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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 9 May 2025 (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 Atlanta, Georgia, 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 Chapter 14 of the Listing Rules.

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

LEASE AGREEMENT

Date: 9 May 2025 (U.S. time)

Landlord: CIV FRIENDSHIP BUSINESS PARK I, LLC

Tenant: EDA International, Inc.

Premises: Approximately 320,603 square feet of space with address of 4497 Friendship Road, Bldg. 100, Buford, Georgia 30519, Atlanta, Georgia, the U.S.

Usage: Warehouse storage and distribution uses, together with office uses and such other uses ancillary to the foregoing uses

Lease term: Sixty-three (63) full months from the Commencement Date, or such earlier termination as provided in the Lease Agreement

Rent: The rent payable shall consist of the base rent and the additional rent

For the first twelve (12) months, the base rent is calculated by \$0.71 per square foot per month, and the base rent will rise by an average of 4.0% each year thereafter

The aggregate amount of the base rent covering the whole lease term under the Lease Agreement (exclusive of tax) is approximately US\$15.6 million (equivalent to approximately RMB112.3 million). The additional rent is all sums, other than base rent, which may become payable by Tenant to Landlord under the Lease Agreement for any reason, including but not limited to (i) operating expenses, including all costs and expenses incurred by Landlord in connection with the ownership, maintenance and/or operation; (ii) utilities, including all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used on the Premises; (iii) taxes to be borne by the Tenant; (iv) all insurance; (v) any fees, costs or expenses of the Landlord's property manager in relation to the Premises, if any

The base rent, operating expenses, utilities, taxes and insurance shall be payable monthly in advance

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 the Group's internal resources

Security Deposit: Approximately US\$1.3 million (equivalent to approximately RMB9.1 million)

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\$13.4 million (equivalent to approximately RMB96.6 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 a leading global artificial intelligence logistics technology service group, 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 limited liability company established under the laws of Delaware, and is principally engaged in property investment.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Landlord and its ultimate beneficial owner are Independent Third Parties.

REASONS AND BENEFITS FOR THE ENTERING INTO THE 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 which is in line with the overall strategy development direction of the Group to become a leading global artificial intelligence logistics technology service group. 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 September 2025, being the date of commencement of the term of the Lease Agreement
“Company”	EDA Group Holdings Limited, 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
“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
“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”	CIV FRIENDSHIP BUSINESS PARK I, LLC, a limited liability company in Delaware, the U.S.
“Lease Agreement”	the lease agreement dated 9 May 2025 (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”	approximately 320,603 square feet of space with address of 4497 Friendship Road, Bldg. 100, Buford, Georgia 30519, Atlanta, Georgia, 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.
“U.S.”	The United States of America
“US\$”	U.S. dollar(s), the lawful currency of the U.S.
“%”	per cent.

Note: for illustrative purpose of this announcement only, conversion of US\$ into RMB is made at the rate of US\$1.00 = RMB7.2073

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

Hong Kong, 11 May 2025

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.*