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EDICO Holdings Limited
鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8450)

MAJOR TRANSACTION
IN RELATION TO THE ENTERING INTO A TENANCY AGREEMENT

THE TENANCY AGREEMENT

The Board announces that the Tenancy Agreement dated 10 September 2024 was entered into between Huge Alliance (a wholly-owned subsidiary of the Company), as tenant, and the Leasing Agent, acting on behalf of the Landlord, in respect of the rental of the Premises for a term of two (2) years and 364 days commencing from 2 January 2025 to 31 December 2027 (both days inclusive).

GEM LISTING RULES IMPLICATION

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules. As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Tenancy Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the Tenancy Agreement constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, each of the Landlord and the Leasing Agent is an Independent Third Party and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Tenancy Agreement. Achiever Choice, being a Controlling Shareholder, is beneficially interested in 560,000,000 Shares, representing 56% of the total number of issued Shares of the Company as at the date of this announcement, has given written approval to the Company to approve the Tenancy Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the approval of the Tenancy Agreement will be held.

A circular containing, among other things, details of the Tenancy Agreement will be despatched to the Shareholders in accordance with the GEM Listing Rules. The Company currently expects to despatch the circular on or before 3 October 2024.

INTRODUCTION

The Board announces that the Tenancy Agreement dated 10 September 2024 was entered into between Huge Alliance (a wholly-owned subsidiary of the Company), as tenant, and the Leasing Agent, acting on behalf of the Landlord, in respect of the rental of the Premises for a term of two (2) years and 364 days commencing from 2 January 2025 to 31 December 2027 (both days inclusive).

THE TENANCY AGREEMENT

Details of the principal terms of the Tenancy Agreement are set out below:

Date:	10 September 2024
Parties:	(1) Huge Alliance, the tenant and a wholly-owned subsidiary of the Company (2) the Leasing Agent as the leasing agent for the Landlord and acting on behalf of the Landlord
Premises:	8th Floor of Wheelock House, 20 Pedder Street, Central, Hong Kong with gross floor area of around 10,260 square feet
Term:	From 2 January 2025 to 31 December 2027 (both days inclusive)

Monthly rental:	The monthly rental payable comprises:
	(1) monthly basic rent: HK\$487,350.00
	(2) monthly service fee: HK\$82,286.00
Total aggregated value of consideration payment:	approximately HK\$19.0 million in aggregate (exclusive of Government rates) during the term from 2 January 2025 to 31 December 2027
	Huge Alliance shall be responsible for Government rates and the Landlord shall be responsible for the Government rent during the term.
Rent free period:	(1) From 2 January 2025 to 1 February 2025;
	(2) From 2 January 2026 to 1 February 2026; and
	(3) From 1 November 2026 to 30 November 2026.
Deposit:	HK\$1,792,158.00 (equivalent to 3 months' rent, service fee and government rates)

THE RIGHT-OF-USE ASSET

The value of the right-of-use asset recognised by the Company under the Tenancy Agreement amounted to approximately HK\$14.5 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Tenancy Agreement in accordance with HKFRS 16 *Leases*.

REASON FOR AND THE BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The Group principally engages in the business of providing 24-hour integrated printing services for customers in the financial and capital markets in Hong Kong. The Premises has been used as the Group's primary office premises since the commencement of its business in 2010. The term of the existing tenancy agreement of the Premises will expire on 1 January 2025.

The Directors are of the view that the entering into of the Tenancy Agreement (i) is necessary for continuing the operation and growth of the business of the Group; and (ii) would allow sufficient office space to facilitate the future expansion and growth of the Group's business and is therefore beneficial to the Group.

The terms of the Tenancy Agreement (including the rental payment and service fee) were determined after arm's length negotiations between the parties and with reference to the previous rental payment made by the Group and the open market rent of comparable properties in the vicinity of the Premises. In addition, based on the valuation report prepared by an independent valuer appointed by the Company, the terms under the Tenancy Agreement are fair and reasonable, and the rents thereunder reflects the prevailing market rates for similar properties in similar locations.

The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the Tenancy Agreement were entered into in the ordinary and usual course of business of the Group, and the Tenancy Agreement was entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the Tenancy Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information on the Group and Huge Alliance

The Group principally engages in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong.

Huge Alliance is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. The principal business of Huge Alliance is to provide services derived from tenancy agreement of office premises to the Group.

Information on the Landlord and the Leasing Agent

The Landlord is a company incorporated in Hong Kong with limited liability and its principal business activity is property investment. The Landlord is the landlord of the Premises. It is an indirect wholly-owned subsidiary of Wharf Real Estate Investment Company Limited (Stock Code: 1997) and an Independent Third Party.

The Leasing Agent is a company incorporated in Hong Kong with limited liability. The Leasing Agent is principally engaged in leasing services. It is an indirect wholly-owned subsidiary of Wharf Real Estate Investment Company Limited (Stock Code: 1997) and an Independent Third Party.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Leasing Agent, the Landlord and their respective ultimate beneficial owners are Independent Third Parties.

GEM LISTING RULES IMPLICATION

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules. As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Tenancy Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the Tenancy Agreement constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, each of the Landlord and the Leasing Agent is an Independent Third Party and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Tenancy Agreement. Achiever Choice, being a Controlling Shareholder, is beneficially interested in 560,000,000 Shares, representing 56% of the total number of issued Shares of the Company as at the date of this announcement, has given written approval to the Company to approve the Tenancy Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the approval of the Tenancy Agreement will be held.

A circular containing, among other things, details of the Tenancy Agreement will be despatched to the Shareholders in accordance with the GEM Listing Rules. The Company currently expects to dispatch the circular on or before 3 October 2024.

DEFINITIONS

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

“Achiever Choice”	Achiever Choice Limited, a limited company incorporated in the British Virgin Islands, a Controlling Shareholder holding 560,000,000 Shares in the Company (representing 56% of the total issued Shares of the Company, and wholly-owned by Mr. Chan, one of our Controlling Shareholders
“Board”	the board of Directors of the Company

“Company”	EDICO Holdings Limited, a limited company incorporated in the Cayman Islands whose shares are listed on the GEM
“Controlling Shareholder”	has the meaning ascribed to it under the GEM Listing Rules and unless the context requires otherwise, refers to Achiever Choice and Mr. Chan
“Directors”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huge Alliance”	Huge Alliance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, being the tenant under the Tenancy Agreement
“Independent Third Part(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected person(s)
“Landlord”	Oripuma Investments Limited, a company incorporated in Hong Kong and the landlord of the Premises
“Leasing Agent”	Harriman Leasing Limited, a company incorporated in Hong Kong with limited liability, which acts as the leasing agent for and on behalf of the Landlord and an Independent Third Party
“Mr. Chan”	Mr. Chan Tsang Tieh, an executive Director, the Chairman and one of the Controlling Shareholders of the Group
“Premises”	the premises located at 8th Floor of Wheelock House, 20 Pedder Street, Central, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement, together with the supplemental letter, dated 10 September 2024 entered into between Huge Alliance and the Leasing Agent acting on behalf the Landlord in respect of the tenancy of the Premises
“%”	per cent

By order of the Board
EDICO Holdings Limited
Chan Tsang Tieh
Chairman and Executive Director

Hong Kong, 10 September 2024

As at the date of this announcement, the executive Directors are Mr. Chan Tsang Tieh (Chairman) and Mrs. Donati Chan Yi Mei Amy (Chief Executive Officer); and the independent non-executive Directors are Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie.

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

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange for a minimum period of 7 days from the date of its publication and on the Company’s website at www.edico.com.hk.

** For identification purpose only*