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EDVANCE INTERNATIONAL HOLDINGS LIMITED

安領國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1410)

**DISCLOSABLE TRANSACTION –
ACQUISITION OF PROPERTIES**

THE ACQUISITION

The Board is pleased to announce that on 26 January 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Properties at the Consideration of HK\$25,791,757.00.

IMPLICATIONS UNDER THE LISTING RULES

As the highest percentage ratio (as defined under the Listing Rules) calculated in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a disclosable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 26 January 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Properties at the Consideration of HK\$25,791,757.00.

Principal terms of the Provisional Agreement are summarised below:

Date

26 January 2021

Parties

- (1) Vendor: Right Union Development Limited; and
- (2) Purchaser: Edvance Property Investment (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the principal business of the Vendor is property development; (ii) the ultimate beneficial owners of the single largest shareholder of the Vendor which holds more than 50% of the Vendor are Yu Cheuk Yi and Yu Siu Yuk; and the other shareholders of the Vendor hold less than one-third of the Vendor; and (iii) each of the Vendor and its ultimate beneficial owners is an Independent Third Party.

Properties to be acquired

Pursuant to the Provisional Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to acquire the Properties, which are located at shop A and flat roof A, 10th floor, Monterey Plaza, No.15 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong, with aggregate saleable floor area of approximately 1,552 square feet.

Consideration

The Consideration is payable in cash by the Purchaser to the Vendor in the following manner:

- (1) an initial deposit of HK\$1,289,587.90 has been paid upon signing of the Provisional Agreement;
- (2) a further deposit of HK\$1,289,587.80 shall be paid on or before 8 February 2021; and
- (3) the remaining balance of HK\$23,212,581.30 shall be paid in full on Completion.

The Consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor by reference to the market value of similar properties in the vicinity of the Properties. The Acquisition will be funded by the internal resources of the Group and/or bank facilities.

Formal Agreement

The Purchaser and the Vendor shall enter into the Formal Agreement on or before 8 February 2021; and prior to entering into the Formal Agreement, the Provisional Agreement constitutes a valid and legally binding contract.

Completion

Completion is expected to take place on or before 26 May 2021.

The Vendor will deliver vacant possession of the Properties to the Purchaser on an "as is" basis upon Completion.

Other major terms

If the Purchaser fails to comply with any of the terms and conditions of the Provisional Agreement (including the failure to sign the Formal Agreement, or to pay the Consideration in the abovementioned manner):

- (1) all sums paid by the Purchaser up to 10% of the Consideration shall be absolutely forfeited to the Vendor and the Vendor is entitled to retain any sum over and above 10% of the Consideration and apply such sum towards any payment of damages, costs, charges and disbursements payable by the Purchaser to the Vendor;
- (2) the Vendor shall have the right at its absolute discretion to cancel the Provisional Agreement and to sell the Properties to any other party as it thinks fit without further notice to the Purchaser; and
- (3) the Purchaser shall bear all damages, costs, charges, disbursements incurred by the Vendor including stamp duty (if any) in connection with or arising from the Purchaser's failure to comply with the terms and conditions of the Provisional Agreement.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the distribution of IT security products and the provision of IT security services in Hong Kong, Macau, the PRC and Singapore.

REASONS AND BENEFITS OF THE ACQUISITION

The Properties are intended to be acquired and held by the Group for its own use. To cope with the business development and expansion of the Group, the Directors consider that it is beneficial for the Group to have its own property in Hong Kong.

Having considered that the Provisional Agreement was entered into on normal commercial terms with the Consideration being determined with reference to the market value of similar properties in adjacent locations, the Directors are of the view that the terms of the Provisional Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest percentage ratio (as defined under the Listing Rules) calculated in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a disclosable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by the Purchaser pursuant to the Provisional Agreement
“Board”	the board of Directors
“Company”	Edvance International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Properties in accordance with the terms and conditions of the Provisional Agreement and the Formal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Properties
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Properties pursuant to the Provisional Agreement
“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)”	third party(ies) independent of the Company and its connected person(s)
“IT”	information technology
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time)
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan

“Properties”	shop A and flat roof A, 10th floor, Monterey Plaza, No.15 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 26 January 2021 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties
“Purchaser”	Edvance Property Investment (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Right Union Development Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

By order of the Board
Edvance International Holdings Limited
Liu Yui Ting Raymond
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 January 2021

As at the date of this announcement, the executive Directors are Mr. Liu Yui Ting Raymond, Mr. Lee Francis Sung Kei, Mr. Von John, and Mr. Lam Tak Ling, the non-executive Directors are Dr. Tang Sing Hing Kenny and Mr. Lo Wai Ho Ashley, and the independent non-executive Directors are Mr. Yu Kwok Chun Raymond, Mr. Ng Tsz Fung Jimmy, Mr. Chan Siu Ming Simon and Mrs. Wong Hung Flavia Yuen Yee.