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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  
IN RELATION TO TENANCY AGREEMENT**

**THE TENANCY AGREEMENT**

The Board is pleased to announce that on 20 September 2022, the Tenants (the Company and its indirect wholly-owned subsidiary) entered into the Tenancy Agreement with the Landlords in respect of the lease of the Premises for a term of 5 years from 1 December 2022 to 30 November 2027 (both days inclusive).

**IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16 “Leases”, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the lease transaction contemplated under the Tenancy Agreement exceeds 5% but is less than 25%, the transaction constitutes a disclosable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders’ approval under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 20 September 2022, the Tenants (the Company and its indirect wholly-owned subsidiary) entered into the Tenancy Agreement with the Landlords in respect of the lease of the Premises for a term of 5 years from 1 December 2022 to 30 November 2027 (both days inclusive).

## **THE TENANCY AGREEMENT**

Principal terms of the Tenancy Agreement are summarised below:

### **Date**

20 September 2022

### **Parties**

- (1) Landlords: KT Real Estate Limited and Turbo Result Limited
- (2) Tenants: the Company and Edvance Technology (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company

### **Premises:**

The whole of Level 25, Tower 1, 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong.

### **Term:**

Five (5) years commencing on 1 December 2022 and expiring on 30 November 2027 (both days inclusive)

### **Lettable area:**

Approximately 19,401 square foot gross

### **Rent:**

The rent payable under the Tenancy Agreement, exclusive of air conditioning, management charges, government rent and rates and other outgoing charges, is HK\$636,352.80 per month for the period from 1 December 2022 to 30 November 2025 (both days inclusive).

The monthly rent payable for the Premises for the period from 1 December 2025 to 30 November 2027 (“**Review Period**”) shall be at market rent, which is subject to be reviewed and mutually agreed between the parties thereon 3 months before the commencement of the Review Period. The revised monthly rent payable shall in no case be more than HK\$44.28 per square foot gross per calendar month.

The rent payable by the Tenants under the Tenancy Agreement was determined after arm’s length negotiations between the Landlords and the Tenants, with reference to the prevailing market rental values for comparable premises in the vicinity of the Premises.

The rent payable by the Tenants under the Tenancy Agreement will be financed by the internal resources of the Group.

## **RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, as a result of the entering into of the Tenancy Agreement, the unaudited value of the right-of-use asset to be recognised by the Group under the terms of the Tenancy Agreement amounted to a sum of approximately HK\$36.1 million, being the present value of the aggregate rent under the Tenancy Agreement.

## **INFORMATION OF THE LANDLORDS**

Both Landlords, KT Real Estate Limited and Turbo Result Limited are limited liability companies incorporated in the British Virgin Islands. The principal business activities of the Landlords are property investment.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquires, (i) KT Real Estate Limited is indirectly wholly-owned by Transport International Holdings Limited (Stock Code: 0062), the parent company of several public transport operators in Hong Kong; and (ii) Turbo Result Limited is indirectly wholly-owned by Sun Hung Kai Properties Limited (Stock Code: 0016), a leading property developer in Hong Kong. The Landlords and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in the distribution of cybersecurity products, the provision of cybersecurity services in Hong Kong, Macau, the PRC and Singapore, and financial services and investment businesses.

## **REASONS AND BENEFITS OF THE ENTERING INTO THE TENANCY AGREEMENT**

To cope with the business development and expansion the Group's cybersecurity, financial services and investment businesses, the Directors consider that the lease of the Premises will strength our Group's image on innovation including cybersecurity and fintech areas by using as new head office of the Group.

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

## **LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16 "Leases", the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the lease transaction contemplated under the Tenancy Agreement exceeds 5% but is less than 25%, the transaction constitutes a disclosable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Edvance International Holdings Limited 安領國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1410)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries for the time being
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 – Leases” issued by the Hong Kong Institute of Certified Public Accountants, sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s)
“Landlords”	KT Real Estate Limited and Turbo Result Limited, the companies incorporated in the British Virgin Islands with limited liabilities
“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
“Premises”	the whole of Level 25, Tower 1, 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 20 September 2022 entered into between the Landlords and the Tenants in relation to the lease of the Premises
“Tenants”	the Company and Edvance Technology (Hong Kong) Limited, a company incorporated in Hong Kong with limited liabilities and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 20 September 2022

*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 Director is 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.*