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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)

PROPOSED ISSUE OF UNLISTED CONVERTIBLE BONDS AND UNLISTED WARRANTS UNDER SPECIFIC MANDATE

PROPOSED ISSUE OF UNLISTED CONVERTIBLE BONDS AND WARRANTS UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 1 June 2017 (after trading hours), the Company and the Subsidiary Guarantors have entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for the Bonds in an aggregate principal amount of US\$40 million, and the 118,060,606 Warrants on the terms and subject to the conditions set out therein. The Bonds are convertible into Shares at the initial Conversion Price of HK\$0.90 per Conversion Share (subject to adjustments) and the Warrants carry subscription rights entitling its holders to subscribe for Warrant Shares at the initial Warrant Subscription Price of HK\$0.99 per Warrant Share (subject to adjustments).

Based on the initial Conversion Price of HK\$0.90 per Conversion Share, a maximum number of 345,777,777 Conversion Shares would be allotted and issued upon exercise of all Conversion Rights, which would represent: (i) approximately 10.95% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.87% of the issued share capital of the Company as enlarged by the issue and allotment of all such the Conversion Shares to be issued and allotted upon the exercise of all Conversion Rights. Based on the initial Warrant Subscription Price of HK\$0.99 per Share, a maximum number of 118,060,606 Shares would be allotted and issued upon the full exercise of all Warrant Subscription Rights, which would represent: (i) approximately 3.74% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 3.60% of the issued share capital of the Company as enlarged by the issue and allotment of all such the Warrant Shares to be issued and allotted upon the exercise of all Warrant Subscription Rights; and (iii) approximately 3.26% of the issued share capital of the Company as enlarged by the issue and allotment of all Conversion Shares (based on the initial Conversion Price) and the Warrant Shares, respectively.

The Conversion Shares to be issued upon the exercise of the Conversion Rights shall rank *pari passu* in all respects among themselves and with all other fully paid Shares in issue on the conversion date of the Bonds, provided that the Bondholder shall not knowingly transfer the Conversion Shares to a Direct Competitor subject to certain exceptions as provided in the Bond Instrument. The Warrant Shares to be issued upon the exercise of the Warrant Subscription Rights shall rank *pari passu* in all respects among themselves and with all other fully paid Shares in issue on the subscription date of the Warrants, provided that the Warrantholder shall not knowingly transfer the Warrant Shares to a Direct Competitor subject to certain exceptions as provided in the Warrant Instrument.

The estimated net proceeds of the Subscription after deduction of expenses, will amount to approximately HK\$306.23 million. The Company shall use the net proceeds for general corporate purposes, debt refinancing and/or business development of the Company. The net price per Conversion Share to be issued is approximately HK\$0.886.

Assuming the full exercise of the subscription rights attaching to the Warrants at the initial Warrant Subscription Price, it is expected that an additional gross amount of US\$15 million will be raised. The net proceeds (after deduction of all related expenses) of approximately US\$15 million will be used as the general corporate purposes, debt refinancing and/or business development of the Company.

The Conversion Shares to be issued upon the exercise of the Conversion Rights attached to the Bonds and the Warrant Shares to be issued upon exercise of the Warrant Subscription Rights attached to the Warrants will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

No application will be made for the listing of the Bonds or the Warrants on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and Warrant Shares which may be issued and allotted upon the exercise of the Conversion Rights and the Warrant Subscription Rights, respectively.

Completion of the Subscription is subject to the satisfaction and/or waiver of the Conditions Precedent.

WARNING: As the Subscription may or may not proceed, and the Bonds, the Conversion Shares, the Warrants and/or the Warrant Shares may or may not be issued, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Subscription Agreement and the transactions contemplated thereunder, the issue of Warrants and the grant of the Specific Mandate. To the best of the Directors' knowledge, information and belief, no Shareholder has an interest in the Subscription Agreement and the transactions contemplated thereunder, the Bonds, the Warrants and/or the Specific Mandate that is materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting at the EGM in respect of the Subscription Agreement and the transactions contemplated thereunder, the Bonds, the Warrants and/or the Specific Mandate.

A circular containing, among other things, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) details of the Bonds and the Warrants; (iii) details of the Specific Mandate; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or around 23 June 2017.

The Board is pleased to announce that on 1 June 2017 (after trading hours), the Company and the Subsidiary Guarantors have entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for the Bonds in an aggregate principal amount of US\$40 million, and the 118,060,606 Warrants on the terms and subject to the conditions set out therein and summarised below.

THE SUBSCRIPTION AGREEMENT

Date

1 June 2017

Parties

- (1) The Company (as the issuer);
- (2) Lord Central Opportunity VII Limited (as the Subscriber); and
- (3) Subsidiary Guarantors (as guarantors for the Company)

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

The Subscription and Issue of the Bonds and the Warrants

Subject to the fulfilment or waiver of the Conditions Precedent, the Company has agreed to issue and the Subscriber has agreed to subscribe for the Bonds in an aggregate principal amount of US\$40 million and the 118,060,606 Warrants.

The Bonds shall carry the rights to convert into Conversion Shares. The initial Conversion Price is HK\$0.90 per Conversion Share (subject to adjustments). Assuming the Conversion Rights attached to the Bonds are exercised in full at the initial Conversion Price of HK\$0.90 per Conversion Share, 345,777,777 Conversion Shares will fall to be issued to the Bondholders, representing approximately 10.95% of the issued capital of the Company as at the date of this announcement and approximately 9.87% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

The Warrants shall carry the rights to subscribe for Warrant Shares. The initial Warrant Subscription Price is HK\$0.99 per Warrant Share (subject to adjustments). Assuming the Warrant Subscription Rights attached to the Warrants are exercised in full, 118,060,606 Warrant Shares will fall to be issued to the Warrantholder, representing (i) approximately 3.74% of the issued capital of the Company as at the date of this announcement; (ii) approximately 3.60% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares; and (iii) approximately 3.26% of the issued share capital of the Company as enlarged by this issue and allotment of all Conversion Shares at the initial Conversion Price and the Warrant Shares, respectively.

Conditions Precedent to the Subscription

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon, several conditions as follows:

- (1) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Shares to be issued, and the necessary approval for the issue of Bonds and the Warrants under the Subscription Agreement and the Transaction Documents (including the New Shares);
- (2) the Company having obtained the approval and authorisation from the Shareholders for entering into, and the transactions contemplated under, the Subscription Agreement and the Transaction Documents (including without limitation, the issue of the Bonds and the Warrants, and the issue and allotment of the New Shares);
- (3) the Subscriber having obtained the approval from the Subscriber's investment committee for entering into and the transactions contemplated under the Subscription Agreement and the Transaction Documents (including without limitation, the issue of the Bonds and the Warrants, and the issue and allotment of the New Shares);
- (4) each of the Company and the Subsidiary Guarantors having obtained all necessary approvals required under its memorandum and articles of association, applicable laws and the Listing Rules for the entering into and the transactions contemplated under the Subscription Agreement and the Transaction Documents;
- (5) each of the Company and the Subsidiary Guarantors having obtained all of necessary consents from third party required under contractual obligations or otherwise for the entering into and the transactions contemplated under the Subscription Agreement and the Transaction Documents;
- (6) the Subscriber having performed and completed to its sole satisfaction due diligence review of the Group, its business, affairs, operations and financial position;

- (7) the warranties under the Subscription Agreement remaining true, accurate and correct in all respects and not misleading in any respect at all times on the date of the Subscription Agreement and repeated on and up to the Completion Date, and no event has happened between the date of the Subscription Agreement and each such date which made or is likely to make any of the warranties untrue, inaccurate, incorrect or misleading or breached in any respect;
- (8) the Company and the Subsidiary Guarantors having performed and complied with all agreement, obligations and conditions contained in the Subscription Agreement and Transaction Documents to be performed on or before such date;
- (9) there not having occurred any Material Adverse Effect;
- (10) none of the Company or any members of the Group is in breach of or in default under the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or to which their respective assets are bound;
- (11) neither the Company nor any member of the Group being demanded by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity;
- (12) neither the Company nor any member of the Group (including the Subsidiary Guarantors) being in contravention of the Listing Rules or any applicable laws;
- (13) there being no injunction, restraining order or order of similar nature by a governmental authority issued that could prevent or materially interfere with the consummation of the transactions contemplated under the Subscription Agreement and the Transaction Documents;
- (14) the absence of other changes, development and events of a financial, political, economic or similar nature that would or would prejudice the success of the issue of the Bonds and the Warrants or the transactions contemplated under the Subscription Agreement and the Transaction Documents;
- (15) there not having occurred any of the following events: (a) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (b) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange; (c) a general moratorium on commercial banking activities in the relevant jurisdictions declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the relevant jurisdictions; or (d) a change or development involving a prospective change in taxation adversely affecting the Company or any member of the Group, the Bonds, the Warrants, the New Shares, or the transfer thereof;
- (16) there not having occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, force majeure or epidemic) as would in the Subscriber's view be likely to prejudice materially the success of the issue and distribution of, or dealings in, the Bonds, the Warrants or the New Shares in the secondary market;

- (17) there not having been, since the date of the Subscription Agreement, any deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the relevant jurisdictions;
- (18) there not having been any change in the system under which the value of the HK dollar or is linked to that of the US dollar is determined with reference to a basket of world currencies or a material devaluation of HK dollars against any foreign currency;
- (19) there having been duly executed and delivered to the Subscriber each of the Transaction Documents in form and substance satisfactory to the Subscriber; and
- (20) there having been delivered to the Subscriber and other relevant addressees legal opinions dated the Completion Date.

As at the date of this announcement, all the Conditions Precedent are yet to be satisfied and/or (as the case may be) waived.

Undertakings to the Subscriber

The Company undertakes and agrees that it shall, among others, prior to or upon Completion:

- (1) procure that the Subsidiary Guarantors enter into a guarantee by each of the Subsidiary Guarantors; and
- (2) charge or procure the Chargors to charge over all the issued share capital/issued shares of the Charged Subsidiaries in relation to the Bonds with the security trustee as selected by the Subscriber in form and substance satisfactory to the Subscriber.

Each of the Company and the Subsidiary Guarantors, jointly and severally, undertakes, among others, to the Subscriber that:

- (1) none of the Company, the Subsidiary Guarantors nor any person acting on its or their behalf, dispose of or transfer its interests in the Company or of the Charged Subsidiaries without the prior written consent of the Subscriber between the date of the Subscription Agreement and the date which is 90 calendar days after the Completion Date (both dates inclusive), save and except for the issue of the Bonds, the Warrants and/or the New Shares contemplated under the Subscription Agreement; and
- (2) the Company shall use the net proceeds from the issue of the Bonds solely for general corporate purposes, debt refinancing and/or business development of the Company, unless with the prior consent of the Subscriber.

Each of the Company and the Subsidiary Guarantors, jointly and severally, undertakes to indemnify the Subscriber and its affiliates in the subscription of the Bonds and/or the Warrants from and against all loss suffered or incurred by any indemnified party as a consequence of, in connection with, or which would not have arisen but for (a) any breach of, or untrue, incorrect, inaccurate or misleading warranties, or (b) any failure by the Company and/or Subsidiary Guarantors to perform any of its obligations in the Subscription

Agreement and/or other Transaction Documents, other than such loss arising out of the Subscriber's fraud or gross negligence as determined by a non-appellate court of competent jurisdiction. In the event the Subscriber makes a claim under item (a) above in respect of any outstanding Bonds held by the Subscriber, the Company may, within three (3) Business Days from the date of a notice, redeem all outstanding bonds held by the Subscriber by serving a redemption notice on the Subscriber and paying the Redemption Amount.

Completion of the Subscription

Completion of the Subscription Agreement shall take place on the third Business Day after the date on which all the Conditions Precedent are fulfilled or, as the case may be, waived by the Subscriber (or such other date as the Company and the Subscriber may agree in writing).

Termination

If any of the Conditions Precedent is not fulfilled or waived by the Subscriber, by 31 August 2017 or such other date as the Company and the Subscriber shall agree in writing, the Subscription Agreement shall terminate and the respective obligations of the parties therein shall forthwith cease and terminate and none of them shall have any claim against the other of them (save and except for antecedent breach).

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds were arrived at after arm's-length negotiations between the Company and the Subscriber and are summarised below:

Aggregate principal amount	: US\$40 million.
Maturity Date	: The fifth anniversary of the Issue Date
Conversion Price	: The Initial Conversion Price per share shall be HK\$0.90 (subject to adjustments as projected in the terms and conditions of the Bonds).
Interest	: 5% per annum payable semi-annually in cash in arrears.
Conversion Period	: the period commencing from the Business Day immediately following the Issue Date up to 4:00 p.m. on the Maturity Date.

Conversion Rights : Subject to the terms and conditions of the Bonds, a Bondholder shall have the right, exercisable during the Conversion Period, to convert the whole or any part (in integral multiples of US\$100,000) of the outstanding principal amount of the Bonds held by such Bondholder into such number of Conversion Shares as will be determined by dividing the principal amount of the Bonds to be converted (translated into HK\$ at the fixed rate of HK\$7.78 to US\$1.00) by the Conversion Price in effect on the date of conversion.

Notwithstanding anything to the contrary in the Bond Instrument, if the issue of Conversion Shares would result in the Company not meeting the public float requirement under the Listing Rules, then the Company should immediately consult with the converting Bondholder in relation to the suspension of conversion sought until such time when the Company is able to issue additional Shares in satisfaction of the exercise of the said balance of Conversion Rights and at the same time comply with the public float requirement. The converting Bondholder may elect to request a cash settlement payment by the Company in respect of all or any portion of the principal amount of the Bonds. The cash settlement payment amount shall be the higher of: (a) the Redemption Amount; or (b) the product of the number of such Conversion Shares (on an as-converted basis) which would otherwise be issued upon the exercise for such Conversion Rights but for the public float requirement and the VWAP for the 3 consecutive Trading Days immediately before the date of notice of the cash settlement option for such Conversion Shares.

Ranking : all Conversion Shares to be issued and allotted pursuant to an exercise of the Conversion Rights shall rank *pari passu* and carry the same rights and privilege in all respects with the fully paid Shares in issue on the relevant registration date, provided that the Bondholder shall not knowingly transfer the Conversion Shares to a Direct Competitor subject to certain exceptions as provided in the Bond Instrument.

Transferability : Unless with the prior consent of the Company, the Bonds may not be knowingly transferred to a Direct Competitor, subject to certain exceptions as provided in the Bond Instrument. Subject to the aforementioned, the Bonds may be transferred to any other person in whole multiples of US\$100,000 (or lesser amount as may represent the principal amount thereof).

Adjustment of the
Conversion Price

: On the first anniversary of the Issue Date, the Conversion Price shall be reset to the lesser of (i) the initial Conversion Price HK\$0.90; or (ii) the VWAP for 30 Consecutive Trading Days preceding the first anniversary of the Issue Date, subject to a floor price equal to 80% of the closing price per Share as quoted at 4:00 p.m. on the Stock Exchange on the Last Trading Day provided that any such adjustment shall only be downward.

On second anniversary of the Issue Date, the conversion price shall be reset again to the lesser of (i) the then prevailing conversion price; or (ii) the VWAP for 30 consecutive trading days preceding the second anniversary of the Issue Date, subject to a floor price equal to 80% of the closing price per Share as quoted at 4:00 p.m. on the Stock Exchange on the Last Trading Day provided that any such adjustment shall only be downward.

The Conversion Price shall from time to time be adjusted upon:

- (i) consolidation, sub-division or reclassification of Shares;
- (ii) issue of Shares by way of capitalisation of profits or reserves;
- (iii) the issue of Shares by way of scrip dividend in lieu of cash;
- (iv) capital distributions;
- (v) rights issues of Shares or options or warrants or other rights over Shares less than the market price of the Shares determined at the date of announcement of the terms of the offer or grant;
- (vi) issue of any securities (other than Shares, options or warranties or other rights to subscribe the Shares) to all or substantially all Shareholders;
- (vii) issuance of Shares at a price per Share less than 95% of the market price of the Shares at the date of the issue of such securities;

- (viii) issue of any securities or grant of rights, options or warrants by the Company or any of its Subsidiaries which terms of issue rights of conversion into, or exchange or subscription for or acquisition of, Shares to be issued by the Company upon conversion, exchange or subscription at a total effective consideration per Share initially receivable for such securities which is less than 95% of the market price determined based on the date of the announcement of the terms of issue of such securities;
- (ix) modification of rights of conversation, exchange or subscription attaching to the securities in (viii) above so that the consideration per Share is reduced and is less than 95% of the market price of the Shares as at the date of announcement of the proposals of such modification; and
- (x) issue, sell or distribute any securities in connection with an offer.

Listing : No application has been or will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares.

Redemption : The Bonds shall be mandatorily redeemed by the Company:

- (a) upon the occurrence of an event of default (as set out in the terms and conditions of the Bonds) and at any time thereafter, the Bondholder may, unless such event of default has been waived in writing by it, by issuing a default redemption notice in writing to the Company require the Company to redeem all or part of the outstanding principal amount of the Bonds at the Redemption Amount as the Bondholder may designate;
- (b) at any time after the second anniversary of the Issue Date until the Maturity Date, the Bondholder may, by issuing a redemption notice in writing to the Company, require the Company to redeem all or part of the outstanding principal amount of the Bonds at the Redemption Amount as the Bondholder may designate; or

- (c) any Bond which remains outstanding by 4:00 p.m. (Hong Kong time) on the Maturity Date shall be redeemed by the Company at the Redemption Amount.

Shareholding in the Company : So long as any of the Bonds remains outstanding, Ms. Wang, together with her immediate family members (as defined in Chapter 14A of the Listing Rules, which shall include Mr. Wang Xingchun (王興春)) or through their wholly-owned companies (directly or indirectly), shall at all times remain the single largest shareholder of the Company.

Limitation on business activities of the Group : So long as any of the Bonds remains outstanding, the Company and its Subsidiaries shall not:

- (a) dispose of any of its shareholding, equities or other interests in any of their respective Subsidiaries that would be expected to materially and adversely affecting the ability of the Company to fulfill their obligations under the Bonds, or the interests of the Bondholders, would have a material adverse effect on the business operations of the Group;
- (b) conduct any transaction with any affiliates unless the same is (i) in its ordinary course of business and (ii) negotiated and entered into by the parties on an arm's-length basis;
- (c) make any redemption of share capital, share premium account or capital redemption reserve involving any repayment to its shareholders, whether in cash or in specie or otherwise;
- (d) subordinate any right to the Bonds;
- (e) take any action or fail to take any action, if such action or failure to take any action may interfere with the enforcement of any rights under the Bonds, any Transaction Documents or with respect to the property or assets subject to the security in any manner which could materially and adversely affect the interests of the Bondholders; or
- (f) amend or alter any of the provisions of its constitutional documents.

The Company will not, and will not permit any Subsidiary to, directly or indirectly, engage in any business other than any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Subsidiaries on the Issue Date, and which includes primarily the business of processing and trading of coking coal and other products and rendering of logistics services.

- Event of default : Upon any event of default notice being given to the Company by any Bondholder as set out in the terms and conditions of the Bonds, the Bonds become immediately due and repayable immediately at their principal amount together with premium (if any) and interest accrued.
- Extract of certain other undertakings : (a) the Company will notify the Bondholder in writing immediately upon becoming aware of the occurrence of any event of default;
- (b) the Company shall at all times use its reasonable endeavours to ensure that the minimum public shareholding requirement of the Listing Rules is complied with;
- (c) the Company shall ensure that such number of Shares as would enable the Conversion Rights and all other rights of conversion into, subscription for or exchange into, Shares exercisable at that time to be satisfied in full are within the maximum number of Shares the Company may issue under its memorandum and articles of association, and free from pre-emptive rights.

Conversion Price:

The Initial Conversion Price of HK\$0.90 per Conversion Share, represents:

- (1) the closing price of HK\$0.90 per Share as quoted at 4:00 p.m. on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 1.35% over the average closing price of HK\$0.888 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Day; and
- (3) the average closing price of HK\$0.889 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to and including the Last Trading Day.

The Conversion Price was arrived at after arm's-length negotiations between the Company and the Subscriber with reference to the prevailing market prices of the Shares as shown above. The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and Shareholders as a whole.

PRINCIPAL TERMS OF THE WARRANTS

The principal terms of the Warrants to be issued by the Company and subscribed by the Subscriber are summarised below:

- | | | |
|--|---|---|
| Number of Warrants | : | 118,060,606 Warrants. |
| Warrant Subscription Period | : | Any time from the Issue Date and up to the close of business on the fifth anniversary after the Issue Date. Warrants which have not been exercised before the expiry of the Subscription Period shall lapse and thereupon the Warrants and the certificates shall cease to be valid for any purpose whatsoever. |
| Warrant Subscription Price | : | The initial Warrant Subscription Price per Share shall be HK\$0.99, subject to adjustments in the manner provided in the Warrant Instrument. |
| Aggregate amount payable on the subscription of the Warrants at the initial Warrant Subscription Price | : | approximately HK\$116.88 million |
| Subscription Rights | : | Subject to the terms and conditions as provided in the Warrant Instrument, a Warrantholder shall have the right to subscribe in cash by way of exercise of one or more Warrants at any time during the Subscription Period at the Warrant Subscription Price in the manner under the Warrant Instrument, for one fully-paid and non-assessable Warrant Share in respect of each Warrant so exercised. |
| Cashless Exercise | : | A Warrantholder may, at its sole discretion, exercise the Warrant Subscription Right in respect of one or more Warrants and, in lieu of making the payment of the Warrant Subscription Price to the Company, elect to instead receive upon such exercise the number of Shares to be allotted and issued calculated as a result of the difference between VWAP for 3 consecutive Trading Days immediately before the exercise and the Warrant Subscription Price multiplied by the number of new Shares to be allotted and issued upon exercise of the Warrant Subscription Rights and divided by such VWAP. |

Notwithstanding the above, the Company may elect to pay cash, in the amount that calculated as a result of the difference between the VWAP for 3 consecutive Trading Days immediately before the exercise and the Warrant Subscription Price multiplied by the number of new Shares to be allotted and issued upon exercise of the Warrant Subscription Rights, within five Business Days from the date of relevant subscription form instead of allotment and issue of the abovementioned Shares to a Warrantholder who has exercised the cashless exercise.

- Ranking : all Warrant Shares to be issued and allotted pursuant to an exercise of the Warrant Subscription Rights shall rank *pari passu* and carry the same rights and privilege in all respects with the fully paid Shares in issue on the relevant registration date entitle the holders to participate in full in all dividends or other distributions, provided that the Warrantholder shall not knowingly transfer the Warrant Shares to a Direct Competitor subject to certain exceptions as provided in the Warrant Instrument.
- Transferability : Subject to the terms below, the Warrants are freely transferrable. Unless with the prior consent of the Company, the Warrants may not be knowingly transferred to any entities which is a Direct Competitor to the Company, subject to certain exceptions as provided in the Warrant Instrument.
- Adjustment of Warrant Subscription Price : The Subscription Price shall from time to time be adjusted upon:
- (i) consolidation, sub-division or reclassification of Shares;
 - (ii) issue of Shares by way of capitalization of profits or reserves;
 - (iii) the issue of Shares by way of script dividend in lieu of cash;
 - (iv) capital distribution;
 - (v) rights issues of Shares or options or warrants over Shares less than the market price of the Shares determined at the date of announcement of the terms of the offer or grant;
 - (vi) issue of any securities (other than Shares, options or warrants or other rights to subscribe for Shares) to all or substantially all Shareholders;

- (vii) issue of Shares at a price per Shares less than 95% of the market price of the Shares at the date of issue of such security;
- (viii) issue of any securities or grant of rights, options or warrants by the Company or any of its Subsidiaries which terms of issue rights of conversion into, or exchange or subscription for or acquisition of, Shares to be issued by the Company upon conversion, exchange or subscription at a total effective consideration per Share initially receivable for such securities which is less than 95% of the market price determined based on the date of the announcement of the terms of issue of such securities;
- (ix) modification of rights of conversation, exchange or subscription attaching to the securities in (viii) above so that the consideration per Share is reduced and is less than 95% of the market price of the Shares as at the date of announcement of the proposals of such modification; and
- (x) issue, sell or distribute any securities in connection with an offer.

Purchase of Warrants : At any time prior to any exercise of the Warrant Subscription Rights and prior to the expiry of the Subscription Period, upon receiving a written notice per to which any Warrantholder proposes to transfer any Warrants held by it to any party other than an affiliate, the Company may elect to purchase all (but not part) of the Warrants to be transferred at the price offered by the transferring Warrantholder and pay the aggregated price to the transferring Warrantholder in cash. If the Company does not elect to purchase all of the transferring Warrants or otherwise fails to purchase the transferring Warrants according to the terms and conditions in the Warrant Instrument, the transferring Warrantholder may transfer such Warrants on substantially the same terms and conditions set forth in the written notice delivered to the Company.

Shareholding in the Company : So long as any of the Warrants remains outstanding, Ms. Wang, together with her immediate family members (as defined in Chapter 14A of the Listing Rules, which include Mr. Wang Xingchun (王興春)) or through their wholly-owned companies (directly or indirectly), shall at all times remain the single largest shareholder of the Company

- Limitation on business activities of the Group : So long as any of the Warrants remains outstanding, the Company and its Subsidiaries shall not, except prior approved by the Warrantholders representing no less than 75% of the aggregate number of the Warrants then unexercised or pursuant to the Transaction Documents:
- (a) dispose of any of its shareholding, equities or other interests in any of their respective Subsidiaries that would be expected to materially and adversely affect the ability of the Company to fulfill its obligations under the Warrants, or the interests of the Warrantholders, would have a material adverse effect on the business operations of the Group;
 - (b) conduct any transaction with any affiliates unless the same is (i) in its ordinary course of business and (ii) negotiated and entered into by the parties on an arm's-length basis;
 - (c) make any redemption of share capital, share premium account or capital redemption reserve involving any repayment to its shareholders, whether in cash or in specie or otherwise;
 - (d) subordinate any right to the Warrants;
 - (e) take any action or fail to take any action, if such action or failure to take any action may interfere with the enforcement of any rights under the Warrants, any Transaction Documents or with respect to the property or assets subject to the security in any manner which could materially and adversely affect the interests of the Warrantholders; or
 - (f) amend or alter any of the provisions of its constitutional documents.

The Company will not, and will not permit any Subsidiary to, directly or indirectly, engage in any business other than any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Subsidiaries on the Issue Date, and which includes primarily the business of processing and trading of coking coal and other products and rendering of logistics services.

Listing : No application has been or will be made for the listing of the Warrants on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Warrant Shares.

The initial Warrant Subscription Price of HK\$0.99 per Warrant Share, represents:

- (1) a premium of 10% over the closing price of HK\$0.90 per Share as quoted at 4:00 p.m. on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 11.49% over the average closing price of HK\$0.888 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Day; and
- (3) a premium of approximately 11.36% over the average closing price of HK\$0.889 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to and including the Last Trading Day.

The initial Warrant Subscription Price was arrived at after arm's-length negotiations between the Company and the Subscriber with reference to the prevailing market prices of the Shares as shown above. The Directors consider that the Warrant Subscription Price and the terms and conditions of the Subscription Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and its Shareholders as a whole.

SPECIFIC MANDATE TO ISSUE THE CONVERSION SHARES AND WARRANT SHARES

The Conversion Shares to be issued upon exercise of the Conversion Rights and the Warrant Shares to be issued upon exercise of the Warrant Subscription Rights will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

INFORMATION ABOUT THE GROUP

The principal business of the Company is investment holding. The Group is principally engaged in supplying coking coal into the PRC and providing services to its suppliers and customers through its integrated platform comprising logistics parks, coal processing plants, and road and railway transportation capabilities.

USE OF PROCEEDS FROM SUBSCRIPTION

The gross proceeds from the Subscription will be US\$40 million, equivalent to approximately HK\$311.68 million. The net proceeds from the Subscription after the deduction of related expenses, are estimated to be approximately HK\$306.23 million, which will be used solely for general corporate purposes, debt refinancing and/or business development of the Company. The net price per Conversion Share to be issued is approximately HK\$0.886.

Assuming the full exercise of the subscription rights attaching to the Warrants at the initial Warrant Subscription Price, it is expected that an additional gross amount of US\$15 million will be raised. The net proceeds (after deduction of all related expenses) of approximately US\$15 million will be used as the general corporate purposes, debt refinancing and/or business development of the Company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company is of the view that the coking coal trading, logistics and supply chain market in China has significant room for growth.

The Board believes that the raising of funds by the issue of Bonds is to the benefit of the Group taking into account the significance of the demonstration of confidence of the Subscriber and is an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position for future development without immediate dilution effect on the shareholding of the existing Shareholders.

The issue of the Warrants represents an opportunity to raise funds for the Company. In particular, (i) the Warrants are not interest-bearing; (ii) if the Warrants are exercised, further funds will be raised for general working capital; (iii) there is no immediate dilutive effect on the shareholding of the existing Shareholders; (iv) the Warrant Subscription Price is at a premium over the market price of the Shares on the Last Trading Day; and (v) if the Warrant Subscription Rights attaching to the Warrants are exercised, it will benefit the long-term business development of the Group by broadening the capital base of the Company.

Accordingly, having considered that the terms of the Subscription Agreement (including the Conversion Price and Warrant Subscription Price) are on normal commercial terms or better following arm's-length negotiations between the Company and the Subscriber and are fair and reasonable, the Directors (including the independent non-executive Directors) believe that the Subscription Agreement and the Subscription is in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE SUBSCRIBER

The Subscriber is a company incorporated under the laws of the BVI and an affiliate of PAG, an Asia alternative investment management firm. PAG has extensive experience investing in the region's capital markets.

CHANGES IN SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 3,157,298,356 Shares in issue. Set out below is a breakdown of the shareholding interests in the Company of the Shareholders as at (i) the date of this announcement; (ii) immediately after the completion of the issue of the Conversion Shares assuming the Conversion Rights are exercised in full and assuming Warrant Subscription Rights are not exercised; (iii) immediately after the completion of the issue of the Warrant Shares assuming the Warrants Subscription Rights are exercised in full and assuming the Conversion Rights are not exercised; and (iv) immediately after the completion of the issue of the Warrant Shares assuming the Warrants Subscription Rights are exercised in full and assuming the Conversion Rights are exercised in full are as follows (assuming no other change in the issued shares capital of the Company):

	As of the date of this announcement		Immediately after the completion of the issue of the Conversion Shares assuming the Conversion Rights are exercised in full at the initial Conversion Price of HK\$0.90 (assuming the Warrant Subscription Rights are not exercised)		Immediately after the completion of the issue of Warrant Shares at the initial Warrant Subscription Price of HK\$0.99 (assuming the Conversion Rights are not exercised)		Immediately after the completion of the issue of the Conversion Shares assuming the Conversion Rights are exercised in full at the initial Conversion Price of HK\$0.90 and the Warrant Shares at the initial Warrant Subscription Price of HK\$0.99	
	No. of Shares	Approximate % (Note 8)	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholders								
Ms. Wang (Note 2)	1,500,080,608(L)	47.51%	1,500,080,608(L)	42.82%	1,500,080,608	45.80%	1,500,080,608(L)	41.43%
Famous Speech Limited	1,500,080,608(L)	47.51%	1,500,080,608(L)	42.82%	1,500,080,608	45.80%	1,500,080,608(L)	41.43%
Wang Xingchun (Note 3) (Note 4)	1,575,993,113(L)	49.92%	1,575,993,113(L)	44.99%	1,575,993,113	48.12%	1,575,993,113(L)	43.52%
Winsway Group Holdings (Note 3) (Note 5)	1,575,993,113(L)	49.92%	1,575,993,113(L)	44.99%	1,575,993,113	48.12%	1,575,993,113(L)	43.52%
Winsway Resources Holdings (Note 3)(Note 4)	1,565,587,792(L)	49.59%	1,565,587,792(L)	44.69%	1,565,587,792	47.80%	1,565,587,792(L)	43.23%
Great Start (Note 3)(Note 4)	1,510,485,929(L)	47.84%	1,510,485,929(L)	43.12%	1,510,485,929	46.12%	1,510,485,929(L)	41.71%
Winsway International Petroleum & Chemicals (Note 3)(Note 4)	1,510,485,929(L)	47.84%	1,510,485,929(L)	43.12%	1,510,485,929	46.12%	1,510,485,929(L)	41.71%
China Minmetals Corporation (Note 6)	1,503,195,952(L)	47.61%	1,503,195,952(L)	42.91%	1,503,195,952	45.89%	1,503,195,952(L)	41.51%
Evergrowing Bank Yantai Shangkuang West Road Sub-Branch (Note 7)	1,500,080,608(L)	47.51%	1,500,080,608(L)	42.82%	1,500,080,608	45.80%	1,500,080,608(L)	41.43%
Magnificent Gardenia Limited (Note 6)	1,500,080,608(L)	47.51%	1,500,080,608(L)	42.82%	1,500,080,608	45.80%	1,500,080,608(L)	41.43%
Bondholder(s) and Warrantholder(s)	<u>0</u>	<u>0.00%</u>	<u>345,777,777</u>	<u>9.87%</u>	<u>118,060,606</u>	<u>3.60%</u>	<u>463,858,383</u>	<u>12.81%</u>
Core Connected Person(s)	<u>68,470</u>	<u>0.00%</u>	<u>68,470</u>	<u>0.00%</u>	<u>68,470</u>	<u>0.00%</u>	<u>68,470</u>	<u>0.00%</u>
Public Shareholders	<u>1,581,236,773</u>	<u>50.08%</u>	<u>1,581,236,773</u>	<u>45.14%</u>	<u>1,581,236,773</u>	<u>48.28%</u>	<u>1,581,236,773</u>	<u>43.67%</u>
Total	<u>3,157,298,356</u>	<u>100.00</u>	<u>3,503,076,133</u>	<u>100.00</u>	<u>3,275,358,962</u>	<u>100.00%</u>	<u>3,621,136,739</u>	<u>100.00</u>

Notes:

1. The letter “L” denotes the person’s long position in such securities.
2. Ms. Wang directly controls Famous Speech Limited (“**Famous Speech**”) and is deemed to be interested in the 1,500,080,608 Shares held by Famous Speech.
3. Mr. Wang’s Group and Famous Speech have entered into an agreement which is covered by s.317 and s.318 of SFO and each of Mr. Wang’s Group is deemed to be interested in the 1,500,080,608 Shares held by Famous Speech by virtue of s. 317 of the SFO.
4. Mr. Wang Xingchun indirectly holds the entire issued share capital of Winsway International Petroleum & Chemicals and Winsway Resources Holdings and is deemed to be interested in the 10,405,321 Shares and 65,507,184 Shares held by Winsway International Petroleum & Chemicals and Winsway Resources Holdings, respectively.
5. Winsway Group Holdings indirectly holds, through Great Start, the entire issued share capital of Winsway International Petroleum & Chemicals and directly holds the entire issued share capital of Winsway Resources Holdings and is deemed to be interested in the 10,405,321 Shares and 65,507,184 Shares held by Winsway International Petroleum & Chemicals and Winsway Resources Holdings, respectively. Mr. Wang Xingchun is the sole director of Winsway Group Holdings.
6. China Minmetals Corporation (“**China Minmetals**”) is deemed to be interested in 1,503,195,952 Shares. 3,115,344 of such Shares are held by certain other companies that are controlled directly or indirectly by China Minmetals, and China Minmetals is deemed to be interested in another 1,500,080,608 Shares because Magnificent Gardenia Limited, a corporation controlled by it, entered into an agreement which is covered by s.317 and s.318 and is deemed to be interested in the 1,500,080,608 Shares held by Famous Speech by virtue of s.317 of the SFO.
7. Pursuant to a share pledge agreement dated 15 June 2016 entered into between Famous Speech and Evergrowing Bank Yantai Shangkuang West Road Sub-branch (“**Evergrowing Bank**”), Famous Speech agreed to pledge all the Shares it acquired or to be acquired in favour of Evergrowing Bank as security for a term loan to be provided by an offshore bank to Famous Speech for the purpose of underwriting the Rights Issue.
8. The percentage shareholding of the Company is calculated on the basis of 3,157,298,356 Shares in issue, as at 1 June 2017, as the denominator and the number of Shares that each substantial shareholder is interested in as the numerator.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of first announcement	Event	Net proceeds and intended use	Actual use of proceeds
13 March 2016	Rights Issue	The gross proceeds from the Rights Issue approximately US\$50 million (approximately HK\$387.5 million), in aggregate, of which the entire amount will be used to pay the cash consideration of approximately US\$41.7 million (approximately HK\$323.2 million) to bondholders in a debt restructuring, a consent fee of approximately US\$6.8 million (approximately HK\$52.7 million) under the Restructuring Support Agreement and a success fee to Houlihan Lokey.	All being used as intended

Save as disclosed above, the Company has not conducted any other equity fund-raising activities in the past twelve months immediately preceding the date of this announcement.

GENERAL

The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Subscription Agreement and the transactions contemplated thereunder, the Bonds, the Warrants and the grant of the Specific Mandate. To the best of the Directors' knowledge, information and belief, no Shareholder has an interest in the Subscription Agreement and the transactions contemplated thereunder, the Bonds, the Warrants and the Specific Mandate that is materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting at the EGM in respect of the Subscription Agreement and the transactions contemplated thereunder, the Bonds, the Warrants and the Specific Mandate.

A circular containing, among other things, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) details of the Bonds and the Warrants; (iii) details of the Specific Mandate; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or around 23 June 2017.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the total number of Shares in issue at the time the Warrants are issued.

As at the date of this announcement, the Company does not have any securities with subscription rights other than restricted share unit awards granted under the restricted share unit scheme adopted by the Company that are outstanding and not yet exercised. As

disclosed above, assuming full exercise of the Warrant Subscription Rights attaching to the Warrants, a maximum number of 118,060,606 Shares would be issued, which would represent (i) approximately 3.74% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 3.60% of the issued share capital of the Company as enlarged by the issue and allotment of all such the Warrant Shares to be issued and allotted upon the exercise of all Warrant Subscription Rights; and (iii) approximately 3.26% of the issued share capital of the Company and as enlarged by this issue and allotment of all Conversion Shares and Warrant Shares, respectively. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

WARNING: As the Subscription may or may not proceed, and the Bonds, the Conversion Shares, the Warrants and/or the Warrant Shares may or may not be issued, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Bond Instrument”	the instrument to be executed by the Company by way of a deed poll constituting the Bonds
“Bondholder(s)”	the holder(s) of the Bonds from time to time
“Bonds”	the 5% convertible bonds in an aggregate principal amount of US\$40 million to be issued by the Company in accordance with the terms of the Subscription Agreement
“Business Day”	a day (other than a Saturday or Sunday and such other days where a “black” rainstorm warning or a tropical cyclone warning number 8 or above is in force in Hong Kong) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“BVI”	British Virgin Islands
“Charged Subsidiaries”	subsidiaries of the Company as set out in the Subscription Agreement, that is certain Subsidiaries, namely, Glorious Gold Holdings Limited, Million Super Star Limited, E-Commodities Holdings Private Limited, E-Commodities (HK) Holdings Limited, Cheer Top Enterprises Limited, Legend York Star Limited, Color Future International Limited, Standard Rich Inc Limited, King Resources Holdings Limited, Eternal International Logistics Limited, Royce Petrochemicals Limited and E-Commodities International Development (HK) Limited

“Chargor(s)”	chargor(s) as set out in the Subscription Agreement, that means the Company and certain Subsidiaries, namely, Great Trend Enterprises Ltd., E-Commodities (HK) Holdings Limited, Cheer Top Enterprises Limited, Reach Goal Management Ltd., Eternal International Logistics Limited
“Company”	E-Commodities Holdings Limited, company incorporated under the laws of in the BVI with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1733)
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“Completion Date”	the third Business Day after the date on which all the Conditions Precedent are fulfilled or, as the case may be, waived by the Subscriber (or such other date as the Company and the Subscriber may agree).
“Conditions Precedent”	the conditions precedent to the Subscription as set out in the Subscription Agreement as further described in the paragraph headed “Conditions Precedent to the Subscription” in this announcement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Period”	has the meaning ascribed to it in the section headed “Principal terms of the Bonds” in this announcement
“Conversion Price”	the conversion price per Conversion Share and initially at HK\$0.90 per Conversion Share (subject to adjustments)
“Conversion Rights”	the right(s) of a Bondholder to convert the whole or part of the principal amount of the Bonds into Shares subject to and in accordance with the terms and conditions of the Bond Instrument
“Conversion Share(s)”	the Share(s) to be allotted and issued upon exercise of the conversion rights attached to the Bonds
“Core Connected Person(s)”	has the meaning as defined in the Listing Rules
“Direct Competitor”	each direct competitor to the Company as at the date of the Bond Instrument and the Warrant Instrument as set out therein
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held for considering and, if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Bonds and the Warrant and the Specific Mandate
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person independent of and not connected with the Company and its connected persons
“Issue Date”	the date of issue of the Bonds and the Warrants
“Last Trading Day”	1 June 2017, being the last trading day immediately prior to the entering into of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Material Adverse Effect”	a change, or any development or event involving or likely to involve a prospectus change, which (a) has or would likely have a material and adverse effect on the condition (financial, operational or otherwise), prospects, results of operations, earnings, business affairs, profitability, shareholder’s equity, assets or liabilities, business, properties or general affairs of the Company or any members of the Group (including the Subsidiaries) or their securities, or (b) has or would likely have a material adverse effect on the ability of the Company or any members of the Group, the Subsidiary Guarantors or the Chargors to perform their respective obligations under any of the Transaction Documents (c) are otherwise material in the context of the issue of the Bonds or the Warrants, in each case, whether or not arising in the ordinary course of business
“Maturity Date”	the fifth anniversary of the Issue Date
“Ms. Wang”	Ms. Wang Yihan (王奕涵女士), the ultimate controlling shareholder (with the meaning ascribed to it under the Listing Rules) of the Company

“Mr. Wang’s Group”	Mr. Wang Xingchun (王興春先生) and his directly or indirectly wholly owned companies, Winsway Group Holdings Limited, Winsway Resources Holdings Limited, Great Start Development Ltd. and Winsway International Petroleum & Chemicals Limited
“New Share(s)”	the Conversion Share(s) and the Warrant Share(s)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Redemption Amount”	the redemption amount payable by the Company to the Subscriber pursuant to the redemption notice and shall equal to the aggregate of: (i) an internal rate of return of 10% on the principal amount of on the outstanding bonds, calculated from the Completion Date up to the date on which the Company completes the redemption; (ii) any unpaid interest and/or premium accrued on the outstanding bonds; and (iii) all costs, fees and expenses incurred by the Subscriber
“Restructuring”	the transactions contemplated under the debt restructuring and the Rights Issue
“Restructuring Support Agreement”	the restructuring support agreement dated 25 November 2015 entered into between the Company and other relevant parties
“Rights Issue”	the rights issue as described under the circular of the Company dated 25 April 2016
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) with no par value of the Company
“Share Charges”	charges over all the issued share capital /issued shares of the Charged Subsidiaries in relation to the Bonds by the Chargers or the Company with the security trustee to be selected by the Subscriber
“Shareholder(s)”	the holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Conversion Shares upon full conversion of the Bonds and the allotment and issue of the Warrant Shares upon full exercise of the Warrants
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Lord Central Opportunity VII Limited, a company incorporated in the BVI with limited liability
“Subscription”	the issue of the Bonds and issue of the Warrants by the Company to the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 1 June 2017 entered into between the Company, the Subscriber and the Subsidiary Guarantors in relation to the Subscription
“Subscription Period”	has the meaning ascribed to it in the section headed “Principal terms of the Warrants” in this announcement
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary within the meaning of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), the BVI Business Companies Act, 2004 of the BVI, or the Listing Rules as amended from time to time, irrespective of its place of incorporation
“Subsidiary Guarantee”	guarantee to be entered into by each of the Subsidiary Guarantors
“Subsidiary Guarantors”	certain Subsidiaries that provide the Subsidiary Guarantee, namely, Glorious Gold Holdings Limited, Million Super Star Limited, E-Commodities Japan Co., Ltd. (株式会社イー・コモデイデーズジャパン), E-Commodities Holdings Private Limited, E-Commodities (HK) Holdings Limited, Cheer Top Enterprises Limited, Legend York Star Limited, Color Future International Limited, Standard Rich Inc Limited, King Resources Holdings Limited, Eternal International Logistics Limited, Royce Petrochemicals Limited and E-Commodities International Development (HK) Limited
“Trading Day”	day(s) when the Stock Exchange is open for dealing business, provided that if no closing price is published in the daily quotation sheet by the Stock Exchange, such day(s) will be disregarded in any relevant calculation and shall be deemed not to have been Trading Days
“Transaction Documents”	collectively, the Subscription Agreement, the Share Charges, the Subsidiary Guarantee, the Bond Instrument, the Warrant Instrument and any other documents relating to the transactions contemplated therein which may be entered into from time to time
“US\$”	United States Dollars, the lawful currency of the United States of America

“VWAP”	volume weighted average price in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share published by or derived from Bloomberg (or any successor service) page 1733 HK Equity VWAP or such other source as shall be determined to be appropriate by an approved merchant bank on such Trading Day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the VWAP of a Share in respect of such Trading Day shall be the VWAP, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined
“Warrant(s)”	118,060,606 unlisted warrants of the Company to be created by the Warrant Instrument and any deed poll supplemental thereto entitling the registered holders thereof to exercise Warrant Subscription Rights on the terms set out therein
“Warrant Instrument”	the instrument to be executed by the Company by way of a deed poll constituting the Warrants
“Warrant Share(s)”	new Shares to be allotted and issued by the Company upon the exercise of the Warrant Subscription Rights
“Warrant Subscription Price”	the subscription price per Warrant Share and initially at HK\$0.99 per Warrant Share (subject to adjustments)
“Warrant Subscription Rights”	the rights of the Warrantholder represented by the Warrants to subscribe for Shares pursuant to the Warrants
“Warrantholder(s)”	person(s) in whose name a Warrant is registered in the register of Warrantholders, and “holder(s)” in relation to a Warrant has a corresponding meaning
“%”	per cent.

For the purpose of illustration only, amounts denominated in US\$ have been translated into HK\$ at the exchange rate of US\$1 to HK\$7.792.

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

Hong Kong, 2 June 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.