up to 31 December 2026.

Major terms of the 2025 TEI Framework Purchase Agreement are as follows:

<b>Date</b>	17 February 2025
<b>Parties</b>	EGHC, as purchaser TEI, as supplier
<b>Effective period</b>	From the Effective Date to 31 December 2026
<b>Subject Matter</b>	The Group would purchase the Medical and Healthcare Products from TEI
<b>Pricing basis</b>	The price of the Medical and Healthcare Products shall be determined with reference to:– <ol style="list-style-type: none"><li>(i) the prevailing market price of similar Medical and Healthcare Products (if applicable) of comparable quality, ingredients, formula and quantities and applicable foreign exchange rates based on market information collected by the Group from time to time; and</li></ol>

- (ii) the terms agreed with other suppliers who are Independent Third Party of the Group for the Medical and Healthcare Products of comparable quality, ingredients, formula and quantities and applicable foreign exchange rates in recent transactions.

The price and the terms of the purchase of the Medical and Healthcare Products shall be agreed after arm's length negotiation between the Group and TEI based on normal commercial terms (as defined in the Listing Rules), and in any event shall be no less favourable to the Group than terms purchased by the Group from Independent Third Parties of the Group.

**Maximum Price Offered by TEI**

TEI further agrees that the maximum price of the Medical and Healthcare Products to be offered to the Group must not be higher or equal to the acquisition cost together with 1% markup thereon of the Medical and Healthcare Products as procured by TEI.

**Annual Caps**

FY2025: HK\$150 million

FY2026: HK\$170 million

**Basis of determination of Annual Caps**

The Annual Caps for FY2025 and FY2026 are determined based on the historical transaction amounts and potential purchase demands from the existing and new customers of EGHC.

**Historical transaction amounts**

The historical transaction amounts made by the Group from TEI are as follows:

	For the year ended 31 December 2024 <i>HK\$</i>	For the year ended 31 December 2023 <i>HK\$</i>
Purchases of Medical and Healthcare Products by the Group from TEI	54,723,000	12,053,000

No purchase was made by the Group from TEI before 1 January 2023.

For the period from 1 January 2025 to the date of this announcement, the Group has purchased HK\$2,841,000 worth of Medical and Healthcare Products from TEI. No further purchases have been conducted as at the date of this announcement, and the Company will continue to purchase further Medical and Healthcare Products upon the approval of the 2025 TEI Framework Purchase Agreement.

## **Condition precedent**

The 2025 TEI Framework Purchase Agreement is conditional upon the Independent Shareholders approving the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder and the Annual Caps by way of ordinary resolution(s) to be passed at the EGM.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT AND 2025 TEI FRAMEWORK PURCHASE AGREEMENT**

The Group is principally engaged in the business of (i) financial leasing and its consultancy services in the PRC, (ii) provision of loans as a money lender in Hong Kong, (iii) manufacturing and research of food additives, new food ingredients and nutritional enhancers in the PRC, and (iv) sale of medical, health, hygiene products and daily necessities in Hong Kong and the PRC.

TEI is a company established in the Hong Kong with limited liability and its principal business activity is distributorship business in medical and healthcare products in Hong Kong and the PRC. EGHC is principally engaged in the trading of medical, health, hygiene products and daily necessities business.

Sale and distribution of medical and health products is one of the major businesses of the Company. While the Company procures various products from different suppliers, there are specific medical and health products which could be procured from TEI at more favourable prices and terms to the Group. As such the entering of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement is beneficial to the Group for increasing the Group's sales of the Medical and Healthcare Products and enhancing the Group's market share in distributing the Medical and Healthcare Products in Hong Kong and the PRC.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and the annual caps thereof are fair and reasonable and the transactions contemplated thereunder are and will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL**

In order to ensure the terms of the 2025 TEI Framework Purchase Agreement are on normal commercial terms and fair and reasonable to the Company and the Shareholders and are no more favourable than those offered by the Group to the Independent Third Parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) the finance department of the Company will closely monitor the transactions under the 2025 TEI Framework Purchase Agreement to ensure that the transactions amount will not exceed the Annual Cap for the 2025 TEI Framework Purchase Agreement;



- (ii) the finance department of the Company will conduct regular random checks to review and assess whether the transactions contemplated under the 2025 TEI Framework Purchase Agreement are conducted on normal commercial terms, in accordance with the terms set out in the 2025 TEI Framework Purchase Agreement and whether the relevant contract terms are in the interest of the Company and the Shareholders as a whole;
- (iii) the Company's external auditor will conduct an annual review of the transactions entered into under the TEI Framework Purchase Agreement to ensure that the transactions amount is within the Annual Cap and the transactions is in accordance with the terms set out in the 2025 TEI Framework Purchase Agreement; and
- (iv) the Company's independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the 2025 TEI Framework Purchase Agreement to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules.

In view of the pricing policy and internal control measures above, along with the additional measures set forth in the section headed "RECTIFICATION OF THE 2024 TRANSACTIONS" above, the Directors are of the view that appropriate measures are in place to ensure that the transactions contemplated under the 2025 TEI Framework Purchase Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company and its Independent Shareholders.

## **LISTING RULES IMPLICATIONS**

TEI is owned by Mr. Ng Tin Shui, who is also an executive Director, and Ms. Chi Chin as to 50% and 50%, respectively. Mr. Ng Tin Shui and Ms. Chi Chin are spouses of each other. As at the date of this announcement, Mr. Ng Tin Shui and Ms. Chi Chin are deemed to be collectively interested in a total of 220,470,000 Shares, representing 13.07% of the total issued share capital of the Company and therefore are regarded as substantial shareholders of the Company. Therefore, TEI is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules and the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. Mr. Ng Tin Shui and Ms. Chi Chin and their associates will abstain from voting in the resolutions to be proposed at the EGM for approving the above matters.

As the applicable percentage ratios as set out in Rule 14A.07 of the Listing Rules in respect of each the 2024 Annual Cap in relation to the Supplemental TEI Framework Purchase Agreement and the Annual Caps in relation to the 2025 TEI Framework Purchase Agreement are higher than 5%, the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps in relation thereto are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Save and except Mr. Ng Tin Shui, none of the Directors has a material interest in the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement. Accordingly, none of them is required to abstain from voting on the relevant board resolutions to approve the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder and the ratification of the 2024 Transactions.



The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on, among other things, whether or not the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps thereof are in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned. Messis Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps thereof and whether the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group.

A circular containing, inter alia, (a) further information on the Supplemental TEI Framework Purchase Agreement and the transactions contemplated thereunder and the ratification of the 2024 Transactions; (b) further information on the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder; (c) the letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders; (d) the recommendation from the Independent Board Committee; and (e) a notice of the EGM will be dispatched to the Shareholders on or before 31 March 2025 in accordance with the Listing Rules.

## **DEFINITIONS**

“2024 Annual Cap”	the annual cap of the accumulative transaction amount, on an annual basis, under the Supplemental TEI Framework Purchase Agreement
“2024 Transactions”	all transactions between the member(s) of the Group and TEI in connection with the purchase of the Medical and Healthcare Products by the Group from TEI, as agreed to be undertaken under the Supplemental TEI Framework Purchase Agreement for the period from 1 January 2024 to 31 December 2024
“2025 TEI Framework Purchase Agreement”	the agreement dated 17 February 2025 between EGHC and TEI in relation to the purchase of Medical and Healthcare Products by the Group from TEI from the Effective Date to 31 December 2026
“Annual Cap(s)”	the annual caps of the accumulative transaction amount, on an annual basis, under the 2025 TEI Framework Purchase Agreement
“Board”	the board of Directors
“Company”	China Ever Grand Financial Leasing Group Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Effective Date”	the date on which the entering into of the 2025 TEI Framework Purchase Agreement, the transactions contemplated hereunder and the Annual Caps, are approved by the resolutions of the Independent Shareholders at the EGM (or at any adjournment thereof)
“EGHC”	Ever Grand Healthcare Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, if thought fit, to approve the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder, the ratification of the 2024 Transactions and the Annual Caps by the Independent Shareholders
“FY”	financial year of the Company ended or ending 31 December
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Ng Kwok Sang, Mr. Wu Kai Tang and Mr. Leung Yiu Ming David, established to advise the Independent Shareholders on the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement, the transactions contemplated thereunder (including the Annual Caps for those transactions) and the ratification of the 2024 Transactions
“Independent Shareholder(s)”	Shareholders other than Mr. Ng Tin Shui and Ms. Chi Chin, and their respective associates
“Independent Third Parties”	a person who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Medical and Healthcare Products”	medical and healthcare products to be purchased by the Group from TEI including but not limited to Wong To Yick Wood Lock Ointment

“PRC”	the People’s Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental TEI Framework Purchase Agreement”	The supplement agreement dated 17 February 2025 between EGHC and TEI in relation to the renewal of TEI Framework Purchase Agreement for the period from 1 January 2024 to 31 December 2024
“TEI”	Top Empire International Limited, a company incorporated in Hong Kong with limited liability, which is ultimately beneficially owned by Mr. Ng Tin Shui and Ms. Chi Chin
“TEI Framework Purchase Agreement”	the agreement dated 15 November 2022 between EGHC and TEI in relation to the purchase of Medical and Healthcare Products by the Group from TEI from the 31 January 2023 to 31 December 2023
“%”	per cent

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

Hong Kong, 17 February 2025

*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. Wu Kai Tang and Mr. Leung Yiu Ming David as Independent Non-Executive Directors.*