
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Ever Grand Financial Leasing Group Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**CONTINUING CONNECTED TRANSACTIONS:
(1) SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT;
(2) 2025 TEI FRAMEWORK PURCHASE AGREEMENT;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

MESSIS 大有融資

A letter from the Board is set out on pages 5 to 22 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 23 to 24 of this circular. A letter from Messis Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 25 to 41 of this circular.

A notice convening the extraordinary general meeting (“EGM”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) to be held at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong on Thursday, 3 April 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

14 March 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	23
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	25
APPENDIX I – GENERAL INFORMATION	42
NOTICE OF EGM	EGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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
“Announcement”	the announcement of the Company dated 17 February 2025 relating to the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement
“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)

DEFINITIONS

“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 and held on Thursday, 3 April 2025 at 11:00 a.m. at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong for the purposes of considering and, if thought fit, among the others, approving, 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
“HK Product”	the version of Wong To Yick Wood Lock Ointment which may be officially distributed in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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

DEFINITIONS

“Independent Financial Adviser” or “Messis Capital Limited”	Messis Capital Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the SFO, and an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the transactions under the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and the Annual Caps
“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
“Latest Practicable Date”	14 March 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Medical and Healthcare Product”	medical and healthcare products to be purchased by the Group from TEI including but not limited to the Product and the HK Product
“PRC”	the People’s Republic of China, excluding for the purposes of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Product”	the version of Wong To Yick Wood Lock Ointment which may be officially distributed in the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“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
“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 31 January 2023 to 31 December 2023
“underlying shares”	has the meaning ascribed to it under Part XV of the SFO
“%”	per cent

LETTER FROM THE BOARD



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

Executive Directors:

Mr. Wong Lik Ping (*Chairman*)
Mr. Siu Wai Bun
Mr. Tao Ke
Mr. Ng Tin Shui

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-Executive Director:

Ms. Yip Man Yi

*Head office and principal place
of business:*

Room 2203, 22nd Floor,
Kwan Chart Tower,
6 Tonnochy Road, Wanchai,
Hong Kong

Independent Non-executive Directors:

Mr. Ng Kwok Sang
Mr. Wu Kai Tang
Mr. Leung Yiu Ming David

14 March 2025

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS:
(1) SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT;
(2) 2025 TEI FRAMEWORK PURCHASE AGREEMENT;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement. As disclosed in the Announcement, EGHC entered into the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement with TEI on 17 February 2025.

LETTER FROM THE BOARD

The purposes of this circular are: (i) to provide the Independent Shareholders with further information regarding the details of the transactions under the Supplemental TEI Framework Purchase Agreement, the 2024 Annual Cap and the ratification of the 2024 Transactions; (ii) to provide the Independent Shareholders with further information regarding the details of the transactions contemplated under the 2025 TEI Framework Purchase Agreement and the Annual Caps; (iii) to set out the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in relations to the transactions contemplated under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement; and (iv) to give the Shareholders the notice of the EGM and other information required under 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).

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

Date	17 February 2025
Parties	EGHC, as purchaser TEI, as supplier
Term	From 1 January 2024 to 31 December 2024
Subject Matter	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.

The purpose of the Supplemental TEI Framework Purchase Agreement is for the Independent Shareholders to approve, confirm and ratify the 2024 Transactions and seek to re-comply with the Independent Shareholders’ approval requirement under the Listing Rules.

LETTER FROM THE BOARD

Pricing basis	<p>The price of the Medical and Healthcare Products were determined with reference to:–</p> <ol style="list-style-type: none">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; andii. 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;
----------------------	--

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 (as defined in the Listing Rules), and in any event were no less favourable to the Group than terms purchased by the Group from Independent Third Parties.

Maximum Price Offered by TEI	<p>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.</p>
-------------------------------------	---

Such maximum of 1% margin was considered to be marginal and was determined with reference to the fact that the sales price margin of the Medical and Healthcare Products was inherently low in a trading arrangement. In any event, TEI had supplied the Medical and Healthcare Products at the lowest price to EGHC compared with that offered to its other customers.

For the purpose of proving of the acquisition cost of the Medical and Healthcare Products, EGHC shall have rights to request TEI to produce the underlying purchase orders, invoices or other documents of the Medical and Healthcare Products.

2024 Annual Cap	FY2024: HK\$55 million
------------------------	------------------------

LETTER FROM THE BOARD

Historical transaction amounts	FY2023: approximately HK\$12.1 million
	FY2024: approximately HK\$54.7 million

Basis of determination of the 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.

Condition precedent

The Supplemental TEI Framework Purchase Agreement is subject to the approval, confirmation and ratification by the Independent Shareholders at the EGM. An ordinary resolution will be proposed at the EGM for the Independent Shareholders to consider and approve the Supplemental TEI Framework Purchase Agreement and to confirm and ratify the 2024 Transactions.

Internal Control Measures

To ensure the 2024 Transactions were conducted on arm's length basis and were on terms fair and reasonable and the best interest of the Company and the Independent Shareholders as a whole, the Group has, same as those performed for the transactions conducted under the original TEI Framework Purchase Agreement, performed the general internal control procedures as follows:

- (i) the finance department of the Company has closely monitored the transactions on a monthly basis under the 2024 Transactions to ensure that the transaction amount has not exceed HK\$80,000,000, which was the annual cap mistakenly believed to be valid and subsisting for the financial year 2024;
- (ii) the finance department of the Company has conducted regular random checks on a quarterly basis to review and assess whether the 2024 Transactions were conducted on normal commercial terms, in accordance with the terms set out in the TEI Framework Purchase Agreement and whether the relevant contract terms were in the interest of the Company and the Shareholders as a whole; and

LETTER FROM THE BOARD

- (iii) the finance department of the Company, on a quarterly basis, has independently verified (i) the then prevailing market price of the Medical and Healthcare Products as ascertained by the sourcing team, and (ii) the acquisition costs of the Medical and Healthcare Products purchased from TEI. In order to ensure the price for the purchase of Medical and Healthcare Products from TEI was fair and reasonable and no less favourable than those offered by Independent Third Parties, the finance department has (i) separately sought quotes from Independent Third Parties for the relevant Medical and Healthcare Products, (ii) independently obtained price lists for the Medical and Healthcare Products from Independent Third Parties, and (iii) required TEI to provide the underlying evidence such as purchase orders or contracts for the acquisition cost for the Medical and Healthcare Products purchased by the Group. According to the record of the finance department, no more favourable prices to the relevant Medical and Healthcare Products were found from alternative suppliers.

The Company will also perform the remaining procedures as follows to ensure all the 2024 Transactions were in accordance with the requirements under Chapter 14A of the Listing Rules:

- (iv) the Company's external auditor will conduct an annual review of the 2024 Transactions to ensure that the transactions is in accordance with the terms set out in the TEI Framework Purchase Agreement, which, despite has already expired, shall ensure the fairness and reasonableness of the transactions conducted and maintain the best interest of the Company and the Independent Shareholders; and
- (v) the Company's independent non-executive Directors will conduct an annual review of the status of the 2024 Transactions to ensure that the Company has complied with its internal approval process and the relevant requirements under 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.

LETTER FROM THE BOARD

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. 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.) on a monthly basis 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;
- ii. providing on-going 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. Also, separate training on the relevant requirements of connected transaction under Chapter 14A of the Listing Rules will be provided to all the incoming relevant staff in all business departments of the Group to ensure all the relevant staff have the understanding over the requirements; and

LETTER FROM THE BOARD

- iii. establishing a proper handover procedure for outgoing and incoming staff to ensure the incoming staff can take up the outstanding tasks in compliance of the relevant regulatory requirements.

The Directors believe that the implementation of the above enhanced internal control measures, which is expected to be completed within March 2025, 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. The Company will make further announcement when the implementation of the above enhanced internal control measures is completed.

2025 TEI FRAMEWORK PURCHASE AGREEMENT

Date	17 February 2025
Parties	EGHC, as purchaser TEI, as supplier
Effective period	From the Effective Date to 31 December 2026
Subject Matter	The Group would purchase the Medical and Healthcare Products from TEI
Pricing basis	The price of the Medical and Healthcare Products shall be determined with reference to: <ol style="list-style-type: none">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; andii. 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.

LETTER FROM THE BOARD

Maximum Price Offered by TEI TEI further agreed 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.

Such maximum of 1% margin was considered to be marginal and was determined with reference to the fact that the sales price margin of the Medical and Healthcare Products was inherently low in a trading arrangement. In any event, TEI shall supply the Medical and Healthcare Products at the lowest price to EGHC compared with that offered to its other customers.

For the purpose of proving of the acquisition cost of the Medical and Healthcare Products, EGHC shall have rights to request TEI to produce the underlying purchase orders, invoices or other documents of the Medical and Healthcare Products.

Payment Terms EGHC shall pay the full amount of purchase to TEI prior to the delivery of the Medical and Healthcare Products.

For information, EGHC will also request its customers to pay the full amount to EGHC prior to the delivery of the Medical and Healthcare Products. As far as EGHC understands, TEI offers the same payment terms to all its other customers.

Annual Caps FY2025: HK\$150 million

FY2026: HK\$170 million

Historical transaction amounts

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

	For the year ended 31 December 2024 HK\$	For the year ended 31 December 2023 HK\$
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.

LETTER FROM THE BOARD

For the period from 1 January 2025 to the Latest Practicable Date, 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 Latest Practicable Date, and the Company will continue to purchase further Medical and Healthcare Products upon the approval of the 2025 TEI Framework Purchase Agreement and the proposed Annual Caps.

Pricing policy in determining the prevailing market price

In order to ascertain the prevailing market price, the sourcing team of the Group and its designated personnel will, before entering into a transaction, make reference to the price quoted by at least two Independent Third Parties for the supply of the same or similar Medical and Healthcare Products (if applicable), including the HK Product, of comparable quality, ingredients, formula and quantities under normal commercial terms in the ordinary course of business of such Independent Third Parties; or if applicable, the price list of the same or similar Medical and Healthcare Products as obtained by the Group from Independent Third Parties from time to time. The team head of the sourcing team would also oversee and monitor the price or price list of the Medical and Healthcare Products as obtained by the designated personnel of the sourcing team. The team head would only approve the transaction if the price payable by Group will be on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties. The finance department of the Group will then compare the market price as procured and provided by the sourcing team under individual transactions pursuant to the respective agreement of continuing connected transactions, and make evaluation and assessment to ensure that the price payable by Group will be on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties.

Pricing policy for the Product

As at the Latest Practicable Date, since TEI is the only authorised distributor for the Product in the PRC, the Group would not be in the position to determine the prevailing market price for the Product in accordance with the established pricing policy. However, TEI provided a confirmation that TEI would, among TEI's customers, provide the lowest price for any Medical and Healthcare Products (including the Product) on normal commercial terms to be offered to the Group during the term of the 2025 TEI Framework Purchase Agreement. In light of above, the Board is of the view that the price payable by Group for the Product under the 2025 TEI Framework Purchase Agreement will be on normal commercial terms or better and on terms no less favourable to the Group than those available to other customers of TEI. Under the 2025 TEI Framework Purchase Agreement, the Group shall have the right to purchase the Product from TEI at the maximum of 101% of the acquisition costs of the Product as procured by TEI.

LETTER FROM THE BOARD

If there are more authorized distributors for the Product in future, the Group will ascertain the prevailing market price for the Product in accordance with the established pricing policy as mentioned above, and will source the Medical and Healthcare Products from such alternative supplier at more favourable prices.

The products to be sourced under the 2025 TEI Framework Purchase Agreement

It is currently expected by the Company that EGHC will source, among others, the HK Product, the Product and general medical products under the 2025 TEI Framework Purchase Agreement. Subject to further negotiation with TEI and the terms of the 2025 TEI Framework Purchase Agreement, the Company may procure other Medical and Healthcare Products from TEI.

The Company currently offers the Product in the PRC market and the HK Product in Hong Kong. Please refer to the table below for the allocation of historical transactions:–

Items	Percentage for historical transactions	
	FY2024	FY2023
The Product	38%	67%
The HK Product	<u>62%</u>	<u>33%</u>
	<u>100%</u>	<u>100%</u>

The Company would like to supplement that, the amount of transactions of the Product remains stable for FY2023 and FY2024, while the amount of transactions of HK Product increases significantly for FY2024 due to the expansion of online sales platform of the customers of the Company, leading to the change in the abovementioned percentage for historical transactions.

Basis of determination of Annual Caps

The Annual Cap was primarily determined based on the proposed sales of products in two categories: the HK Product and other products.

Please refer to the table below for the expected allocation of the Annual Caps:–

Items	Percentage for Annual Cap	
	FY2025	FY2026
The HK Product	80%	76%
Other products	<u>20%</u>	<u>24%</u>
Total	<u>100%</u>	<u>100%</u>

LETTER FROM THE BOARD

For the HK Product, which accounts for over 75% of the Annual Cap for both FY2025 and FY2026, the estimated purchase amount is calculated by multiplying the expected number of bottles by the unit price per bottle (i.e., 101% of its acquisition cost as procured by TEI). The projected demand for the HK Product is 2,333,000 bottles for FY2025 and 2,592,000 bottles for FY2026, which is derived from the historical purchase amounts of the HK Product for FY2023 and FY2024, being 93,600 bottles and 665,280 bottles, respectively. The drastic increase in demand is attributed to one of the customers who, in the last quarter of FY2024, expanded their cross-border online sales platforms for the HK Products in the PRC. Discussions with these customers indicate that demand for HK Products in the PRC and other online end customers via these platforms is expected to remain robust in the forthcoming year and will be consistent throughout each quarter. It is therefore expected that the demand for the HK Product will rise to over 2 million bottles for FY2025 and FY2026 by annualising the historical figure for the last quarter of FY2024. This anticipated demand is further supported by the sales forecasts provided by the largest customer of the Company for FY2025 and FY2026. The Company considers this expected demand fair and reasonable based on the trend analysis from the historical sales records as stated above.

For the unit price of the HK Product and the Product, given that the market for both products is stable and unlikely to experience significant fluctuations, the unit price is based on the latest transaction price for the calculation of the annual cap.

For the remaining portion of the Annual Caps, less than 25% for both FY2025 and FY2026 is allocated to other products, including the Product and general medical products such as gastro reliever Weisen-U and Ricqles Peppermint Cure. The allocation of the annual cap to the other products is based on (i) the historical transaction records for the PRC Product, which accounted for HK\$8.1 million and HK\$20.7 million in FY2023 and FY2024, respectively, whereby the Company expects the demand over the Product will remain stable at approximately HK\$20 million for FY2025 and FY2026; and (ii) the estimated demand for the general medical products of approximately not less than HK\$10 million for FY2025 and FY2026 based on the sales forecast provided by the largest customer of the Company.

EGHC is also prepared to expand its portfolio of Medical and Health Products to include some well-known general medical products distributed by TEI. As at the Latest Practicable Date, customers have already indicated demands for these products, with reference to which a certain portion of Annual Cap is allocated.

LETTER FROM THE BOARD

The actual proportion of among the HK Product and other products under the Annual Caps may vary due to unforeseeable market conditions. In any event, the total sales figures under the 2025 TEI Framework Purchase Agreement would not exceed the Annual Caps.

In light of above, the Directors consider that the pricing basis under the 2025 TEI Framework Purchase Agreement and the Annual Cap are fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT AND THE 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 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. 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 Latest Practicable Date, TEI is the only authorised distributor, who has the right to distribute the Product in the PRC and has agreed to supply the Product to the Company for distribution in the PRC market.

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 distribution segment of the Group mainly consists of 2 business lines, namely the "Sales and Distributions Model" and the "Own Brand Model".

Sales and Distributions Model

The Group is a distributor for the sale and distribution of the HK Product and other medical and healthcare products.

LETTER FROM THE BOARD

Own Brand Model

The Group engages third party manufacturers to produce products under its own brand. The Group also obtained a number of trademarks for its products. Products sold under the Own Brand Model include health products, hygienic face mask, ethyl alcohol, washing machine drum cleaner, shampoo and conditioner.

Following the entering into of the 2025 TEI Framework Purchase Agreement, there would be no change to the operation of the Own Brand Model. It is expected by the Company that the 2025 TEI Framework Purchase Agreement would continue to strengthen the operation of the Sales and Distributions Model.

The Sales and Distributions Model is an important contributor to the revenue of the Group. While TEI is the authorized distributor for the HK Products and the Products, the Group has an established sale teams and network for the onward distribution and dealing of such products to other customers, and therefore effectively assisted TEI in increasing its sales. As a reward to and recognition of the Group's service, under the 2025 TEI Framework Purchase Agreement it was provided that TEI must offer the best available price of the products to the Group compared with those to be offered to Independent Third Party customers, and that the maximum price that the Group would pay for the Medical and Health Products would only be 101% of the acquisition costs by TEI, meaning that TEI would only gain a marginal 1% profit from the supply of the Medical and Health Products to the Group. The Company considers this arrangement would be mutually beneficial to both parties and at the same time maximize the benefit that the Company may reasonably enjoy.

In light of the above, the Directors consider that the terms of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their annual caps 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:

LETTER FROM THE BOARD

- i. the finance department of the Company will closely monitor the transactions on a monthly basis 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 on a quarterly basis 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 finance department of the Company, on a quarterly basis, will independently verify (i) the prevailing market price of the Medical and Healthcare Products as ascertained by the sourcing team, and (ii) the acquisition costs of the Medical and Healthcare Products purchased from TEI. In order to ensure the price for the purchase of Medical and Healthcare Products from TEI is fair and reasonable and no less favourable than those offered by Independent Third Parties, the finance department will (i) separately seek quotes from Independent Third Parties for the relevant Medical and Healthcare Products, (ii) independently obtain price lists for the Medical and Healthcare Products from Independent Third Parties, and (iii) require TEI to provide the underlying evidence such as purchase orders or contracts for the acquisition cost for the Medical and Healthcare Products purchased by the Group. If the finance department found out any alternative suppliers which might offer more favourable price to the relevant Medical and Healthcare Products, the finance department would inform and seek confirmation from the sourcing team;
- iv. the Company's external auditor will conduct an annual review of the transactions entered into under the 2025 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
- v. 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 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.

Mr. Ng Tin Shui had abstained from voting on the relevant board resolutions for approving the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder. 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.

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 and the ratification of the 2024 Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group.

LETTER FROM THE BOARD

Shareholders who have material interests in the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement, are required to abstain from voting in the resolutions proposed to approve the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement, the 2024 Transactions and the Annual Caps at the EGM. As at the Latest Practicable Date, (i) TEI, which is owned by Mr. Ng Tin Shui and Ms. Chi Chin as to 50% and 50% respectively. Ms. Chi Chin held and controlled voting rights of 163,900,000 Shares; and (ii) China Food Safety Holding (Hong Kong) Company, which is wholly-owned by Mr. Ng Tin Shui, held and controlled voting rights of 56,570,000 Shares. Therefore, as at the Latest Practicable Date, Mr. Ng Tin Shui and Ms. Chi Chin, are collectively interested in 220,470,000 Shares, representing 13.07% of the total issued share capital of the Company. Mr. Ng Tin Shui and Ms. Chi Chin and their associates including China Food Safety Holding (Hong Kong) Company, shall abstain from voting on the resolutions to be proposed at the EGM in respect of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement, the 2024 Transactions and the Annual Caps. Save as disclosed above and to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholders have a material interest in the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement which requires them to abstain from voting in the resolutions proposed to approve the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement, and their respective annual caps.

EGM

The Company will hold the EGM on Thursday, 3 April 2025 at 11:00 a.m. at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong or any adjournment of the meeting, at which the resolutions will be proposed for the purposes of considering and if thought fit, among the others, approving the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement. The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 31 March 2025 to 2 April 2025 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by not later than 4:30 p.m. on 30 March 2025.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed in this circular. Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed on the form and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e., not later than 11:00 a.m. on Tuesday, 1 April 2025) (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM in person or any adjournment thereof should you so desire.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the EGM will be conducted by way of poll.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 23 to 24 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the transactions under the Supplemental TEI Framework Purchase Agreement and 2025 TEI Framework Purchase Agreement and the Annual Cap; (ii) the letter from Messis Capital Limited, the Independent Financial Adviser, set out on pages 25 to 41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps; and (iii) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice of Messis Capital Limited, the Independent Financial Adviser, considers that the terms of the Supplemental TEI Framework Purchase Agreement and 2025 TEI Framework Purchase Agreement and their respective annual caps are fair and reasonable in so far as the Company and the Independent Shareholders are concerned and the transactions under the Supplemental TEI Framework Purchase Agreement and 2025 TEI Framework Purchase Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in respect of the transactions under the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps.

LETTER FROM THE BOARD

The Board considers that the transactions under the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps are fair and reasonable in so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and therefore recommend you vote in favour of the resolutions in respect of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,

For and on behalf of the Board of

China Ever Grand Financial Leasing Group Co., Ltd.

Wong Lik Ping

Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



14 March 2025

To: the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 14 March 2025 of the Company (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Independent Shareholders in respect of the terms of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter of advice from Messis Capital Limited in the Circular.

Having taken into account of the advice of Messis Capital Limited, the Independent Financial Adviser, we consider that (i) the terms of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps are fair and reasonable in so far as the Company and the Independent Shareholders are concerned; (ii) the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) the transactions under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in respect of the transactions under the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and their respective annual caps.

Yours faithfully,

For and on behalf of

**The Independent Board Committee of
China Ever Grand Financial Leasing Group Co., Ltd.**

Mr. Ng Kwok Sang
*Independent Non-executive
Director*

Mr. Wu Kai Tang
*Independent Non-executive
Director*

Mr. Leung Yiu Ming David
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Messis Capital Limited, to the Independent Board Committee and the Independent Shareholders in relation to the terms of 2025 TEI Framework Purchase Agreement, and the ratification of the 2024 Transactions under the Supplemental TEI Framework Purchase Agreement, which has been prepared for the purpose of inclusion in this circular.

MESSIS 大有融資

14 March 2025

*To: The Independent Board Committee and the Independent Shareholders of
China Ever Grand Financial Leasing Group Co., Ltd.*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO SUPPLEMENTAL TEI FRAMEWORK PURCHASE AGREEMENT AND 2025 TEI FRAMEWORK PURCHASE AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 TEI Framework Purchase Agreement, the ratification of the 2024 Transactions under the Supplemental TEI Framework Purchase Agreement, and the transactions contemplated thereunder, including the proposed annual caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 14 March 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 17 February 2025, according to which, on 17 February 2025, the Company entered into (i) the Supplemental TEI Framework Purchase Agreement to extend the expired TEI Framework Purchase Agreement for one year commencing from 1 January 2024 to 31 December 2024 (both days inclusive) in order to ratify the 2024 Transactions; and (ii) the 2025 TEI Framework Purchase Agreement to continue business relationship with and procurement of Medical and Healthcare Products from TEI.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Principal terms of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement are set out in the Letter from the Board with the proposed annual caps summarized as below:

	Year ending 31 December		
	2024	2025	2026
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Supplemental TEI Framework Purchase Agreement	55	N/A	N/A
2025 TEI Framework Purchase Agreement	N/A	150	170

TEI is owned by Mr. Ng Tin Shui, who is also an executive Director of the Company, 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 Latest Practicable Date, Mr. Ng Tin Shui and Ms. Chi Chin are also substantial shareholders of the Company who are collectively interested in 220,470,000 Shares, representing 13.07% of the total issued share capital 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. As one or more applicable percentage ratios in respect of each of the 2024 Annual Cap under the Supplemental TEI Framework Purchase Agreement and the Annual Caps under the 2025 TEI Framework Purchase Agreement are over 5%, the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Ng Kwok Sang, Mr. Wu Kai Tang and Mr. Leung Yiu Ming, David, has been established to consider and make a recommendation to the Independent Shareholders on whether the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement, and the transactions contemplated thereunder, including the annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. We, Messis Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Messis Capital Limited is not connected with the Directors or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. In the past two years, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as independent financial adviser, no arrangement exists whereby MESSIS Capital Limited will receive any fees or benefits from the Company or the Directors or substantial shareholders of the Company or any of their respective associates. We are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinions and recommendations, we have reviewed, *inter alia*, (i) the TEI Framework Purchase Agreement; (ii) the Supplemental TEI Framework Purchase Agreement; (iii) the 2025 TEI Framework Purchase Agreement; (iv) the announcement of the Company dated 17 February 2025; (v) the interim report of the Company for the six months ended 30 June 2024 (the “**Interim Report**”); and (vi) the annual report of the Company for the year ended 31 December 2023 (the “**FY2023 Annual Report**”). We have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the Management for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Supplemental TEI Framework Purchase Agreement, the 2025 TEI Framework Purchase Agreement, and the transactions contemplated thereunder, together with the proposed annual caps. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. **Background to and reasons for the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement**

The Group is principally engaged in four business segments namely (i) the provision of finance lease consulting services and financing services in the PRC (the “**Financial Leasing Business**”); (ii) investment in properties in the PRC, securities and money lending business in Hong Kong (the “**Investment Business**”); (iii) distribution and sales of medical, health, hygiene products and daily necessities (the “**Distribution Business**”); and (iv) manufacturing and sale of food additives, new food ingredients and nutritional enhancers in the PRC (the “**Manufacturing Business**”). Distribution Business represents a material business segment of the Group that contributed 80% of the total revenue in each of the two financial years ended 31 December 2023. As discussed with the Management, we are given to understand that Wong To Yick Wood Lock Ointment, being one of the best selling products of the Group in the Distribution Business, has been procured from TEI and governed by the TEI Framework Purchase Agreement since FY2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the preparation of the 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 on 31 December 2023. 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 governed by the TEI Framework Purchase Agreement was valid and subsisting for FY2024. Accordingly, the Company failed to renew the TEI Framework Purchase Agreement before its expiration and continued to procure Medical and Healthcare Products including Wong To Yick Wood Lock Ointment from TEI.

In light of the abovementioned non-compliance event, the Management has suspended all procurement of the Group from TEI until Independent Shareholders' approval and ratification on the matter are to be obtained. Having considered the importance of mitigating disruption to the Distribution Business of the Group resulted from suspension of procurement from TEI, we concur with the view of the Directors that procurement of Medical and Healthcare Products has to be resumed and the entering into of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement are in the interests of the Company and the Independent Shareholders as a whole.

The table below sets forth the revenue generated from four business segments for (i) the six months ended 30 June 2024 and 30 June 2023 respectively as extracted from the Interim Report; and (ii) two years ended 31 December 2023 as extracted from the FY2023 Annual Report:

	Six months ended 30 June		Year ended 31 December	
	2024	2023	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue				
- Financial Leasing Business	-	-	-	-
- Investment Business	3,166	2,970	6,844	9,134
- Distribution Business [A]	42,002	16,230	42,948	60,474
- Manufacturing Business	1,855	1,291	2,910	2,130
Total revenue [B]	47,023	20,491	52,702	71,738
[A]/[B]	89.3%	79.2%	81.5%	84.3%

As shown in the table above, revenue contribution of Distribution Business represented approximately 80% of total revenue of the Group for the financial periods/years under review.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2023 vs FY2022

Revenue decreased by approximately HK\$19.0 million or 26.5% from approximately HK\$71.7 million in FY2022 to approximately HK\$52.7 million in FY2023. With reference to the FY2023 Annual Report, the decrease in revenue in FY2023 was mainly attributable to the decrease in sales in the Distribution Business due to, among other factors, (i) decrease in demand for COVID-19 related products following the containment and relieve of the COVID-19 pandemic; and (ii) drop in sales volume of Wong To Yick Wood Lock Ointment resulted from shortage of supply by the manufacturer. As discussed with the Management, the Company entered into TEI Framework Purchase Agreement in FY2023 and commenced procurement of Medical and Healthcare Products from TEI since then. Products sourced from TEI were distributed by the Group in the PRC and Hong Kong markets. Based on the purchase of Medical and Healthcare Products from TEI of approximately HK\$12.1 million in FY2023, we are given to understand that distribution of TEI products by the Group accounted for approximately 30% of the Distribution Business.

1H2024 vs 1H2023

Revenue increased by approximately HK\$26.5 million or 129.5% from approximately HK\$20.5 million in 1H2023 to approximately HK\$47.0 million in 1H2024. With reference to the Interim Report, the increase in revenue in 1H2024 was mainly attributable to the increase in sales in the Distribution Business driven by (i) increase in sales of health and wellness products under the Company's own brand; and (ii) increase in sales volume of Wong To Yick Wood Lock Ointment resulted from stabilization of supply by the manufacturer. As discussed with the Management, the Group commenced procurement from TEI by entering into the TEI Framework Purchase Agreement on 10 January 2023 and distribution of TEI products by the Group during 1H2023 was still at early stage which only accounted for approximately 5% of the Distribution Business. Purchase of Medical and Healthcare Products from TEI gradually increased following the solidification of business collaboration between the Group and TEI as well as the increase in supply of Wong To Yick Wood Lock Ointment by the manufacturer. With reference to the Interim Report, purchases of Medical and Healthcare Products from TEI increased significantly by approximately HK\$24.0 million or over 25 times from approximately HK\$0.9 million in 1H2023 to approximately HK\$24.9 million in 1H2024 which corresponded to the significant increase in sales in the Distribution Business during the period.

Having considered (i) the Distribution Business represents a material business segment of the Group in terms of revenue contribution; and (ii) the Medical and Healthcare Products sourced from TEI represent core product offering that drives the growth of the Distribution Business, the executive Directors consider, and we concur, that the procurement of Medical and Healthcare Products from TEI is in the ordinary and usual course of business of the Company and the entering into of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement to secure stable supply of Wong To Yick Wood Lock Ointment for sale in Distribution Business is beneficial to the development of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Principal terms of the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement

Date	17 February 2025
Parties	EGHC, as purchaser TEI, as supplier
Term	From 1 January 2024 to 31 December 2024 (Supplemental TEI Framework Purchase Agreement) From the Effective Date to 31 December 2026 (2025 TEI Framework Purchase Agreement)
Subject Matter	The Group purchases the Medical and Healthcare Products from TEI
Pricing basis	The price of the Medical and Healthcare Products shall be determined with reference to: (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 (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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

Such maximum of 1% margin was considered to be marginal and was determined with reference to the fact that the sales price margin of the Medical and Healthcare Products was inherently low in a trading arrangement. In any event, TEI had supplied the Medical and Healthcare Products at the lowest price to EGHC compared with that offered to its other customers.

For the purpose of proving of the acquisition cost of the Medical and Healthcare Products, EGHC shall have rights to request TEI to produce the underlying purchase orders, invoices or other documents of the Medical and Healthcare Products.

Payment Terms EGHC shall pay the full amount of purchase to TEI prior to the delivery of the Medical and Healthcare Products.

For information, EGHC will also request its customers to pay the full amount to EGHC prior to the delivery of the Medical and Healthcare Products. As far as EGHC understands, TEI offers the same payment terms to all its other customers.

Annual Caps *Supplemental TEI Framework Purchase Agreement:*
FY2024: HK\$55 million

2025 TEI Framework Purchase Agreement:
FY2025: HK\$150 million
FY2026: HK\$170 million

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As discussed with the Management, we are given to understand that TEI is one of the few authorized distributors of Wong To Yick Wood Lock Ointment in Hong Kong market (i.e. the HK Product) and the only authorized distributor in the PRC market (i.e. the Product). The Directors considered the entering into of TEI Framework Purchase Agreement in FY2023 could secure stable supply of Medical and Healthcare Products including Wong To Yick Wood Lock Ointment from TEI at competitive price. Despite that the responsible management personnels inadvertently overlooked the expiry date of the TEI Framework Purchase Agreement and continued to procure Medical and Healthcare Products from TEI in FY2024, the Directors confirmed that the pricing basis stipulated in the TEI Framework Purchase Agreement has been adhered to during FY2024 where the operating departments of the Company had, on a quarterly basis, reviewed and compared the purchase price of products sourced from TEI with price quotations and/or price list obtained from Independent Third Parties and prevailing market prices of comparable products. For the procurement of the Product where prevailing market prices are not readily available due to the fact that TEI is the only authorized distributor in the PRC market, the operating departments of the Company monitored the purchase price payable by the Group to ensure it is no higher than 101% of the acquisition costs of the Product as procured by TEI.

In order to assess the fairness and reasonableness of the pricing basis under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement which are identical to the terms of the TEI Framework Purchase Agreement, we have obtained the purchase ledger prepared by the Management that sets out all transactions with TEI in FY2024 (the “**Review Period**”). We have scrutinized the purchase ledger and selected transactions with the largest dollar amount in each month from the purchase ledger (the “**Sample Transactions**”) and reviewed the purchase orders, invoices and delivery notes that aggregately represented approximately 55.8% of purchases from TEI during the Review Period. We consider the selection criteria fair and reasonable because (i) transactions that are material in terms of dollar amount are selected; (ii) Sample Transactions span evenly over the Review Period and are not biased to a particular month; and (iii) the aggregate coverage of approximately 55.8% of purchases from TEI is considered sufficient. Accordingly, we are of the view that the Sample Transactions which include both purchase of the HK Product and the Product from TEI are fair and representative. For the HK Product, we have reviewed and compared the unit purchase price of items purchased from TEI with the price quotations of comparable items from Independent Third Parties obtained in each quarter in FY2024. We noticed that the purchase price of the HK Products sourced from TEI were all lower than that quoted by Independent Third Parties. For the Product, we have reviewed and compared the unit purchase price of items purchased from TEI against the acquisition costs of TEI as set out in invoices received by TEI from the manufacturer. We noticed that the purchase price of the Products sourced from TEI were all lower than 101% of the acquisition costs of TEI. We also notice that payment in advance is required before delivery of both the HK Product and the Product to the Group which is in line with the payment terms imposed by the manufacturer on TEI. Based on our review of the Sample Transactions that adhered to the pricing basis and terms stipulated in the TEI Framework Purchase Agreement, we are of the view that the application of same pricing basis to govern transactions between the Group and TEI under the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered that (i) the Supplemental TEI Framework Purchase Agreement is to ratify the 2024 Transactions while the 2025 TEI Framework Purchase Agreement is to succeed the business relationship with TEI in order to secure stable supply of Medical and Healthcare Products including Wong To Yick Wood Lock Ointment for the Group's Distribution Business; (ii) the principal terms in particular that the purchase price charged by TEI on the HK Product is no less favorable to the Group than that charged by Independent Third Parties as evidenced by the fact that purchase price of the HK Products sourced from TEI in the Sample Transactions were all lower than that quoted by Independent Third Parties; and (iii) the principal terms in particular that the purchase price charged by TEI on the Product is marginal and favourable to the Group as evidenced by the fact that purchase price of the Products sourced from TEI in the Sample Transactions were all lower than 101% of the acquisition costs of TEI, we concur with the executive Directors' view that the Supplemental TEI Framework Purchase Agreement and the 2025 TEI Framework Purchase Agreement which inherit the terms and pricing basis of the TEI Framework Purchase Agreement are conducted in the ordinary and usual course of business, on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

3. The proposed annual caps

As discussed with the Management, the annual cap for FY2024 was set with reference to the actual transaction amount of HK\$54.7 million under the 2024 Transactions while 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. The proposed annual caps are summarized as below:

	Year ending 31 December		
	2024	2025	2026
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Supplemental TEI Framework Purchase Agreement	55	N/A	N/A
2025 TEI Framework Purchase Agreement	N/A	150	170

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the management account of the Group in FY2024 and noticed that purchases of the Group from TEI increased significantly by approximately HK\$42.7 million or 354.3% from HK\$12.1 million in FY2023 to HK\$54.7 million in FY2024. Meanwhile, the sales of Medical and Healthcare Products also increased significantly by approximately HK\$44.4 million or 337.7% from HK\$13.2 million in FY2023 to HK\$57.6 million in FY2024. The corresponding increase in purchase from TEI and sales to customers of the Group indicates that there is a strong demand for TEI products whereby the Group has been able to sell additional products sourced from TEI to its customers. As discussed with the Management, we are given to understand that growth in sales of Medical and Healthcare Products in the Distribution Business is largely affected by the supply of products in particular Wong To Yick Wood Lock Ointment by TEI because the products are fast-moving and demand for Wong To Yick Wood Lock Ointment in the PRC and Hong Kong markets has been strong. Summary of the breakdown of the Annual Caps is set out below:

	FY2025	FY2026
	<i>HK\$'million</i>	<i>HK\$'million</i>
The HK Product	120	130
Other products	30	40
Total annual caps	150	170

In order to assess the fairness and reasonableness of the Annual Caps, we have extracted from the management accounts the actual number of bottles of Wong To Yick Wood Lock Ointment (i.e. the HK Product) sold in FY2023 and FY2024, and the forecast number of bottles of Wong To Yick Wood Lock Ointment to be sold in FY2025 and FY2026 prepared by the Management. A comparison table is set out as below:

	Actual		Forecast	
	FY2023	FY2024	FY2025	FY2026
Number of bottles of the HK Product sold/to be sold	94,000	665,000	2,333,000	2,592,000
Year-on-year % change	<i>N/A</i>	+607.4%	+250.8%	+11.1%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, sales volume of Wong To Yick Wood Lock Ointment increased dramatically by approximately 607.4% from 94,000 bottles in FY2023 to 665,000 bottles in FY2024. We have reviewed the management account and noticed that the substantial growth in sales volume in FY2024 was mainly driven by sales orders placed by one of the Hong Kong customers whose monthly order size increased from a range of 5,760 bottles to 79,200 bottles (equivalent to order size ranging from 40 boxes to 550 boxes, based on 144 bottles per box) for the first 10 months in FY2024 to 295,200 bottles (equivalent to 2,050 boxes) in November 2024 and 204,480 bottles (equivalent to 1,420 boxes) in December 2024. As discussed with the Management, the drastic increase in monthly sales orders placed by this customer to 2,050 boxes and 1,420 boxes in November and December 2024 respectively was due to the fact that this customer has in the last quarter of FY2024 expanded the operation of online cross border sales platforms. Upon discussion with such customer, the Management expects that demand for Wong To Yick Wood Lock Ointment from end users via online platforms would remain robust in the forthcoming years and therefore supports the large orders placed by customers engaging in e-commerce. With the commencement of online sales platform by the Group's customers, the Management expects that sales volume of the HK Product could reach 1,800 boxes per month and 1,500 boxes per month in FY2025 and FY2026 respectively. Based on the aforementioned development and expected demand, the forecast number of bottles of HK Products to be sold in FY2025 and FY2026 are calculated as below:

	Number of boxes per month [A]	Number of boxes per year [B]	Bottles per box [C]	Number of bottles [B] x [C] = [D]
FY2025				
The HK Product	1,800	16,200 <i>(Note 1)</i>	144	2,333,000
FY2026				
The HK Product	1,500	18,000 <i>(Note 1)</i>	144	2,592,000

Note:

- The forecast period for FY2025 covers 9 months from April to December 2025 for the HK Product, starting from the expected effective date of the 2025 TEI Framework Purchase Agreement while the forecast period for FY2026 covers 12 months from January to December 2026.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the management account of the Group in January 2025 and noticed that the sales volume of the HK Product was 383 boxes. As discussed with the Management, we are given to understand that first quarter of the year is typically slow season due to the impact of Chinese New Year holiday. Despite the relatively low sales volume achieved in January 2025 due to seasonal effect, sales volume of the HK Product increased significantly by approximately 283 boxes or 283.0% from 100 boxes in January 2024 to 383 boxes in January 2025. The Management confirmed that all procurement of the Group from TEI and sales of Wong To Yick Wood Lock Ointment have been suspended in February 2025 after the Management discovered the expiry of the TEI Framework Purchase Agreement and operation will only be resumed upon Independent Shareholders' approval and ratification on the matter are obtained. As a result, the sales volume of the HK Product was none in February 2025. While the sales volume in January 2025 are not comparable to the massive sales volume in November and December 2024 due to the negative impact of seasonal effect, we notice the drastic increase in sales volume as compared with January 2024. Moreover, we have sighted an annual indicative order from a customer engaging in e-commerce who forecast to order 2,000 to 3,000 boxes per month of the HK Products from the Group in FY2025. As discussed with the Management, the Group expect to fulfil the demand as soon as approval of the 2025 TEI Framework Purchase Agreement is obtained by the end of March.

Having considered that (i) growth in sales of Medical and Healthcare Products in the Distribution Business is in line with the increase in purchase of the HK Product from TEI indicating that there is a strong demand for TEI products whereby the Group has been able to sell additional products sourced from TEI to its customers; (ii) the sales orders received from customer engaging in e-commerce has boosted up the monthly order size to 2,050 boxes and 1,420 boxes in November and December 2024 respectively; and (iii) the massive annual indicative order received from a customer engaging in e-commerce, the Directors are of the view and we concur that the monthly sales orders projection of 1,800 boxes and 1,500 boxes of the HK Product for FY2025 and FY2026 respectively which are determined with reference to the large actual monthly sales orders received from customers following their expansion of online sales platform, is fair and reasonable. Taking into account our review of the Sample Transactions, we concur with the Directors' view that the unit purchase cost of Wong To Yick Wood Lock Ointment has been stable throughout the year. Accordingly, based on the actual unit purchase cost of the HK Product incurred in FY2024 and the forecast number of bottles of HK Products to be sold as discussed above, the annual caps for HK Product is estimated to be HK\$120 million in FY2025 and HK\$130 million in FY2026.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the annual caps of other products, we have discussed with the Management and noted that the manufacturer of Wong To Yick Wood Lock Ointment is about to make available a new version of the Product (i.e. the PRC version of Wong To Yick Wood Lock Ointment) in the middle of FY2025. We are also given to understand that the Group is also prepared to expand its portfolio of Medical and Health Products to include some well-known general medical products distributed by TEI including Weisen-U (“胃仙-U”) and Ricqls Peppermint Cure (“法國雙飛人藥水”). As discussed with Management, sales of the Product also increased significantly from approximately HK\$8.1 million in FY2023 to HK\$20.7 million in FY2024, indicating that there is a strong demand for the Product in the PRC market. Despite that the sales amount of new version of the Product and other general medical products newly added to the portfolio remain to be seen, taking into consideration (i) the strong demand in the PRC market as evidenced by the significant growth in sales of the Product; (ii) the expansion of product offering which includes some well-known brand names and potential demand from customers; and (iii) the fact that annual caps allocated to other products only accounted for a small portion of approximately 20.0% and 23.5% of the entire Annual Caps for FY2025 and FY2026 respectively, the Directors are of the view and we concur that the annual caps for other products are fair and reasonable.

Having considered (i) the substantial growth in sales volume of Wong To Yick Wood Lock Ointment in FY2024 by approximately 607.4% driven by the online sales platform of the Group's customer; (ii) the reasonable monthly sales orders projection of 1,800 boxes and 1,500 boxes of the HK Product for FY2025 and FY2026 respectively which are determined with reference to the large actual monthly sales orders received from customers following their expansion of online sales platform; (iii) the strong demand in the PRC market as evidenced by the significant growth in sales of the Product; and (iv) the expansion of product offering of Medical and Health Products to include some well-known general medical products distributed by TEI, the Directors are of the view and we concur that the proposed annual caps for FY2025 and FY2026 governed by the 2025 TEI Framework Purchase Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

4. Internal control measures regarding the transactions contemplated under the 2025 TEI Framework Purchase Agreement

The Company has established various internal control measures to monitor the transactions contemplated under the 2025 TEI Framework Purchase Agreement, including:

- (i) the finance department of the Company will closely monitor the transactions on a monthly basis 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;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the finance department of the Company will conduct regular random checks on a quarterly basis 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 finance department of the Company, on a quarterly basis, will independently verify (i) the prevailing market price of the Medical and Healthcare Products as ascertained by the sourcing team, and (ii) the acquisition costs of the Medical and Healthcare Products purchased from TEI. In order to ensure the price for the purchase of Medical and Healthcare Products from TEI is fair and reasonable and no less favourable than those offered by Independent Third Parties, the finance department will (i) separately seek quotes from Independent Third Parties for the relevant Medical and Healthcare Products, (ii) independently obtain price lists for the Medical and Healthcare Products from Independent Third Parties, and (iii) require TEI to provide the underlying evidence such as purchase orders or contracts for the acquisition cost for the Medical and Healthcare Products purchased by the Group. If the finance department found out any alternative suppliers which might offer more favourable price to the relevant Medical and Healthcare Products, the finance department would inform and seek confirmation from the sourcing team;
- (iv) the Company's external auditor will conduct an annual review of the transactions entered into under the 2025 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
- (v) 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the internal control manual and randomly selected 3 samples of historical documents and records from 2024 Transactions maintained by the Group for walkthrough purpose to understand the abovementioned internal control measures adopted in the continuing connected transactions of the Group. Despite that the responsible management personnels inadvertently overlooked the expiry date of the TEI Framework Purchase Agreement, the Directors confirm that internal control measures governed by the TEI Framework Purchase Agreement were adhered to for all 2024 Transactions. Therefore, after taking into account that the internal control measures under the 2025 TEI Framework Purchase Agreement are identical to those of the TEI Framework Purchase Agreement, we consider it fair and reasonable to randomly select 3 samples of historical documents and records kept for 2024 Transactions and observed that the Group's personnel with appropriate level of authorities are involved in the approval and/or review process in relation to the continuing connected transactions.

Whilst our scope of work as an independent financial adviser does not include a review of the effectiveness of the internal control measures of the Group, we are of the view that based on our work described above and taking into account the aforementioned reporting requirements attached to the transactions contemplated under the 2025 TEI Framework Purchase Agreement, in particular, (i) the assignment of an experienced supervisor from finance department to monitor the continuing connected transactions; (ii) the restriction of the transaction amounts by way of the 2025 TEI Framework Purchase Agreement and the respective proposed annual caps; and (iii) the on-going review by the independent non-executive Directors and external auditors of the Company of the continuing connected transactions, we are of the view that there exist appropriate and effective measures to monitor the conduct of the continuing connected transactions contemplated under the 2025 TEI Framework Purchase Agreement so as to ensure that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole, and thus, the interests of the Independent Shareholders is safeguarded.

OPINION AND RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the view that (i) the transactions contemplated under the 2025 TEI Framework Purchase Agreement are in the ordinary and usual course of business of the Company; (ii) the terms of the 2025 TEI Framework Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (iii) the entering into of the 2025 TEI Framework Purchase Agreement is in the interests of the Company and the Shareholders as a whole; and (iv) the proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM to approve (i) the 2025 TEI Framework Purchase Agreement; and (ii) the Supplemental TEI Framework Purchase Agreement to ratify the 2024 Transactions, and the proposed annual caps thereof.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Earnest Chow
Director

Mr. Earnest Chow is a licensed person registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and is regarded as a responsible officer of Mesis Capital Limited. Mr. Earnest Chow has over 10 years of experience in the corporate finance industry.

1. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

Directors' and chief executive's long and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Director of Listed Issuers were as follows:

Long and short positions in the Shares/underlying shares of the Company:

Directors/chief executive	Nature of interest	Number of Share/ underlying shares held		Percentage of interests
		Total interests	Long (L) or Short (S)	
Wong Lik Ping	Beneficial owner	46,600,000	S	2.76%
	Controlled Corporation	145,500,000 (Note 1)	S	8.62%
Ng Tin Shui	Interest of spouse	163,900,000 (Note 2)	L	9.71%
	Controlled Corporation	56,570,000 (Note 3)	L	3.35%

Notes:

- These interests are held by Worldkin Development Limited (“Worldkin”) which is wholly-owned by Mr. Wong Lik Ping. Mr. Wong is therefore deemed to be interested in the Shares held by Worldkin under the SFO.

2. Ms. Chi Chin is the spouse of Mr. Ng Tin Shui, Mr. Ng is deemed to be interested in 163,900,000 Shares held by his spouse under the SFO.
3. These interests are held by China Food Safety Holding (Hong Kong) Company Limited (“**CFSH (HK) Co., Ltd**”), which is wholly-owned by Mr. Ng Tin Shui, Mr. Ng is therefore deemed to be interested in the Shares held by CFSH (HK) Co., Ltd under the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023 being the date up to which the latest published audited accounts of the Company were made.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 31 December 2023 (being the date up to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Messis Capital Limited	A licensed corporation to conduct type 6 (advising on corporation finance) regulated activities under the SFO.

Messis Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, MESSIS Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any direct or indirect interest in any assets which have, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, except for litigation disclosed in the announcements of the Company dated 13 September 2024 and 20 December 2024, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong of the Company is situated at Room 2203, 22/F, Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong.
- (c) The Company's branch share registrar in Hong Kong is Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The secretary of the Company is Mr. Siu Wai Bun, a member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Chartered Governance Institute.
- (e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.egichk.com>), for a period of 14 days from the date of this circular:

- (a) this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (c) the letter from Messis Capital Limited, the text of which is set out in this circular;
- (d) the written consent from Messis Capital Limited referred to in the section headed "Expert and Consent" in this appendix;
- (e) Supplemental TEI Framework Purchase Agreement; and
- (f) 2025 TEI Framework Purchase Agreement.

NOTICE OF EGM



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) will be held on Thursday, 3 April 2025 at 11:00 a.m. at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. “**THAT**
 - (a) the Supplemental TEI Framework Purchase Agreement (as defined in the circular of the Company dated 14 March 2025 relating to the continuing connected transactions (the “Circular”), a copy of which will be produced to the meeting and marked “A” and initialed by the chairman of the EGM for the purpose of identification), the terms and the transactions contemplated thereunder together with the relevant annual cap in relation to the 2024 Transactions (as defined in the Circular) as set out in the Circular be and are hereby approved, confirmed and ratified;
 - (b) all action therefore taken and all documents therefore executed by any Director or the company secretary of the Company (including the affixing of the common seal of the Company, where necessary) in relation to the Supplemental TEI Framework Purchase Agreement be and are hereby approved, confirmed and ratified.”

2. “**THAT**
 - (a) the 2025 TEI Framework Purchase Agreement (as defined in the Circular), a copy of which will be produced to the meeting and marked “B” and initialed by the chairman of the EGM for the purpose of identification), the terms and the transactions contemplated thereunder together with the relevant Annual Caps in relation to such transactions for two years starting from the Effective Date (as defined in the Circular) and ending on 31 December 2026 as set out in the Circular be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (b) any director of the Company be and is hereby authorised to take any step and execute such other documents (and to affix the common seal of the Company thereon, where necessary) as he considers necessary, desirable or expedient that are of administrative nature and ancillary to and for the purposes of carrying out or giving effect to the 2025 TEI Framework Purchase Agreement or the transactions contemplated thereunder.”

Yours faithfully,

By order of the Board

China Ever Grand Financial Leasing Group Co., Ltd.

Wong Lik Ping

Chairman and Executive Director

Hong Kong, 14 March 2025

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 2203, 22/F.
Kwan Chart Tower
No. 6 Tonnochy Road
Wanchai, Hong Kong

Notes:

1. All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized.
3. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy (or more than one proxy if he is the holder of two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF EGM

5. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 31 March 2025 to 2 April 2025 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by not later than 4:30 p.m. on 30 March 2025.
6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
7. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
8. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will publish an announcement on the website of the Company and on the website of the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and venue of the rescheduled meeting.

As at the date of this notice, 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.