

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Echo International Holdings Group Limited

毅高（國際）控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8218)

DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF TENANCY FOR AN EXISTING RESTAURANT

RENEWAL OF TENANCY FOR AN EXISTING RESTAURANT

The Board is pleased to announce that, the Tenant, a wholly-owned subsidiary of the Group, as tenant, entered into the Offer Letter on 4 December 2023 with the Landlord (an Independent Third Party), as landlord, in respect of the renewal of tenancy of the Premises, at which one of the Group's restaurant is currently operating.

IMPLICATIONS UNDER GEM LISTING RULES

As the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the value of the right-of-use assets under the Offer Letter according to HKFRS 16 (Leases) exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that the Tenant (a wholly-owned subsidiary of the Company) as tenant entered into the Offer Letter on 4 December 2023 with the Landlord (an Independent Third Party), as landlord, in respect of the renewal of tenancy of the Premises, at which one of the Group's restaurant is currently operating.

RENEWAL OF TENANCY FOR AN EXISTING RESTAURANT

The principal terms of the Offer Letter are set out below:

- Date: 4 December 2023
- Parties: (a) Yuk Cuisine (HongKong) Limited (as tenant)
(b) Tang Lung Investment Properties Limited (as landlord)
- Premises: The Premises comprises the 25th floor, Soundwill Plaza II-Midtown, 1 Tang Lung Street, Hong Kong
- Total gross floor area: around 8,524 square feet
- Term: The term of the Offer Letter is from 1 December 2023 to 30 November 2025 (both days inclusive) (“**Term**”).
- Monthly rental payment and payment term: The monthly rent comprises:
- (1) Monthly basic rent:
 - (i) From 1 December 2023 to 30 November 2024: HK\$150,000 payable in advance on the first day of each calendar month; and
 - (ii) From 1 December 2024 to 30 November 2025: HK\$170,000 payable in advance on the first day of each calendar month.
 - (2) Turnover rent: the amount by which 9% of the monthly Gross Receipts exceeds the monthly basic rent of each month and it is payable in arrears on the 14th day of each calendar month.
- Monthly management fee payable to the Landlord amounts to HK\$63,930.
- Deposit: A deposit of HK\$982,520 (representing 4-month monthly basic rent, management fee and government rates) has been paid by the Tenant to the Landlord upon signing of the Offer Letter by the Tenant.

INFORMATION OF THE PARTIES

The Landlord is a company incorporated in Hong Kong. According to the public search records, the Landlord is principally engaged in property investment and is an indirect wholly-owned subsidiary of Soundwill Holdings Limited of which the shares are listed on the main board of the Stock Exchange (stock code: 0878). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

The Tenant is a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Group.

BASIS FOR DETERMINATION OF THE RENTALS AND OTHER INFORMATION

The terms of the Offer Letter (including the rental) were determined after arm's length negotiations between the Parties and with reference to the open market rent of comparable properties in the vicinity of the Premises. The Board considers that the terms of the Offer Letter are normal commercial terms and fair and reasonable and entering into the Offer Letter are in the interests of the Company and the Shareholders as a whole.

The rental and other amounts payable by the Tenant under the Offer Letter are expected to be financed by the internal resources of the Group.

RIGHT-OF-USE ASSET

Based on preliminary estimation of the Company, the value of the right-of-use asset to be recognised by the Company under the Offer Letter shall amount to approximately HK\$3.55 million, which is the present value of aggregated lease payments, plus initial direct costs and estimated reinstatement cost with the Lease in accordance with HKFRS 16. Discount rate of approximately 8.281% per annum is applied to compute the present value of aggregate lease payments under the Offer Letter.

REASONS AND BENEFITS OF THE OFFER LETTER

The Group is principally engaged in the manufacture and trading of electronic products and accessories and provision of catering business.

The Group has been using the Premises for the operation of a restaurant which serves exquisite fusion food. The current tenancy agreement of the Premises expired on 30 November 2023. Taking into account of the historical performance of such restaurant and the terms of the Offer Letter, the Board considers that it would be beneficial to renew the tenancy for the Premises for the restaurant operation of the Group, which would also save relocation and related costs. Having taken into account the above reasons and benefits, the Board is of the view that the terms of the Offer Letter are fair and reasonable and the transaction contemplated thereunder is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the value of the right-of-use assets under the Offer Letter according to HKFRS 16 (Leases) exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company from time to time
“Company”	Echo International Holdings Group Limited, a limited company incorporated in the Cayman Islands whose shares are listed on the GEM
“Director(s)”	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
“Gross Receipts”	the aggregate of all sums of money or other considerations received or receivable in each calendar month for all goods sold, leased, hired or otherwise disposed of and for all services sold or performed and from any business of whatsoever nature conducted at in from or upon the Premises
“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
“Independent Third Party(ies)”	third party(ies) not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the GEM Listing Rules
“Landlord”	Tang Lung Investment Properties Limited, a company incorporated in Hong Kong

“Offer Letter”	the offer letter dated 4 December 2023 entered into between the Tenant and the Landlord in respect of the renewal of tenancy of the Premises
“Parties”	the Tenant and the Landlord, which are parties to the Offer Letter
“Premises”	the premises located at the 25th floor, Soundwill Plaza II-Midtown, 1 Tang Lung Street, Hong Kong
“Shareholder(s)”	shareholder(s) of the Company
“Tenant”	Yuk Cuisine (HongKong) Limited, a company incorporated in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Echo International Holdings Group Limited
Chan Wan Shan Sandra
Executive Director

Hong Kong, 4 December 2023

As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, Mr. Tansri Saridju Benui and Ms. Chan Wan Shan Sandra, and the independent non-executive Directors are Mr. Leung Yu Tung Stanley, Mr. Lam Kwok Leung and Mr. Lam Wing Biu, Thomas.

This announcement, for which the directors of the Company 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 of the Company, having made all reasonable enquires, 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 be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.echogroup.com.hk.