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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)

CHANGE IN USE OF PROCEEDS FROM LISTING

References are made to the prospectus (the “**Prospectus**”) of EDICO Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23rd January 2018 in relation to the listing of shares of the Company on the GEM of The Stock Exchange of Hong Kong Limited (the “**Listing**”), the annual report of the Company for the financial year ended 30th September 2021 and the interim report of the Company for the six months ended 31st March 2022 in relation to the use of net proceeds from the Listing (the “**Net Proceeds**”).

CHANGE IN USE OF PROCEEDS FROM LISTING

The shares of the Company were listed on GEM on 2nd February 2018 with the Net Proceeds received by the Company from the Listing in the amount of approximately HK\$28.7 million. Up to the date of this announcement, the Company has utilised approximately HK\$19.0 million out of the total Net Proceeds and the amount of Net Proceeds which remains unutilised as at the date of this announcement was approximately HK\$9.7 million (the “**Unutilised Net Proceeds**”).

Having carefully considered the current business environment and development needs of the Group, the board of directors of the Company (the “**Board**”) has resolved to change the proposed use of the Unutilised Net Proceeds originally allocated for (i) Upgrading the Central Office and setting up a new

office and (ii) Upgrading and acquiring equipment and software to working capital and general corporate purposes. Set out below are the planned applications, the actual usage of the Net Proceeds up to the date of this announcement and the revised allocation of the Unutilised Net Proceeds:

Intended application of the Net Proceeds	Planned use of the Net Proceeds (HK\$ million)	Actual utilised amount of the Net Proceeds as at the date of this announcement (HK\$ million)	Unutilised Net Proceeds as at the date of this announcement (HK\$ million)	Revised allocation of Unutilised Net Proceeds (HK\$ million)
Upgrading the Central Office and setting up a new office	13.9	6.1	7.8	—
Expanding the workforce	7.5	7.5	—	—
Upgrading and acquiring equipment and software	4.5	2.6	1.9	—
Working capital and general corporate purposes	2.8	2.8	—	9.7
Total	28.7	19.0	9.7	9.7

The Board expects that the Unutilised Net Proceeds shall be fully-utilised by September 2023.

REASONS FOR THE CHANGE IN USE OF PROCEEDS FROM LISTING

The Group originally planned to utilise a portion of the Net Proceeds for setting up a new office in the proximity of the Central Office, which is located in 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong, to replace the office located at New Kowloon Plaza, West Kowloon, Hong Kong (the “**Kowloon Office**”).

The Group had actively sourced for an appropriate office in Central and Western District in Hong Kong subsequent to the Listing but the Group found that the rental had soared significantly during the period. The Group resorted to extend the lease contract of the Kowloon Office for one year during the year ended 30th September 2018 and another two years until August 2020. In view of the social unrest in Hong Kong since mid-2019 and the outbreak of the COVID-19 worldwide, the economy and the market situation of Hong Kong have been severely hit. It is expected to have a continuous adverse impact on the economic outlook which remains uncertain. After careful considerations, the Group decided to keep two workstations in two separate districts to avoid intermittent disruption of our services for enhancement of risk management and contingency purpose. Besides, the office rents in Kowloon area are generally lower than those in Central and Western District. The Group later decided to, instead of setting up a new office, relocate the Kowloon Office to a more spacious office premises located in New Kowloon Plaza, which has additional conference room facilities for our existing and potential customers.

The renovation work of our Central Office had been completed by the end of December 2018 and the original Kowloon Office had been relocated to a more spacious office located in New Kowloon Plaza, West Kowloon, Hong Kong by the end of August 2020.

As disclosed in its previous annual and interim reports, the Group has postponed the timetable to fully-utilise the Net Proceeds from 31st March 2020 to 30th September 2022 after taking into consideration the competitive business environment and the uncertainties of the economic outlook.

Looking forward, uncertainties in the global macroeconomic environment are unlikely to subside soon and geopolitical and economic uncertainties continue to weigh on global financial markets in the future. The Group is more cautious on the implementation of its original plan. After careful consideration, the Board resolved to change the use of the Unutilised Net Proceeds to working capital and general corporate purposes. The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board is of the view that the change is a better utilisation of the Group's fund to meet current business and operation needs and is in the best interest of the Company and its shareholders as a whole. It will not have any material adverse effect on the existing business and operations of the Group.

The Board will continuously assess the plans for use of the Unutilised Net Proceeds, and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance of the Group.

For and on behalf of
EDICO Holdings Limited
Chan Tsang Tieh
Chairman and Executive Director

Hong Kong, 15th December 2022

* *For identification purpose only*

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 Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM”) 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 at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.edico.com.hk.