

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.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY
TWO (2) EXISTING SHARES HELD ON THE RECORD DATE
AND
CLOSURE OF REGISTER OF MEMBERS**

Underwriter



VC BROKERAGE LIMITED

滙盈證券有限公司

VC Brokerage Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$47,407,000 before expenses, by way of the Rights Issue, by issuing up to 395,061,466 Rights Shares (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue) at the Subscription Price of HK\$0.12 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

The net proceeds from the Rights Issue after deducting the expenses, which will be borne by the Company, are estimated to be not more than approximately HK\$46,200,000 (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue). Assuming the net proceeds from the Rights Issue will amount to approximately HK\$46,200,000, the Company intends to apply such net proceeds as to approximately (i) 30% of net proceeds for the potential acquisitions, expansion and equipment purchase of the Group's software business in the future; (ii) 40% of net proceeds for loan financing business and securities investments business; and (iii) the remaining 30% of net proceeds for the Group's operating expenses and overheads, among which approximately 60% is for staff cost, approximately 4% is for rental payments, approximately 20% is for professional fees and the remaining 16% is for the general administrative expenses.

UNDERWRITING AGREEMENT

On 19 February 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter (each a "**Party**" and collectively, the "**Parties**") in relation to the underwriting and respective arrangements in respect of the Rights Issue. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to 395,061,466 Rights Shares (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed "THE UNDERWRITING AGREEMENT" in this announcement.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, and up to 395,061,466 Rights Shares are committed to be subscribed subject, however, to any scale-down vis-a-vis the MGO Obligation or the Public Float Requirement.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

The Company shall make an application to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares of the Company or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

GENERAL

The Prospectus Documents, containing further information regarding the Rights Issue are expected to be despatched to the Qualifying Shareholders on Thursday, 25 March 2021. The Prospectus will be despatched to the Excluded Shareholders for information only. Shareholders and potential investors should exercise caution in dealing in the Shares.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Conditions precedent of the Rights Issue” and “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

Rights Issue statistics

Basis of the Rights Issue : One (1) Rights Share for every two (2) existing Shares in issue and held at the close of business on the Record Date

Number of Shares in issue as at the date of this announcement : 758,172,933 Shares

- Number of Rights Shares to be issued : Up to 395,061,466 Rights Shares (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue)
- Aggregate nominal value of the Rights Shares : Up to HK\$39,506,146.60 (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue)
- Subscription Price : HK\$0.12 per Rights Share
- Net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue) : Approximately HK\$0.117 per Rights Share
- Enlarged number of Shares in issue upon completion of the Rights Issue : Up to 1,185,184,399 Shares (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue)
- Gross proceeds from the Rights Issue : Up to approximately HK\$47,407,000 before expenses
- Right of excess applications : Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of this announcement, the Company has an outstanding 31,950,000 Share Options granted to the grantees which entitle the holders thereof to subscribe for an aggregate of 31,950,000 new Shares from 1 December 2020 to 31 August 2030. Save as disclosed above, as at the date of this announcement, the Company has no other outstanding derivatives, options, warrants or securities in issue which confer any rights to subscribe for, convert or exchange into Shares.

As at the date of this announcement, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company shall not from the date of the Underwriting Agreement until after the Latest Time for Acceptance issue any Shares or issue or grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares.

Assuming that none of the outstanding Share Options are exercised and there will not be any further issue of new Shares or repurchase of Shares on or before the Record Date, the 379,086,466 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents approximately 50.00% of the total number of issued Shares and approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, and up to 395,061,466 Rights Shares are committed to be subscribed subject, however, to any scale-down vis-a-vis the MGO Obligation or the Public Float Requirement.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.12 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for the Excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 49.15% to the closing price of HK\$0.236 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 42.20% to the average of the closing price of HK\$0.2076 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 34.68% to the average of the closing price of HK\$0.1837 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 39.09% to the theoretical ex-rights price of approximately HK\$0.197 per Share based on the closing price of HK\$0.236 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 16.38%, represented by the theoretical diluted price of approximately HK\$0.197 per Share to the benchmarked price of HK\$0.236 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.236 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of HK\$0.193 per Share); and
- (vi) a discount of approximately 56.20% to the unaudited consolidated net tangible asset value attributable to equity holders of the Company per Share of approximately HK\$0.274 (based on the latest published unaudited consolidated net tangible asset value attributable to equity holders of the Company of approximately RMB173.6 million (equivalent to approximately HK\$207.4 million based on the exchange rate of RMB1 to HK\$1.195) as at 30 June 2020 and 758,172,933 Shares in issue as at the date of this announcement).

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this announcement. The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank pari passu in all respects with the Shares then in issue, including the right to receive all dividends and distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. The Company will despatch the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date and will despatch the Prospectus only (without the PAL or the EAF) to the Excluded Shareholders for their information.

To qualify for the Rights Issue, a Shareholder:

- (i) must be registered as a member of the Company at the close of business on the Record Date; and
- (ii) is not an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date so as to qualify for the Rights Issue, any transfer of Shares (together with the relevant share certificates) must be lodged with the Registrar for registration by no later than 4:00 p.m. on Wednesday, 17 March 2021. The address of the Registrar, Union Registrars Limited, is Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

It is expected that the last day of dealing in the Shares on a cum-rights basis is Monday, 15 March 2021 and the Shares will be dealt with on an ex-rights basis from Tuesday, 16 March 2021. The latest time for acceptance of and payment for the Rights Shares and application for and payment for the Excess Rights Shares is expected to be at 4:00 p.m. on Tuesday, 13 April 2021.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Thursday, 18 March 2021 to Wednesday, 24 March 2021, both days inclusive, for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Directors will make enquiries as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of extending the issue of the Rights Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries and having obtained legal advice in the relevant jurisdictions, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to such Overseas Shareholders, the Rights Issue will not be available to such Overseas Shareholders and no provisional allotment of the nil-paid Rights Shares or allotment of the Rights Shares will be made to them. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

As at the date of this announcement, there is no Overseas Shareholders with registered addresses situated outside Hong Kong.

The Company will arrange for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, if any, to be sold in the market as soon as practicable after the commencement of dealings on the Stock Exchange in Rights Shares in nil-paid form and in any event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. In the event that and to the extent that such nil-paid Rights Shares can be sold, the Company will then distribute such proceeds in Hong Kong dollars (after deducting the expenses of sale (if any)) to the Excluded Shareholders pro rata (but rounded down to the nearest cent) to their shareholdings on the Record Date, except that individual amount of HK\$100 or less shall not be so distributed but shall be retained for the benefit of the Company.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Basis of provisional allotments

The Company shall provisionally allot the Rights Shares to the Qualifying Shareholders at the Subscription Price, in the proportion of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

Fractional entitlements

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed "Application for Excess Rights Shares" below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares represent:

- (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;

- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares;
and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

The Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to applications for topping up odd lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar for registration by no later than 4:00 p.m. on Wednesday, 17 March 2021.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions precedent of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Friday, 23 April 2021 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be posted on or before Friday, 23 April 2021 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Friday, 23 April 2021, by ordinary post to the applicants, at their own risk, to their registered addresses.

Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement

Without prejudice to the generality of the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort basis, to avoid the unwitting triggering of MGO Obligations and non-compliance of Public Float Requirements, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation or non-compliance of Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Application for listing

The Company shall make an application to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in the board lots of 2,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

On 19 February 2021 (after trading hours), the Company and the Underwriter (each a “**Party**” and collectively, the “**Parties**”) entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement are set out below:

Underwriting Agreement

- Date : 19 February 2021 (after trading hours)
- Issuer : The Company
- Underwriter : VC Brokerage Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

As at the date of this announcement, the Underwriter does not hold any Shares. The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

- Number of Rights Shares underwritten by the Underwriter : up to 395,061,466 Rights Shares underwritten by the Underwriter on a best-effort basis pursuant to the terms and conditions of the Underwriting Agreement
- Underwriting Commission : 1% of the aggregate Subscription Price in respect of such number of the Rights Shares actually procured by the Underwriter for subscription pursuant to the Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter shall ensure that (i) each of the subscribers of the Untaken Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers, together with any party acting in concert with it, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company; and (iii) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the market practice. The Directors consider that the terms of the Underwriting Agreement including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfilment of all the conditions precedent (save and except such conditions precedent waived in accordance with the conditions precedent (v) and (xi) and the paragraphs as set out in the section headed "**Conditions precedent of the Rights Issue**") contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription, on a best effort basis, on the terms of the Prospectus Documents (insofar as the same are applicable) for such Untaken Shares.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or
- (5) in the absolute opinion of the Underwriter, there occurs any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than twenty (20) consecutive Business Days otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of the announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue, or

- (8) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing served on the Company on or prior to the Latest Time for Termination (the “**Termination Notice**”). For the avoidance of any doubt, if the Underwriter, in its sole and absolute opinion considers any COVID-19 related event to have caused a material adverse impact over the implementation of the Underwriting Agreement or the Rights Issue, it shall be entitled to rely on such impact or its aftermath thereof as ground or reason to terminate or rescind the Underwriting Agreement and/or the Rights Issue.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Conditions precedent of the Rights Issue

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

- (iii) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Prospectus Posting Date, and such listing and permission to deal not having been withdrawn or revoked;
- (iv) the obligations of the Underwriter having become unconditional and the Underwriting Agreement not having been terminated in accordance with its terms;
- (v) compliance with and performance of all undertakings and obligations, and representations and warranties of the Company under the Underwriting Agreement, and the Underwriting Agreement is not terminated in accordance with its terms;
- (vi) compliance with the requirements under all applicable laws and regulations;
- (vii) each Party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein;
- (viii) the entering into of binding agreements by the Underwriter with certain subscribers procured by the underwriter and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber procured by the Underwriter and/or sub-underwriters and/or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons associated of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue;
- (ix) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;

- (x) there being no Specified Event occurring on or before the Latest Time for Termination;
and
- (xi) the Underwriter receiving from the Company all the documents as set out in the Underwriting Agreement in form and substance satisfactory to the Underwriter as soon as practicable after the date of the Underwriting Agreement, and not later than 4:00 p.m. on the Business Day immediately before the Prospectus Posting Date.

Apart from the conditions precedent as set out in (v) and (xi) above which can be waived in whole or in part by the Underwriter unilaterally by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent are incapable of being waived. The Parties shall use their respective best endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Parties may agree in writing and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares (in their nil-paid or fully-paid forms) or to give effect to the Rights Issue and the arrangements contemplated in the Underwriting Agreement.

If any of the conditions precedent (save and except those having been waived in accordance with the above paragraph) are not satisfied in whole by the Latest Time for Termination or such other date as the Parties may agree in writing, the Underwriting Agreement shall terminate (save and except the clauses of fees and expenses and indemnity and certain clauses which shall remain in full force and effect) and no Party shall have any claim against the other Party for costs, damages, compensation or otherwise save for any antecedent breaches.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in software business segment and trading and investment business segment in Hong Kong and the People's Republic of China, mainly in Beijing, Shanghai, Chengdu and Guangzhou. The software business segment is engaged in the provision of integrated business software solutions. The trading and investment business segment are engaged in trading securities listed on the Stock Exchange.

As disclosed in the Company's interim report for the six months ended 30 June 2020, the Company recorded a revenue of approximately RMB30.4 million for the six months ended 30 June 2020, representing a decrease of approximately 25% as compared to the same period ended 30 June 2019. The decrease in overall revenue for the software business was due to the outbreak of COVID-19. The COVID-19 has brought a negative impact in overall market sentiment and the Group's financial performance in the first half of the year 2020 was adversely affected. The COVID-19 has posed significant challenges to the Group's business activities and has caused operational delays to some extent. The financial performance of the Group was thereby adversely affected. The cash and cash equivalents of the Group has decreased by approximately 82% from RMB64.77 million as at 31 December 2019 to RMB11.80 million as at 30 June 2020. In addition, the interest-bearing borrowings amounted to approximately RMB14.6 million as at 30 June 2020.

As mentioned in the 2019 annual report of the Company, the Group will continue to look for suitable business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can enhance return to the Shareholders. Accordingly, on 30 September 2020, the Company entered into a subscription agreement with a subscriber, pursuant to which approximately 126 million new shares were issued and the net proceeds of approximately HK\$21 million was obtained by the Company. As at the date of this announcement, approximately HK\$17.5 million was utilized (details of which are set out in the section headed "FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS" below).

In light of the current cash level, the Company further considers to raise new capital by conducting rights issue to replenish its financial resources and strengthen its financial position in order to pay for the Group's operating expenses, develop the businesses of the Group and make further investments when the opportunities arise, but no specific investment targets have been identified yet as at the date of this announcement.

The Directors consider that the Rights Issue will strengthen its capital structure without incurring debt financing cost. Also, the Rights Issue will improve the working capital and liquidity and cash position of the Group. Furthermore, the Rights Issue will allow all the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement of the Rights Shares and hence avoiding dilution in their shareholding interests in the Company. The Qualifying Shareholders are also able to further increase their interests in the Company through excess applications. Therefore, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company has considered other fund-raising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Company has considered different fund-raising options other than the Rights Issue.

In respect of debt financing, after discussion with various banks, the Company is unlikely to obtain debt financing given that the financial performance of the Group was not satisfactory. Also, debt financing will increase the financial cost and gearing ratio of the Group which is not beneficial to the Group. In respect of equity financing, placing or subscription of new Shares would further dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. The Company considered that rights issue would be more attractive and flexible to the Shareholders than open offer because the Shareholders would have a choice to sell their entitled nil-paid Rights Shares when they do not wish to participate in the rights issue.

Therefore, the Rights Issue is suitable for the Company (i) to raise the necessary capital; (ii) to enhance its financial position without increasing its debt or finance costs; and (iii) to allow the existing Shareholders to maintain their proportional shareholdings in the Company. In light of the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company has approached various financial institutions to explore interest in underwriting the Rights Issue. Under the current uncertain economic atmosphere, only the Underwriter expressed its interest in acting as the underwriter of the Rights Issue on a best effort basis instead of a fully-underwritten basis among all those financial institutions.

Assuming all outstanding Share Options are exercised in full and full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be approximately HK\$47.4 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$46.2 million. The Company intends to apply such net proceeds as to approximately (i) 30% of net proceeds for the potential acquisitions, expansion and equipment purchase of the Group's software business in the future; (ii) 40% of net proceeds for loan financing business and securities investments business; and (iii) the remaining 30% of net proceeds for the Group's operating expenses and overheads, among which approximately 60% is for staff cost, approximately 4% is for rental payments, approximately 20% is for professional fees and the remaining 16% is for the general administrative expenses. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

The expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) are estimated to be approximately HK\$1.2 million.

After careful consideration, the Directors consider that the terms and conditions of the Rights Issue are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below are the shareholding structures of the Company as at the date of this announcement to immediately after completion of the Rights Issue assuming (i) no exercise of the outstanding Share Options on or before the Record Date; and (ii) the exercise of all the outstanding Share Options in full on or before the Record Date:

Scenario 1: assuming no exercise of the outstanding Share Options on or before the Record Date

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue			
	<i>Number of Shares</i>	<i>Approx. %</i>	Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholders		Assuming (a) no acceptance by the Qualifying Shareholders; and (b) all the Untaken Shares are taken up by the Underwriter and its subscribers procured by the Underwriter	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Substantial Shareholder						
King Pak Fu (<i>Note 1</i>)	278,351,792	36.72%	417,527,688	36.72%	278,351,792	24.48%
Zhongwei Group (Hong Kong) Company Limited (<i>Note 2</i>)	126,362,155	16.67%	189,543,232	16.67%	126,362,155	11.11%
Sub-total	404,713,947	53.39%	607,070,920	53.39%	404,713,947	35.59%
Public Shareholders						
The Underwriter and/or its subscriber(s) procure by it	–	–	–	–	379,086,466	33.33%
Other public Shareholders	353,458,986	46.61%	530,188,479	46.61%	353,458,986	31.08%
Sub-total	353,458,986	46.61%	530,188,479	46.61%	732,545,452	64.41%
Total	758,172,933	100.00%	1,137,259,399	100.00%	1,137,259,399	100.00%

Scenario 2: assuming the exercise of all the outstanding Share Options in full on or before the Record Date

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue			
	<i>Number of Shares</i>	<i>Approx. %</i>	Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholders		Assuming (a) no acceptance by the Qualifying Shareholders; and (b) all the Untaken Shares are taken up by the Underwriter and its subscribers procured by the Underwriter	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Substantial shareholder						
King Pak Fu (<i>Note 1</i>)	278,351,792	36.72%	417,527,688	35.23%	278,351,792	23.49%
Zhongwei Group (Hong Kong) Company Limited (<i>Note 2</i>)	126,362,155	16.67%	189,543,232	15.99%	126,362,155	10.66%
Sub-total	404,713,947	53.39%	607,070,920	51.22%	404,713,947	34.15%
Director						
Guan Huanfei (“Mr. Guan”) (<i>Note 3</i>)	–	–	300,000	0.03%	200,000	0.02%
Sub-total	–	–	300,000	0.03%	200,000	0.02%
Public Shareholders						
The Option Holders except Mr. Guan	–	–	47,625,000	4.02%	31,750,000	2.68%
The Underwriter and/or its subscriber(s) procure by it	–	–	–	–	395,061,466	33.33%
Other public Shareholders	353,458,986	46.61%	530,188,479	44.73%	353,458,986	29.82%
Sub-total	353,458,986	46.61%	577,813,479	48.75%	780,270,452	65.83%
Total	758,172,933	100.00%	1,185,184,399	100.00%	1,185,184,399	100.00%

Notes:

1. Pursuant to the SFO, King Pak Fu (“**Mr. King**”) is deemed to be interested in (i) 60,435,500 Shares held through Affluent Start Holdings Investment Limited (“**Affluent Start**”); (ii) 3,846,000 Shares held through Mystery Idea Limited (“**Mystery Idea**”); (iii) 10,216,000 Shares held through Elite Mile Investments Limited (“**Elite Mile**”); (iv) 17,182,000 Shares held through Sino Wealthy Limited (“**Sino Wealthy**”); and (v) 186,672,292 Shares held through Luck Success Development Limited (“**Luck Success**”). Each of Affluent Start, Mystery Idea and Elite Mile is wholly-owned by Mr. King. Sino Wealthy is wholly-owned by Bremwood Holdings Limited, both of Bremwood Holdings Limited and Luck Success are wholly-owned by Gauteng Focus Limited, which is wholly-owned by Rentian Technology Holdings Limited (in liquidation), the latter is indirectly controlled by Mr. King as at the date of this announcement.
2. Zhongwei Group (Hong Kong) Company Limited beneficially owns 126,362,155 Shares of the total number of issued Shares of the Company and is wholly-owned by Han Lili. Therefore, Han Lili is deemed to be interested in the number of Shares held by Zhongwei Group (Hong Kong) Company Limited by virtue of the SFO.
3. Mr. Guan beneficially owns 200,000 Share Options. Mr. Guan is an executive Director and chairman of the Company.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Untaken Shares, the Underwriter shall confirm with the Company the actual number of Untaken Shares as at the Latest Time for Acceptance, and shall procure for subscription therefor on the best effort basis whilst using its best endeavours to ensure that (1) each of the subscribers of the Untaken Shares procured by the Underwriter shall be an Independent Third Party of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (2) the Public Float Requirement be fulfilled by the Company upon completion of the Rights Issue; and (3) the Underwriter or each subscriber procured by the Underwriter shall not (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are 31,950,000 outstanding share options under the Share Option Scheme. Pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules, the exercise price and/or the number of the outstanding Share Options granted under the Share Option Scheme will be adjusted. Further announcement will be made in respect of the said adjustments as and when appropriate.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
30 September 2020 and 17 November 2020 (date of completion)	Issue of 126,362,155 Shares under general mandate	HK\$21.13 million	general working capital, used to improve the Company's professional technical capabilities to facilitate the long-term business development of the Group, and further investments of the Group as and when the opportunities arise	general working capital of HK\$1.5 million, loan financing business of HK\$10.5 million and investment in listed securities of HK\$5.5 million

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	Time and Date 2021
Publication of the Rights Issue announcement	Friday, 19 February
Last day of dealings in Shares on a cum-rights basis	Monday, 15 March
First day of dealings in Shares on an ex-rights basis	Tuesday, 16 March
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue	4:00 p.m. on Wednesday, 17 March
Closure of register of members of the Company (both days inclusive)	Thursday, 18 March to Wednesday, 24 March
Record Date to determine entitlements under the Rights Issue	Wednesday, 24 March
Register of members of the Company re-opens	Thursday, 25 March
Despatch of the Prospectus Documents	Thursday, 25 March
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Monday, 29 March
Latest time for splitting of PALs	4:00 p.m. on Wednesday, 31 March
Last day of dealings in nil-paid Rights Shares	Thursday, 8 April

Latest time for acceptance of
and payment for the Rights Shares and
application for and payment for Excess Rights Shares 4:00 p.m. on Tuesday,
13 April

Latest time for terminating
the Underwriting Agreement and for
the Rights Issue to become unconditional 4:00 p.m. on Friday,
16 April

Announcement of results of the Rights Issue Thursday, 22 April

Despatch of share certificates for
the fully-paid Rights Shares Friday, 23 April

Despatch of refund cheques, if any,
for wholly or partially unsuccessful excess applications or
if the Rights Issue is terminated Friday, 23 April

Dealing in the fully-paid Rights Shares expected to commence 9:00 a.m. on Monday,
26 April

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

Whenever any part of the expected timetable of the Rights Issue as enlisted in the provisions of the Underwriting Agreement may be interrupted by a typhoon, a black rainstorm warning or Extreme Conditions, the Company shall properly inform the Shareholders of the corresponding contingency arrangements, which contingency arrangements shall include the Latest Time for Acceptance not taking place on the time as scheduled:

- (a) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 5:00 p.m. on the same Business Day; or
- (b) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Tuesday, 13 April 2021, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares of the Company or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

GENERAL

The Prospectus Documents, containing further information regarding the Rights Issue are expected to be despatched to the Qualifying Shareholders on Thursday, 25 March 2021. The Prospectus will be despatched to the Excluded Shareholders for information only. Shareholders and potential investors should exercise caution in dealing in the Shares.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Conditions precedent of the Rights Issue” and “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“acting in concert”	having the meaning as set out in the Takeovers Code
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Enterprise Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on main board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EAF(s)”	the form(s) of application for Excess Rights Shares in the agreed form for use by such Qualifying Shareholders who wish to apply for any Excess Rights Shares

“Excess Rights Shares”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares
“Excluded Shareholder(s)”	those Overseas Shareholders whose address is/are in such place(s) outside Hong Kong where the Directors, based on the enquiry made pursuant to the Underwriting Agreement consider it necessary or expedient on account of either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, to whom the Directors decide not to offer the Rights Shares
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department in June 2019 in the event of serious disruption of public transport services, or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Last Trading Day”	19 February 2021, being the last trading day of the Shares on the Stock Exchange prior to the execution of the Underwriting Agreement and release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 13 April 2021 or such later time or date as may be agreed between the Parties in writing, being the latest time for acceptance of, and payment for, the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on 16 April 2021 or such later time or date as may be agreed between the Parties in writing, which shall be the latest time for termination of the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Option Holders”	holders of the outstanding Share Options
“Overseas Shareholder(s)”	such Shareholder(s) whose registered address(es) (as shown in the register of members of the Company at the close of business on the Record Date) is/are situated outside Hong Kong

“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders in respect to their pro rata entitlement under the Rights Issue
“Prospectus”	the prospectus to be despatched to the Shareholders in connection with the Rights Issue in such form as may be agreed between the Parties
“Prospectus Documents”	the Prospectus (including any supplemental prospectus, if any), the PAL(s) and the EAF(s)
“Prospectus Posting Date”	25 March 2021 or such other date as may be agreed between the Parties in writing, being the date for the despatch of the Prospectus Documents (in case of Excluded Shareholder(s), the Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	24 March 2021 or such other date as may be agreed between the Parties in writing, being the date for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited of Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong

“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	up to 395,061,466 new Shares for subscription by the Qualifying Shareholders by way of the Rights Issue
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation or non-compliance with the Public Float Requirement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	as at the date of this announcement, 31,950,000 outstanding share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 26 May 2016
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Specified Event”	an event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.12 per Rights Share
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Underwriter”	VC Brokerage Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 19 February 2021 entered into between the Company and the Underwriter in relation to the Rights Issue, and as revised, supplemented and/or amended from time to time in accordance with its terms

“Underwritten Shares”	up to 395,061,466 Rights Shares underwritten by the Underwriter on best-effort basis pursuant to the terms and conditions of the Underwriting Agreement
“Untaken Share(s)”	such number of Rights Shares in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid by the Latest Time for Acceptance, including any Rights Shares to which the Excluded Shareholders would not have otherwise been entitled under the Rights Issue
“%”	per cent.

By Order of the Board
Enterprise Development Holdings Limited
Guan Huanfei
Chairman

Hong Kong, 19 February 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Guan Huanfei (Chairman) and Ms. Mao Junjie, and three independent non-executive Directors, namely Mr. Liu Jian, Mr. Cai Jinliang and Mr. Hui Yat On.