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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 TRANSACTION IN RELATION TO THE LEASE AGREEMENT**

On 21 September 2024 (U.S. time), the Tenant, a wholly owned subsidiary of the Company, and the Company (as the lease guarantor) entered into the Lease Agreement with the Landlord in relation to the tenancy of the Premises located in Fontana, California, the U.S.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with the tenancy of the Premises under the Lease Agreement exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

The Board announces the execution of the Lease Agreement with the following particulars:

### **LEASE AGREEMENT**

Date: 21 September 2024 (U.S. time)

Landlord: Carson Estate Trust

Tenant: EDA International, Inc.

Premises:	All of the building systems, including, but not limited to, the plumbing, lighting, HVAC, loading doors in good operating condition, by the street address 13611 Jurupa Ave, Fontana, California, the U.S.
Usage:	Warehouse storage and distribution uses, together with office uses and such other uses ancillary to the foregoing uses
Lease term:	5 years from the Commencement Date (i.e. 1 November 2024)
Rent:	<p>The base rent shall be US\$1.08 per square feet net per month, payable, in advance, on the day of each month with 3.50% annual escalations.</p> <p>Pursuant to the Lease Agreement, the Tenant shall be entitled to an abated rent period, whereby the lease is rent free for four (4) months and half base rent for six (6) months.</p> <p>The aggregate amount of the base rent covering the whole lease term under the Lease Agreement is approximately US\$18.6 million (equivalent to approximately RMB131.9 million). The base rent shall be payable monthly in advance.</p> <p>The rent payable under the Lease Agreement has been determined after arm's length negotiations between the Landlord and the Tenant, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises. The rent payable will be satisfied by proceeds from the Global Offering and the Group's internal resources.</p>
Security Deposit:	Approximately US\$1.1 million (equivalent to approximately RMB7.9 million), in the form of a letter of credit from a financial institution acceptable to the Landlord.
Lease Guaranty:	The Company, as the lease guarantor, unconditionally and absolutely guarantees to the Landlord the due and punctual performance of the Tenant's obligations under or related to the Lease Agreement.

The value (unaudited) of the right-of-use assets to be recognised by the Company under the Lease Agreement is approximately US\$16.1 million (equivalent to approximately RMB114.5 million) which is the present value of lease payments throughout the lease term under the Lease Agreement, discounted using the increment borrowing rate and adjustment to fair value at initial recognition of refundable rental deposit and provision for reinstatement costs in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

## **INFORMATION ABOUT THE PARTIES**

### **Information about the Company**

The Company is a company incorporated with limited liability in the Cayman Islands and is principally engaged in the provision of one-stop end-to-end supply chain solutions for e-commerce vendors, empowering the fast-growing B2C export e-commerce industry in the PRC.

### **Information about the Tenant**

The Tenant is a wholly owned subsidiary of the Company and a company incorporated with limited liability in California, the U.S. The Tenant is principally engaged in the provision of warehousing services in North America.

### **Information about the Landlord**

To the best knowledge of the Directors, the Landlord is a Maryland real estate investment trust in Newport Beach, the U.S.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Landlord and its respective ultimate beneficial owners are independent third parties.

## **REASONS AND BENEFITS FOR THE ENTERING INTO LEASE AGREEMENT**

The Board is of the view that entering into the Lease Agreement is an opportunity for the Group to enhance its global logistics network and footprint, and is in line with the overall business development direction of the Group to capture more market share of the B2C export e-commerce supply chain solutions industry. The Premises under the Lease Agreement will be used as a self-operated warehouse by the Company in the U.S.

The terms and conditions of the Tenancy Agreement were arrived at after arm's length negotiation with reference to (i) the existing tenancies of other warehouse lease agreements that the Group has entered into; and (ii) the attributes of the Premises such as geographical location, size and lease term. The Directors consider that the terms and conditions of the Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 "Leases", the Group will recognise right-of-use assets in the consolidated financial statements of the Group in connection with the tenancy of the Premises. Accordingly, the lease transactions under the Lease Agreement will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with the tenancy of the Premises under the Lease Agreement exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes discloseable transaction for the Company and is subject to the notification and announcement requirements, but exempt from the shareholders' approval requirement under the Listing Rules. The actual value of the right-of-use assets to be recognised by the Group will be subject to review and final audit by the auditors of the Company.

## **TERMS USED IN THIS ANNOUNCEMENT**

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

"Board" or "Director(s)"	the board of directors of the Company
"Commencement Date"	1 November 2024, being the date of commencement of the term of the Lease Agreement
"Company"	EDA Group Holdings Limited (previously named as EDA Cloud Technology Holdings Limited (易達雲科技控股有限公司)), an exempted company incorporated in the Cayman Islands on 17 September 2020 with limited liability
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

“Global Offering”	has the meaning ascribed to it in the prospectus of the Company dated 20 May 2024
“Group”	the Company and its subsidiaries from time to time
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HVAC”	heating, ventilation and air conditioning
“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
“Landlord”	Carson Estate Trust, a Maryland real estate investment trust in Newport Beach, the U.S.
“Lease Agreement”	the lease agreement dated 21 September 2024 (U.S. time) entered into among the Tenant, the Company and the Landlord in respect of the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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)
“Premises”	all of the building systems, including, but not limited to, the plumbing, lighting, HVAC, loading doors in good operating condition, by the street address 13611 Jurupa Ave, Fontana, California, the U.S.
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Tenant”	EDA International, Inc., a company incorporated with limited liability in California, the U.S.
“US\$”	U.S. dollar(s), the lawful currency of the U.S.
“U.S.”	The United States of America
“%”	per cent.

*Note: for illustrative purpose of this announcement only, conversion of US\$ into RMB is made at the rate of US\$1.00 = RMB7.0983*

By order of the Board  
**EDA Group Holdings Limited**  
**Mr. Liu Yong**  
*Executive Director and Chairman of the Board*

Hong Kong, 23 September 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.*