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EDA GROUP HOLDINGS LIMITED

EDA集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2505)

DISCLOSEABLE TRANSACTIONS SUBSCRIPTIONS AND REDEMPTIONS OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTIONS AND REDEMPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announces that as at the date of this announcement, as part of its treasury operation, the Group had, between 4 June 2024 and 23 August 2024, among others, subscribed for and redeemed the CMBI USD Money Fund Product, the CMBIGPL HKD Product and the E Fund HKD Product respectively (as applicable), and the details of the Transactions are set out as follows:

The CMBI USD Money Fund Product

- on 4 June 2024, EDA HK subscribed for the CMBI USD Money Fund Product in the amount of USD3,000,000 (equivalent to approximately RMB21,390,000);
- on 28 June 2024, EDA HK redeemed USD3,000,000 (equivalent to approximately RMB21,390,000) of the CMBI USD Money Fund Product, representing its entire holding of the CMBI USD Money Fund Product at the time with a gain of approximately USD11,000 (equivalent to approximately RMB78,000);
- on 3 July 2024, EDA HK subscribed for the CMBI USD Money Fund Product in the amount of USD3,000,000 (equivalent to approximately RMB21,390,000);
- on 23 August 2024, EDA HK redeemed USD3,000,000 (equivalent to approximately RMB21,390,000) of the CMBI USD Money Fund Product, representing its entire holding of the CMBI USD Money Fund Product at the time with a gain of approximately USD23,000 (equivalent to approximately RMB164,000);

The CMBIGPL HKD Product

- on 13 June 2024, EDA HK subscribed for the CMBIGPL HKD Product in the amount of HKD20,000,000 (equivalent to approximately RMB18,260,000);

The E Fund HKD Product

- on 14 June 2024, EDA HK subscribed for the E Fund HKD Product in the amount of HKD80,000,000 (equivalent to approximately RMB73,040,000);
- on 24 June 2024, EDA HK redeemed approximately HKD60,454,000 (equivalent to approximately RMB55,195,000) of the E Fund HKD Product with a gain of approximately HKD70,000 (equivalent to approximately RMB64,000). Upon completion of the E Fund Redemption, EDA HK continued to hold the remaining balance of approximately HKD19,546,000 (equivalent to approximately RMB17,845,000) of the E Fund HKD Product;
- on 28 June 2024, EDA HK subscribed for the E Fund HKD Product in the amount of HKD60,249,000 (equivalent to approximately RMB55,007,000);
- on 7 August 2024, EDA HK redeemed approximately HKD31,507,000 (equivalent to approximately RMB28,766,000) of the E Fund HKD Product with a gain of approximately HKD135,000 (equivalent to approximately RMB123,000); and
- on 23 August 2024, EDA HK redeemed approximately HKD28,743,000 (equivalent to approximately RMB26,242,000) of the E Fund HKD Product with a gain of approximately HKD135,000 (equivalent to approximately RMB123,000).

LISTING RULES IMPLICATIONS

In accordance with Rule 14.22 of the Listing Rules, as the issuers of the CMBI USD Money Fund Product and the CMBIGPL HKD Product were indirectly wholly-owned by the same entity, the First CMBI Subscription and the CMBIGPL Subscription are required to be aggregated. Similarly, subsequent to the First CMBI Redemption, the CMBIGPL Subscription and the Second CMBI Subscription are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the First CMBI Redemption and the Second CMBI Redemption were conducted within 12 months and similar in nature, the First CMBI Redemption and the Second CMBI Redemption are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the Second E Fund Subscription was made while the Company held the Initial Remaining E Fund Balance, the Second E Fund Subscription and the Initial Remaining E Fund Balance are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the First E Fund Redemption, the Second E Fund Redemption and the Third E Fund Redemption were conducted within 12 months and similar in nature, the First E Fund Redemption, the Second E Fund Redemption and the Third E Fund Redemption are required to be aggregated.

As one or more of the applicable percentage ratios in respect of each of (1) the First CMBI Subscription after aggregation with the CMBIGPL Subscription; (2) the Second CMBI Subscription after aggregation with the CMBIGPL Subscription; (3) the First E Fund Subscription; (4) the E First Fund Redemption; (5) the Second E Fund Subscription after aggregation with the Initial Remaining E Fund Balance; (6) the Second E Fund Redemption after aggregation with the First E Fund Redemption; (7) the Third E Fund Redemption after aggregation with the First E Fund Redemption and the Second E Fund Redemption; and (8) the Second CMBI Redemption after aggregation with the First CMBI Redemption exceeds 5% but all of the applicable percentage ratios are less than 25%, each of the Transactions (after aggregation, if applicable) constituted a discloseable transaction of the Company and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

BACKGROUND

The Board announces that as at the date of this announcement, as part of its treasury operation, the Group had, between 4 June 2024 and 23 August 2024, among others, subscribed for and redeemed the CMBI USD Money Fund Product, the CMBIGPL HKD Product and the E Fund HKD Product respectively (as applicable), and the details of the Transactions are set out as follows:

The CMBI USD Money Fund Product

- on 4 June 2024, EDA HK subscribed for the CMBI USD Money Fund Product in the amount of USD3,000,000 (equivalent to approximately RMB21,390,000) (the “**First CMBI Subscription**”);
- on 28 June 2024, EDA HK redeemed USD3,000,000 (equivalent to approximately RMB21,390,000) of the CMBI USD Money Fund Product, representing its entire holding of the CMBI USD Money Fund Product at the time (the “**First CMBI Redemption**”) with a gain of approximately USD11,000 (equivalent to approximately RMB78,000), being the difference between the acquisitions cost and the proceeds received from the redemption of that CMBI USD Money Fund Product;

- on 3 July 2024, EDA HK subscribed for the CMBI USD Money Fund Product in the amount of USD3,000,000 (equivalent to approximately RMB21,390,000) (the “**Second CMBI Subscription**”);
- on 23 August 2024, EDA HK redeemed USD3,000,000 (equivalent to approximately RMB21,390,000) of the CMBI USD Money Fund Product, representing its entire holding of the CMBI USD Money Fund Product at the time (the “**Second CMBI Redemption**”) with a gain of approximately USD23,000 (equivalent to approximately RMB164,000), being the difference between the acquisitions cost and the proceeds received from the redemption of that CMBI USD Money Fund Product;

The CMBIGPL HKD Product

- on 13 June 2024, EDA HK subscribed for the CMBIGPL HKD Product in the amount of HKD20,000,000 (equivalent to approximately RMB18,260,000) (the “**CMBIGPL Subscription**”);

The E Fund HKD Product

- on 14 June 2024, EDA HK subscribed for the E Fund HKD Product in the amount of HKD80,000,000 (equivalent to approximately RMB73,040,000) (the “**First E Fund Subscription**”);
- on 24 June 2024, EDA HK redeemed approximately HKD60,454,000 (equivalent to approximately RMB55,195,000) of the E Fund HKD Product (the “**First E Fund Redemption**”) with a gain of approximately HKD70,000 (equivalent to approximately RMB64,000), being the difference between the acquisitions cost and the proceeds received from the redemption of that E Fund HKD Product. Upon completion of the E Fund Redemption, EDA HK continued to hold the remaining balance of approximately HKD19,546,000 (equivalent to approximately RMB17,845,000) of the E Fund HKD Product (the “**Initial Remaining E Fund Balance**”);
- on 28 June 2024, EDA HK subscribed for the E Fund HKD Product in the amount of approximately HKD60,249,000 (equivalent to approximately RMB55,007,000) (the “**Second E Fund Subscription**”);
- on 7 August 2024, EDA HK redeemed approximately HKD31,507,000 (equivalent to approximately RMB28,766,000) of the E Fund HKD Product (the “**Second E Fund Redemption**”) with a gain of approximately HKD135,000 (equivalent to approximately RMB123,000), being the difference between the acquisitions cost and the proceeds received from the redemption of that E Fund HKD Product; and
- on 23 August 2024, EDA HK redeemed approximately HKD28,743,000 (equivalent to approximately RMB26,242,000) of the E Fund HKD Product (the “**Third E Fund Redemption**”) with a gain of approximately HKD135,000 (equivalent to approximately RMB123,000), being the difference between the acquisitions cost and the proceeds received from the redemption of that E Fund HKD Product.

THE CMBI USD MONEY FUND PRODUCT

- (1) Issuer: CMB International Asset Management Limited
- (2) Name of product: CMB International USD Money Market Fund (the “**CMBI USD Money Fund Product**”)
- (3) Type of return: Non-principal guaranteed with variable return
- (4) Date and amount of subscription(s) and redemption(s):
- | | | |
|----------------|---|--|
| 4 June 2024 | — | Subscription of USD3,000,000 (equivalent to approximately RMB21,390,000) |
| 30 June 2024 | — | Redemption of USD3,000,000 (equivalent to approximately RMB21,390,000) |
| 3 July 2024 | — | Subscription of USD3,000,000 (equivalent to approximately RMB21,390,000) |
| 23 August 2024 | — | Redemption of USD3,000,000 (equivalent to approximately RMB21,390,000) |
- (5) Termination and redemption: The Company is entitled to terminate and redeem the CMBI USD Money Fund Product at any time
- (6) Scope of investment: USD-denominated money market instruments
- (7) Expected annualised rate of return: 3.17%

THE CMBIGPL HKD PRODUCT

- (1) Issuer: CMB International Global Products Limited
- (2) Name of product: USD2,000,000,000 Guaranteed Structured Note Programme issued by CMB International Global Products Limited and guaranteed by CMB International Capital Corporation Limited (the “**CMBIGPL HKD Product**”)
- (3) Type of return: Fixed interest rate with step-up feature
- (4) Date and amount of subscription: 13 June 2024 — Subscription of HKD20,000,000 (equivalent to approximately RMB18,260,000)
- (5) Termination and redemption: The Company is entitled to terminate and redeem the CMBIGPL HKD Product at any time
- (6) Expected annualised rate of return: 4.60%–4.80%

THE E FUND HKD PRODUCT

- (1) Issuer: E Fund Management
- (2) Name of product: E Fund (HK) Hong Kong Dollar Money Market Fund (the “**E Fund HKD Product**”)
- (3) Type of return: Non-principal guaranteed with variable return
- (4) Date and amount of subscription(s) and redemption(s):
- | | | |
|----------------|---|---|
| 14 June 2024 | — | Subscription of HKD80,000,000 (equivalent to approximately RMB73,040,000) |
| 24 June 2024 | — | Redemption of HKD60,454,000 (equivalent to approximately RMB55,195,000) |
| 28 June 2024 | — | Subscription of HKD60,249,000 (equivalent to approximately RMB55,007,000) |
| 7 August 2024 | — | Redemption of HKD31,507,000 (equivalent to approximately RMB28,766,000) |
| 23 August 2024 | — | Redemption of HKD28,743,000 (equivalent to approximately RMB26,242,000) |

- (5) Termination and redemption: EDA HK is entitled to terminate and redeem the E Fund HKD Product at any time
- (6) Scope of investment: Short-term deposits and high quality money market instruments
- (7) Expected annualised rate of return: 0.20%-4.30%

SOURCE OF FUNDS AND DETERMINATION OF COMMERCIAL TERMS

Each subscription under the Transactions were funded by and satisfied with the Group's internal resources, and would not affect the working capital or the operation of the Group.

The Directors confirmed that the subscription amount and terms of each of the Transactions were determined on the commercial terms after arm's length negotiation between the Group and each of CMBI, CMBIGPL and E Fund Management (as the case may be) having taken into account (i) the then financial status of the Group; (ii) the expected investment return and terms of the wealth management products; (iii) the expected annualised rate of return of the wealth management products; and (iv) the Transactions having no material impact on the operations and working capital of the Group.

INTENDED USE OF PROCEEDS FROM THE REDEMPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Group intends to use the sale proceeds of each redemption under the Transactions for working capital purposes, and would not affect the working capital or the operation of the Group. The Group may also apply the proceeds for new investments should any suitable investment opportunities arise.

INFORMATION OF THE PARTIES

The Company is a one-stop end-to-end supply chain solutions provider for e-commerce vendors, empowering the fast-growing B2C export e-commerce industry in the PRC.

EDA HK is a wholly-owned subsidiary of the Company and is principally engaged in the cross-border logistics business.

Based on the available information and to the best knowledge of the Directors, CMBI is principally engaged in the businesses of dealing in securities, advising on securities and asset management under the licences issued by the SFC to carry on types 1, 4, and 9 regulated activities under the SFO. It is a wholly-owned subsidiary of CMB International Capital Corporation Limited, whose parent company, China Merchants Bank Co. Ltd. is listed on the Hong Kong Stock Exchange (stock code: 3968).

Based on the available information and to the best knowledge of the Directors, CMBIPGL is a special purpose vehicle established for purpose of establishing a programme for the issuance of debt securities. It is a wholly-owned subsidiary of CMB International Investment Management Limited, which is wholly-owned by CMB International Capital Corporation Limited.

Based on the available information and to the best knowledge of the Group, E Fund Management is principally engaged in the businesses of dealing in securities, advising on securities and asset management under the licences issued by the SFC to carry on types 1, 4, and 9 regulated activities under the SFO.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of CMBI, CMBIGPL and E Fund Management and their respective ultimate beneficial owner(s) are independent third parties.

REASONS FOR AND BENEFITS FOR THE TRANSACTIONS

As disclosed in the prospectus of the Company dated 20 May 2024, the Company's investment strategy related to wealth management products focuses on minimising the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while maximising the value of the Group's surplus cash through investments at low risk. The Company makes investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions, risk control and credit of issuing banks, the Company's own working capital conditions, and the expected profit or potential loss of the investment.

The reasonable, effective and efficient use of temporary idle funds will strategically enhance the overall capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The risk on the expected return of the Transaction is considered low, and the Group could get a higher rate of return as compared with fix term deposit in commercial banks in the PRC and Hong Kong. The Directors consider that the terms of the Transactions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with Rule 14.22 of the Listing Rules, as the issuers of the CMBI USD Money Fund Product and the CMBIGPL HKD Product were indirectly wholly-owned by the same entity, the First CMBI Subscription and the CMBIGPL Subscription are required to be aggregated. Similarly, subsequent to the First CMBI Redemption, the CMBIGPL Subscription and the Second CMBI Subscription are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the First CMBI Redemption and the Second CMBI Redemption were conducted within 12 months and similar in nature, the First CMBI Redemption and the Second CMBI Redemption are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the Second E Fund Subscription was made while the Company held the Initial Remaining E Fund Balance, the Second E Fund Subscription and the Initial Remaining E Fund Balance are required to be aggregated.

In accordance with Rule 14.22 of the Listing Rules, as the First E Fund Redemption, the Second E Fund Redemption and the Third E Fund Redemption were conducted within 12 months and similar in nature, the First E Fund Redemption, the Second E Fund Redemption and the Third E Fund Redemption are required to be aggregated.

As one or more of the applicable percentage ratios in respect of each of (1) the First CMBI Subscription after aggregation with the CMBIGPL Subscription; (2) the Second CMBI Subscription after aggregation with the CMBIGPL Subscription; (3) the First E Fund Subscription; (4) the E First Fund Redemption; (5) the Second E Fund Subscription after aggregation with the Initial Remaining E Fund Balance; (6) the Second E Fund Redemption after aggregation with the First E Fund Redemption; (7) the Third E Fund Redemption after aggregation with the First E Fund Redemption and the Second E Fund Redemption; and (8) the Second CMBI Redemption after aggregation with the First CMBI Redemption exceeds 5% but all of the applicable percentage ratios are less than 25%, each of the Transactions (after aggregation, if applicable) constituted a discloseable transaction of the Company and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

During the preparation of the 2024 Interim Results, the management of the Company discovered the financial information regarding some of the Transactions each of which constitute a discloseable transaction (after aggregation if applicable), and which took place on or before 30 June 2024 and that the notification and announcement in respect thereof as required under Chapter 14 of the Listing Rules have been delayed. The failure to make timely disclosure was due to a misunderstanding by the offshore investment team of the Company of the application of the relevant Listing Rules, and the failure to alert the management of the Company before the Transactions. The offshore investment team of the Company did not classify the Transactions as an acquisition of assets, as it considered them to be cash equivalent in nature. As such, the Company was unable to identify each of the Transactions (after aggregation, if applicable) as a discloseable transaction of the Company under Chapter 14 of the Listing Rules and to meet requirements under Rule 14.34 of the Listing Rules accordingly.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules (the “**Non-compliance**”) but the Company would like to stress that the Non-compliance was inadvertent and the Company had no intention to withhold any information relating to the Transactions from disclosure. And the management of the Company is doing all it can to disclose the Transactions as soon as practicable.

To prevent similar non-compliance from occurring in the future, the Company has reviewed its internal procedure and has implemented the following remedial actions:

1. the Company will arrange more training on regulatory compliance matters relating to notifiable transactions to the Directors, senior management and the responsible staff on a regular basis to reinforce their understanding of and importance of compliance with the Listing Rules and mitigate the risk of a recurrence of the incident;
2. the Company will adopt procedures which require the treasury and finance departments of the Group to report to the Group’s management in respect of proposed transactions or events involving potential subscriptions and redemptions;
3. the Company will continue to require its senior management and responsible staff to utilise and update its comprehensive size test template for each transaction to be entered into that are non-cash in nature to ensure the Group’s ongoing compliance with the Listing Rules;
4. the Company will work more closely with its legal advisers and compliance advisers on compliance issues; and
5. the Company will consult its legal advisers and compliance advisers prior to any proposed transactions or events so as to ensure that the Directors’ understanding and interpretation of the Listing Rules are correct and the Group timely complies with the relevant requirements under the Listing Rules.

Going forward, the Company will make sufficient and appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

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

2024 Interim Results	the Company’s interim results for the six months ended 30 June 2024
Board	the board of Directors

CMBI	CMB International Asset Management Limited
CMBI Transactions	the First CMBI Subscription, the CMBIGPL Subscription, the First CMBI Redemption, the Second CMBI Subscription and the Second CMBI Redemption
CMIGPL	CMB International Global Products Limited
Company	EDA Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2505)
connected person(s)	has the meaning ascribed to it under the Listing Rules
Director(s)	the directors of the Company
EDA HK	EDA Development (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
E Fund Management	E Fund Management (Hong Kong) Co., Limited
E Fund Transactions	the First E Fund Subscription, the First E Fund Redemption and the Second E Fund Subscription, the Second E Fund Redemption and the Third E Fund Redemption
Group	the Company and its subsidiaries
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
independent third party(ies)	person who is not a connected person of the Company and is a third party independent of and not connected with the Company or its connected persons
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)

RMB	Renminbi, the lawful currency of the PRC
subsidiary(ies)	has the meaning ascribed to it under the Listing Rules
SFC	the Securities and Futures Commission
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Transactions	the CMBI Transactions and the E Fund Transactions
USD	United States dollars, the lawful currency of the United States of America
%	per cent.

For illustration purposes, amounts in USD and HKD in this announcement have been translated into RMB at an exchange rate of USD1 = RMB7.13 and HKD1 = RMB0.913. Such translations should not be construed as a representation that any amount in question in USD, HKD or RMB has been or could have been or may be converted at such a rate or at any other rates.

By Order of the Board
EDA Group Holdings Limited
Cheung Man Yu
Executive Director and Company Secretary

Hong Kong, 26 August 2024

As at the date of this announcement, the Board comprises (i) Mr. Liu Yong, Ms. Li Qin and Mr. Cheung Man Yu as executive Directors; (ii) Mr. Zuo Manlun and Mr. Luo Jianfeng as non-executive Directors; and (iii) Mr. Chan Kwok Cheung Kevin, Mr. Ng Cheuk Him and Mr. Wong Ping Yee Natalis as independent non-executive Directors.

* *For identification purpose only.*