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ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

FURTHER ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 AND FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report of Enterprise Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 (the “**FY2019 Annual Report**”) published on 21 April 2020 and for the year ended 31 December 2020 (the “**FY2020 Annual Report**”) published on 28 April 2021.

Unless otherwise defined, the capitalised terms used herein shall have the same meanings as defined in the FY2019 Annual Report and the FY2020 Annual Report.

Further to the information as disclosed in the FY2019 Annual Report and FY2020 Annual Report, the Company wishes to provide to the shareholders of the Company and the potential investors with the following additional information.

MONEY LENDING BUSINESS

The Group was carrying out money lending business through two indirect wholly-owned subsidiaries. The Company acquired one of the subsidiaries in 2015 (the “**Acquired Subsidiary**”) and the Acquired Subsidiary ceased to operate its money lending business upon the expiry of its money lender license in August 2020.

The Group incorporated another subsidiary (the “**Incorporated Subsidiary**”) to operate the money lending business and it first obtained its money lender license in 2017 and such money lender license has expired in August 2021. Due to the Covid-19 travel restrictions, it has remained practically difficult for the relevant responsible officer to travel to Hong Kong to complete the formality for the renewal of the money lender license and the operation of the Incorporated Subsidiary has been temporarily suspended. Subject to the financial and market conditions, the Group has intention to resume the operation of the Incorporated Subsidiary and re-apply for the money lender license once the border controls have been relaxed.

As disclosed in the FY2019 Annual Report, the Group recorded a loss allowance of approximately RMB28.91 million on the loan receivables as at 31 December 2019. As disclosed in the FY2020 Annual Report, the Group recorded a loss allowance of approximately RMB22.29 million as at 31 December 2020.

In respect of the aforementioned outstanding loans by the Acquired Subsidiary and the Incorporated Subsidiary to the borrowers (the “**Relevant Borrower(s)**”) which were eventually provided for impairment in the previous financial years as stated in the FY2019 Annual Report and the FY2020 Annual Report, based on the information available to the Group and the confirmation obtained from its substantial shareholder, Mr. King Pak Fu (“**Mr. King**”), and the existing directors of the Company (the “**Existing Directors**”), save for the loan to one of the subsidiary of Carnival Group International Holdings Limited (stock code: 996) (the “**Carnival Group**”), to the best knowledge, information and belief of the Existing Directors, the Relevant Borrowers are independent third parties of the Company, its Existing Directors (and their respective associates) and Mr. King (and his associates).

As at 31 December 2020, the gross loan receivables was RMB25.10 million. Out of RMB25.10 million, RMB7.59 million was assigned to an independent third party of the Company at a consideration of RMB3.00 million; and RMB2.81 million was fully repaid. After deducting the aforementioned amounts, RMB14.70 million remains outstanding as at the date of this announcement.

Out of the RMB14.70 million, (i) RMB1.77 million was not recoverable as the Relevant Borrower was dissolved by compulsory winding up in June 2019; and (ii) RMB12.93 million was impaired in previous years. In respect of the outstanding loans, the Group have previously issued demand letters to the Relevant Borrowers and will consider to take further legal action if necessary after reviewing the relevant credit report and assessing the collectability of the outstanding loans in respect of each of the Relevant Borrowers. Certain loans in the aggregate outstanding amount of RMB2.05 million were granted by the Acquired Subsidiary during 2012 to 2014 prior to the acquisition by the Group in 2015.

USE OF PROCEEDS FROM THE PLACING

As disclosed on page 8 of the FY2020 Annual Report, the Company reported that it had deployed approximately RMB13.52 million (equivalent to approximately HK\$15 million) as part of the deposit payment for a development project during the year ended 31 December 2020.

The Company wishes to provide further information relating to the development project. The Group entered into a master procurement contract with one of its existing supplier (the “**Relevant Supplier**”), pursuant to which the Group agreed to procure certain software and support services from the Relevant Supplier. During the year ended 31 December 2020, the Group procured the software in batches with an aggregate procurement amount of approximately RMB13.52 million (equivalent to approximately HK\$15 million). The relevant software products were delivered to the Group and the Group subsequently completed the on-sale of the relevant products to its end customers on or before 31 December 2020.

The proceeds from Placing in the amount of RMB13.52 million (equivalent to approximately HK\$15 million) was applied for procurement of software which was revenue in nature and relating to the ordinary and usual course of business of the Group.

Based on the information available to the Company, to the best of the Existing Director’s knowledge and belief and having made all reasonable enquiries, the Relevant Supplier and its ultimate beneficial owner are independent third parties of the Company and its connected persons (as defined in the Listing Rules).

By Order of the Board
Enterprise Development Holdings Limited
Mao Junjie
Executive Director

Hong Kong, 24 September 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Mao Junjie and Ms. Li Zhuoyang, and two independent non-executive Directors, namely Mr. Cai Jinliang, and Mr. Chin Hon Siang.