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E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(formerly known as “WINSWAY ENTERPRISES HOLDINGS LIMITED 永暉實業控股股份有限公司”)

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1733)

SHARE TRANSACTION IN RELATION TO AN EXCLUSIVE SERVICES AGREEMENT INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE EXCLUSIVE SERVICES AGREEMENT

The Board is pleased to announce that on 18 January 2017 (after trading hours), the Company and Minghua Group entered into the Exclusive Services Agreement under which the Company has been granted by Minghua Group the exclusive right to the provision of the Logistics Services.

The Company has agreed to pay to Minghua Group the Exclusive Right Fee in the amount of RMB100 million, which shall be satisfied by the Company through the issue of approximately 93,016,667 Consideration Shares at an issue price of HK\$1.2 per Share to Minghua Group within 20 Business Days after the date of the Exclusive Services Agreement. The Consideration Shares will represent (i) approximately 3.08% of the total number of issued shares of the Company as at the date of this announcement; and (ii) approximately 2.99% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio in respect of the transaction contemplated under the Exclusive Services Agreement is less than 5% and the Exclusive Right Fee will be satisfied by the Company allotting and issuing the Consideration Shares under General Mandate, the Exclusive Services Agreement constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 18 January 2017 (after trading hours), the Company and Minghua Group entered into the Exclusive Services Agreement under which the Company has been granted by Minghua Group the exclusive right to the provision of the Logistics Services. The principal terms of the Exclusive Services Agreement are set out below:

Date

18 January 2017

Parties

- (1) The Company; and
- (2) Minghua Group

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Minghua Group and its ultimate beneficial owner(s) are third parties independent of the Company and are not its connected persons (as defined in the Listing Rules).

Consideration

In consideration of exclusive right to the provision of the Logistics Services by Minghua Group, the Company has agreed to pay Minghua Group the Exclusive Right Fee in the amount of RMB100 million (equivalent to approximately HK\$111.62 million, based on an RMB/HK\$ exchange rate of 1.1162 pursuant to the Exclusive Services Agreement) which, subject to obtaining all required regulatory approvals pursuant to the Listing Rules and other applicable laws, rules and regulations, will be satisfied by the Company allotting and issuing approximately 93,016,667 Consideration Shares at the issue price of HK\$1.20 per Share to Minghua Group (or an entity as directed by Minghua Group) within 20 Business Days after the date of the Exclusive Services Agreement. The Consideration Shares represent (i) approximately 3.08% of the total number of issued shares of the Company as at the date of this announcement; and (ii) approximately 2.99% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Exclusive Right Fee was determined by the Company and Minghua Group after arm's-length negotiations taking into account the Logistics Services to be provided, the benefits to the Company of the exclusive right to the Logistics Services and the discount on the relevant service fees for the Logistics Services to be provided.

Logistics Services

Under the Exclusive Services Agreement, Minghua Group shall provide to the Company and its subsidiaries the Logistics Services on an exclusive basis, including but not limited to, dispatch of coal products, weighing, loading and unloading of transport vehicles, setting the stack and loading containers. The fees for the provision of these services shall be paid by the Company in accordance with separate logistics service contracts to be entered into between the Company and Minghua Group in relation to such services.

Term

The term of the Exclusive Services Agreement is 20 years commencing from 1 January 2017.

ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Pursuant to the Exclusive Services Agreement, the Company shall allot and issue the Consideration Shares with a total value of RMB100 million (equivalent to approximately HK\$111.62 million, based upon an RMB/HK\$ exchange rate of 1.1162 pursuant to the Exclusive Services Agreement) to Minghua Group at an issue price of HK\$1.20 per Consideration Share, which represents:

- (1) a premium of approximately 15.38% to the closing price of HK\$1.04 per Share as quoted on the Stock Exchange immediately prior to the date of the Exclusive Services Agreement; and
- (2) a premium of approximately 14.94% to the average closing price of HK\$1.044 per Share as quoted on the Stock Exchange in the last five consecutive trading days immediately prior to the date of the Exclusive Services Agreement.

As at the date of this announcement, the Company has 3,018,558,652 Shares in issue. The allotment and issue of the Consideration Shares will be made pursuant to the General Mandate, and therefore is not subject to Shareholders' further approval. The Consideration Shares when allotted and issued, will utilise approximately 22.74% of the General Mandate. As at the date of this announcement, no part of the General Mandate to issue Shares has been previously utilised.

The Consideration Shares shall rank *pari passu* in all respects with each other and with all other existing Shares in issue as at the date of allotment and issue of the Consideration Shares, and have all the rights to dividends and other distributions.

Assuming there is no other change in the shareholding structure of the Company, the Consideration Shares will represent approximately (i) 3.08% of the total number of issued shares of the Company as at the date of this announcement; and (ii) 2.99% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Consideration Shares.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

INFORMATION ON THE PARTIES

The Group

The Group principally engages in supplying bulk commodities, including but not limited to, coking coal, in China, providing services to its suppliers and customers through its integrated e-commerce supply chain services and platform comprising logistics parks, coal processing plants, and road and railway transportation capabilities.

Minghua Group

Minghua Group is a company incorporated in the PRC and a comprehensive group that is specialised in provision of supply chain services, logistics and trading of coal products, and also carries on other businesses.

REASONS FOR ENTERING INTO THE EXCLUSIVE SERVICES AGREEMENT

Minghua Logistics Park owned by Minghua Group is the largest fully closed and environmentally friendly coal logistics park in the Inner Mongolia Autonomous Region, which is capable to carry out through-in and through-out transport of trains with the capacity of 10,000 tonnes and launch 18 trains with the capacity of 10,000 tonnes per day at the most favourable cost. Minghua Group provides coal logistics services which allow customers to complete all necessary formalities in relation to railway transportation from certain border crossings on the PRC side of the China-Mongolia border to other points in the PRC. Also, Minghua Group has rich experience in coal logistics business and has built good cooperation relationship with local railway authority. As the Mongolian coal market is recovering, the Company's existing logistics facilities have limit capacity, therefore, Minghua Logistics Park becomes a strategic location for the purpose of having Mongolian coal products sold to farther areas at more favourable cost to enhance profitability and expand market share. By entering into the Exclusive Services Agreement, the Company expects to further lower its logistics costs, expand its dispatch channels and access greater railway transportation capacity which is very valuable, particularly when there is a shortage of capacity.

The Directors consider that the terms and conditions of the Exclusive Services Agreement are normal commercial terms, and are fair and reasonable, and that the entering into the Exclusive Services Agreement is in the interests of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio in respect of the transaction contemplated under the Exclusive Services Agreement is less than 5% and the Exclusive Logistics Services Fee will be satisfied by the Company allotting and issuing the Consideration Shares under General Mandate, the Exclusive Services Agreement constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context specified otherwise, the following terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day which is not a Saturday, Sunday or bank or public holiday in Hong Kong
“Company”	E-Commodities Holdings Limited, a company incorporated in the BVI with limited liability whose Shares are listed on the main board of the Stock Exchange (Stock Code: 1733)
“Consideration Shares”	approximately 93,016,667 new Shares to be allotted and issued by the Company to Minghua Group for payment of the Exclusive Right Fee pursuant to the Exclusive Services Agreement
“Directors”	directors of the Company
“Exclusive Right Fee”	RMB100 million (equivalent to approximately HK\$111.62 million, based on an RMB/HK\$ exchange rate of 1.1162 pursuant to the Exclusive Services Agreement), being the fee payable to Minghua Group in consideration of the exclusive right to the Logistics Services pursuant to the Exclusive Services Agreement
“Exclusive Services Agreement”	the exclusive services agreement dated 18 January 2017 entered into between the Company and Minghua Group under which the Minghua Group has granted the Company an exclusive right to the Logistics Services to be provided by Minghua Group
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting held on 30 June 2016, which authorised the Board to issue up to 20% of the total Shares in issue at the date of the passing of the relevant resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logistics Services”	the logistics services and other services in relation to coal products to be provided by Minghua Group under the Exclusive Services Agreement

“Minghua Group”	Minghua Energy Group Co., Ltd.* (明華能源集團有限公司), a company incorporated under the PRC laws with limited liability
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of Share(s)
“Shares”	the ordinary share(s) of the Company with no par value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 18 January 2017

As at the date of this announcement, the executive directors of the Company are Ms. Cao Xinyi, Mr. Wang Wengang, Ms. Zhu Hongchan and Mr. Wang Yaxu; the non-executive director of the Company is Mr. Guo Lisheng; and the independent non-executive directors of the Company are Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. Gao Zhikai.

* *for identification purposes only*