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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)

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES 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\$106.16 million before expenses, by way of the Rights Issue, by issuing up to 124,896,729 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\$0.85 per Rights Share on the basis of three (3) Rights Shares 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 underwriting commission, professional fees and all other relevant expenses, are estimated to be not more than approximately HK\$104.05 million (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).

The Company intends to apply (i) 96% of the net proceeds from the Rights Issue of the maximum amount of approximately HK\$99.96 million (RMB91.50 million) for the general working capital of the Group in the Industrial Park Software Project in which (a) approximately HK\$77.56 million (RMB71 million) will be applied in the procurement of the hardware facilities, networking facilities, database facilities and application facilities for the use of the potential customers of the Industrial Park Software Project; (b) approximately HK\$22.40 million (RMB20.50 million) will be applied in the staff cost, sales and marketing for promotion of the services of the Industrial Park Software Project in different industrial parks located in different provinces in the PRC and management and other operating expenses (including (1) management fee such as rent and utilities; (2) tax; (3) equipment testing and evaluation; and (4) other miscellaneous expenses) for the use of the Group; and (ii) 4% of the net proceeds of approximately HK\$4.09 million from the Rights Issue will be used for the general working capital such as overhead expenses including salary, rental and other expenses of the Company. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

UNDERWRITING AGREEMENT

On 29 November 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter 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 124,896,729 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 in the Underwriting Agreement. 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 124,896,729 Rights Shares are available 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. Shareholders and potential investors of the Company 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.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established for the purpose of providing recommendations to the Independent Shareholders in connection with the Rights Issue (including the Underwriting Agreement). An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue (including the Underwriting Agreement), and as to voting. An announcement will be made by the Company following the appointment of the Independent Financial Adviser.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue, will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further information regarding the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 10 January 2023.

Subject to the fulfilment of the conditions precedent as set out in the Underwriting Agreement, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL or the EAF) to the Excluded Shareholders for their information only.

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	:	Three (3) Rights Shares for every two (2) existing Shares in issue and held at the close of business on the Record Date
Number of Shares in issue	:	81,631,274 Shares
as at the date of this announcement		
Number of Rights Shares to be issued	:	Up to 124,896,729 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\$12,489,672.90 (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\$0.85 per Rights Share
Net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue)	:	Approximately HK\$0.83 per Rights Share (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)

Enlarged number of Shares : in issue upon completion of the Rights Issue	Up to 208,161,215 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\$106,162,220 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 1,633,212 Share Options granted to the grantees which entitle the holders thereof to subscribe for an aggregate of 1,633,212 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 any 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 122,446,911 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents 150% of the total number of issued Shares and approximately 60% 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 124,896,729 Rights Shares are available 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. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.85 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. According to the Companies Act to which the Company is subject, the issue of Shares at a price below the par value of the shares is prohibited without the sanction of the Cayman court.

The Subscription Price represents:

- (i) a discount of approximately 39.72% to the closing price of HK\$1.410 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 39.37% to the average of the closing price of HK\$1.402 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 38.89% to the average of the closing price of HK\$1.391 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 20.86% to the theoretical ex-rights price of approximately HK\$1.074 per Share based on the closing price of HK\$1.410 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 23.83%, represented by the theoretical diluted price of approximately HK\$1.074 per Share to the benchmarked price of HK\$1.410 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\$1.410 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\$1.400 per Share); and
- (vi) a discount of approximately 55.96% to the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$1.93 (based on the latest published unaudited consolidated net asset value attributable to Shareholders of approximately RMB112,234,000 (equivalent to approximately HK\$131,470,908 based on the exchange rate of RMB1 to HK\$1.1714) and 68,031,274 Shares in issue as at 30 June 2022).

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 (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular) 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.

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 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 4:00 p.m. on Friday, 03 February 2023. 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 Wednesday, 01 February 2023 and the Shares will be dealt with on an ex-rights basis from Thursday, 02 February 2023.

Subject to the fulfilment of the conditions precedent as set out in the Underwriting Agreement, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL or the EAF) to the Excluded Shareholders for their information only.

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 Monday, 06 February 2023 to Friday, 10 February 2023, 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 Shareholder 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. Any such unsold nil-paid Rights Shares to which such Excluded Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

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 three (3) Rights Shares 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.

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 Friday, 03 February 2023.

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 Thursday, 09 March 2023 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 Thursday, 09 March 2023 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 Thursday, 09 March 2023, 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 29 November 2022 (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	:	29 November 2022 (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 124,896,729 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, 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 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 complied with by the Company upon completion of the Rights Issue; and (3) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company immediately after 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 (6) and (12) 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 any announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue, or
- (8) the Prospectus Documents 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:

- (1) the passing by the Independent Shareholders at the relevant EGM of ordinary resolutions to approve the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the Rights Issue;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) the obligations of the Underwriter having become unconditional and the Underwriting Agreement not having been terminated in accordance with its terms;

- (6) 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;
- (7) compliance with the requirements under all applicable laws and regulations of Hong Kong and Cayman Islands;
- (8) each Party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein;
- (9) 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;
- (10) 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 HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (11) there being no Specified Event occurring on or before the Latest Time for Termination;
and
- (12) the Underwriter having received from the Company all the documents as set out in the Underwriting Agreement in such 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 (6) and (12) 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 Company is an investment holding company. The Group is principally engaged in the provision of integrated business software solutions and trading of listed securities.

The Group is principally engaged in the provision of integrated business software solutions in the PRC. Based on the basic database software and technology, cloud engineered systems, and enterprise software products, such as enterprise resource planning (ERP) software, human capital management (HCM) software, customer relationship management (CRM) software (also known as customer experience), enterprise performance management (EPM) software, and supply chain management (SCM) software provided by multinational computer technology companies such as Oracle, the Group will then provide integration services and tailor-made solutions to cater for the needs of different corporate clients in different industries. As those purchased softwares serve as different core structure with basic designated functions, the Group needs to base on the situation of the clients such as business nature, the size, number of users to integrate different function of the softwares and sell to clients and provide the after-sale maintenance services. In order to meet the business performance requirements of the clients, the Group would need to evaluate and recommend the hardware input/output, central processing unit (CPU) and memory of the database, as well as optimise the configuration of the database's operating parameters. Therefore, engineers of the Group may adjust and/or alter certain configuration and deployment in order to attain best user experience and maximise the performance of such software products with the combination of hardware.

Prior to 2018, the Company relied on the software of Oracle to provide its integrated business software solutions to its clients. After the China–United States trade war broke out in 2018, a number of restrictive policies were implemented by the US government against Chinese enterprises. As a result, the Company chose to rely more on Tencent Cloud TDSQL (騰訊雲數據庫), OceanBase of Alibaba Cloud (阿里雲數據庫) and Dameng Database (達夢數據庫) for provision of its integrated business software solutions and localisation services. Those solutions and services include but not limited to (i) functional verification of database, (ii) migration drill in the test environment, (iii) data migration in the business environment; (iv) connection with business application system, (v) performance tuning, (vi) stabilisation testing and/or (vii) maintenance of normal data operation. These solutions and services are necessary for the smooth operation of client given the complexity of the features of different software. The Company aims at providing compatibility with the client’s business application system. It’s also the Company’s responsibility as a service provider to make sure that data migration can be performed smoothly when such need arises; and stable operation of the software with optimal performance can be maintained.

The Group has more than 20 years’ experience in provision of integrated business software solutions. Due to the enhancement of network bandwidth and change of needs of business environment in different industries, the Group has also expanded and enriched its software business in (i) sale of high-end software products; (ii) provision of software value-added services and (iii) personalised and custom development of software products. With the enhancement of its technological capabilities and experience gained in the industry, the Company intends to incorporate the edge computing architecture into its services to strengthen its computing and storage capabilities as edge computing is expected to improve response times and save bandwidth for its clients.

Edge computing is a distributed computing paradigm that brings computation and data storage closer to the sources of data. It improves response times with lower requirement of bandwidth. Edge computing mainly applies on storing and processing data closer to the users and applications that consume it. It helps reducing latency and insulates against internet outages. The term refers to an architecture rather than a specific technology. Edge computing is an alternative architecture to cloud computing for applications that require high-speed and high availability. Edge computing gets around internet dependencies by locating data as close as possible to where it is produced and consumed, which speeds up applications and improves their availability.

In order to further strengthen and expand the business of the Group, it is decided to diversify the Groups software business from providing software solutions and integrated platform to corporate clients to industrial parks (產業園區).

According to the research report titled “2022 Industrial Park Series: China’s Industrial Parks High-quality Development Research” issued by LeadLeo (頭豹), since the establishment of the first batch of state-level economic and technological development zone in 1984, various forms of industrial parks emerged with a total of 2,737 state-level and provincial level development zones as of December 2021. Among these development zones, the number of state-level economic and technological development zones amounted to 224, the number of state-level high and new tech development zones amounted to 169, and the number of each of state-level free trade zones and independent innovation zones amounted to 21, respectively.

As mentioned above, the first batch of state-level economic and technological development zone was established in 80’s. Since a great number of industrial parks have been established for a considerably long period of time, it is necessary to update and upgrade the systems including the software and hardware of the industrial parks. As such, the Group sees the needs of the industrial parks and the business opportunities therein, and with over 20 years’ experience in the provision of integrated business software solutions, the Company is confident of its ability to enter into the industry. In order to grasp the business opportunities created by the boom of industrial parks and the needs for the implementation or improvement of the IT infrastructure, with the experiences gained from the existing individual corporate clients in providing integrated software solutions, the Group regards that a more comprehensive integrated IT solutions with combination of edge computing technology, cloud computing technology, artificial intelligence technology, 5G and other advanced technology in IT solutions which will provide an efficient computing and storage capacity implemented in industrial parks. It will not only enhance the effectiveness of management but also the productivity of the corporations located in the industrial parks (the “**Industrial Park Software Project**”).

The business nature of the Industrial Park Software Project is same as the existing software business of the Group which involves sales of the softwares after adjustment of configuration and deployment and integration to management companies/units/authorities of industrial parks. The Group still needs to purchase the softwares as the core structure and based on the scale, number of users, business nature and other relevant factors to tailor-make a functional one for different industrial parks. As the size and number of corporations involved in industrial parks is expected to be larger and higher than individual corporate clients, the computing efficiency requirement of industrial parks will also be higher. The incorporation of edge computing architecture will enhance the productivity and performance of the integrated softwares provided by the Group.

The Group has been in touch with a dozen or more industrial parks which may become the potential customers of the Group, in which five of them are situated in Fujian Province, the PRC have reached preliminary cooperation intention with the Group in the use of the solutions and integrated platforms in the whole management of those industrial parks. Some of them have been built for long and is time to have improvement of its management system. However, due to the capital requirement of setting up hardware and infrastructure (e.g. bandwidth) in those industrial parks in the first stage, the Group will finalise the terms of the contracts with those potential customers upon the funding from the Rights Issue is in place. Also, there are another 7 potential customers who are in the process of discussion with the Group and they have expressed their strong interests to become the customers of the Industrial Park Software Project.

The Industrial Park Software Project covers various different application criteria in the industrial parks including but not limited to i) personnel management, ii) vehicle and docking management, iii) goods and logistic management, iv) accident risk management and v) operation and energy management. Area of application will differ from different business nature of the industrial parks and tailor made to suit their particular needs.

The personnel management would focus on the entrance of personnel in the industrial park or the restricted area. Smart surveillance solution incorporating AI cameras, perimeter cameras, Automatic Number Plate Recognition (“ANPR”) system, access control, time attendance system and face recognition barrier may all be integrated in one central management platform, making it easier for operators to control and manage the system.

As there are many different vehicles moving in and out and within the industrial parks, the smart system will monitor and manage the cars in and out in different areas of the industrial parks and the docking (car park). Pre-screening of vehicles with the ANPR and under carriage scanners for vehicles will collectively reduce the risks of unauthorised access to the industrial park premises, and help to monitor the checkpoint with lower the human resources by manual checks and minimise the error.

Goods and logistic system will assist the industrial park for the business residences which required high demand in goods and logistics facilities such as manufacturing industries. The trackable goods management function, goods classification and diversification system with the connection to the logistic infrastructure enhance the efficiency of the flow of goods and the accuracy of the inventory management.

Accident risk and security management application mainly involved monitor and detection function such as fire, leakage of gas and electricity. The real time connection and auto report system to fire station and the central control department in the industrial parks will help to minimise the loss in case of the accident. It will also save the human resources in security patrol in the industrial parks.

The technologies of the Industrial Park Software Project also assist in the operation and energy management such as detection and auto adjustment system of garbage bins, garbage dumps, lighting, air-conditioning and refrigeration system.

The above generally described different function and application of the Industrial Park Software Project. Actual deployment of the system will depend on the needs and business nature of different industrial park clients. The intelligent system of Industrial Park Software Project is fully interconnected with centralized control functions. With the enhancement of the aforementioned advanced technology in IT solutions, the management team of the industrial parks can reduce operation time, human resources and cost while the efficiency in management will be enhanced.

Upon deployment and implementation of the Industrial Park Software Project, the Company will receive an overall fee for each respective industrial park (the “**Project Fee**”). The Project Fee includes the installation of both software and hardware of the industrial parks, as they work together and are bundled up as a system. Since the process from the deployment to operating smoothly will involve several crucial stages to fix the compatibility, performance and agility of such infrastructure, the payment of the Project Fee will be collected by instalments, with reference to the respective phases or stages. It is expected and believed that the Project Fee for each Industrial Park Software Project can be fully settled within 12-18 months, depending on the situation of each industrial park.

Apart from the Project Fee, the Company will also charge the industrial parks a periodical fee (i.e. on monthly or quarterly or annual basis) (the “**Periodical Fee**”) for subsequent maintenance and further upgrade or modification of the software and hardware installed and implemented will be required to better cater for the change in needs of the industrial parks from time to time so as to ensure their overall productivity and efficiency. Given the nature of the Project Fee is not a one-off payment, and the Group has identified certain potential, it is expected that the proceeds from the Rights Issue will provide sufficient funding for kicking off several Industrial Park Software Project to different clients at the same time or within a period of time.

Currently, the Group has already had in-depth discussion with those potential customers of the Industrial Park Software Project and the Group has understood their needs for digital management and facilitation of services in the industrial park, and the potential customers are keen to form a business relationship with the Group. The funding needs are determined with reference to the needs of the customers, the type and size of the customers and the services required by the customers. Once the funding from the Rights Issue is in place, the Group will finalise the terms of the contracts with those potential customers.

The net proceeds from the Rights Issue, after deducting the underwriting commission, professional fees and all other relevant expenses, are estimated to be not more than approximately HK\$104.05 million (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).

The Company intends to apply (i) 96% of the net proceeds from the Rights Issue of the maximum amount of approximately HK\$99.96 million (RMB91.50 million) for the general working capital of the Group in the Industrial Park Software Project in which (a) approximately HK\$77.56 million (RMB71 million) will be applied in the procurement of the hardware facilities, networking facilities, database facilities and application facilities for the use of the customers of the Industrial Park Software Project; (b) approximately HK\$22.40 million (RMB20.50 million) will be applied in the staff cost, sales and marketing for promotion of the services of the Industrial Park Software Project in different industrial parks located in different provinces in the PRC and management and other operating expenses (including (1) management fee such as rent and utilities; (2) tax; (3) equipment testing and evaluation; and (4) other miscellaneous expenses) for the use of the Group; and (ii) 4% of the net proceeds of approximately HK\$4.09 million from the Rights Issue will be for the general working capital such as overhead expenses including salary, rental and other expenses of the Company.

For illustration purposes, the table below has summarised the breakdown and the expected timeline of the use of proceeds which would be applied in the Industrial Park Software Project as follows:

Items	2023	2024	Sub-total
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Hardware facilities, network facilities, database facilities and application facilities	33.80	37.20	71.00
Staff cost	1.90	2.30	4.20
Sale and marketing	4.20	4.40	8.60
Management and other operating expenses			
– Management fee	0.80	0.80	1.60
– Tax	0.80	1.00	1.80
– Equipment testing and evaluation	1.40	1.80	3.20
– Miscellaneous expenses	0.50	0.60	1.10
	<u>43.40</u>	<u>48.10</u>	<u>91.50</u>
Total	<u>43.40</u>	<u>48.10</u>	<u>91.50</u>

The expected timeline of the HK\$4.09 million applied in the general working capital of the Company will be used by April 2024.

Given the Rights Issue will be underwritten on best-effort basis, and the contracts of the potential customers of the industrial parks have not been entered into, in the event that the net proceeds from the Rights Issue is not sufficient for the set-up cost of the Industrial Park Software Projects for the confirmed potential customers, the Group will depend on the amount of the net proceeds to gradually implement the projects to its confirmed customers. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

As at 30 June 2022, the Group had cash and cash equivalent balance of approximately RMB73 million, of which (i) approximately RMB43 million was assigned for the procurement of database software in the Group’s sale of database software business; (ii) approximately HK\$15.64 million (equivalent to approximately RMB12.85 million based on the exchange rate of approximately HK\$1 to RMB0.82) deposited in the Company’s Hong Kong bank account was reserved for the capital injection in Beijing Orient LegendMaker Software Development Co., Limited (“**Beijing Orient Capital Injection**”); and (iii) approximately RMB16.5 million deposited in the Company’s PRC subsidiaries bank account reserved for general working capital use at PRC subsidiaries level. Hence, as at 30 June 2022, the Company had less than RMB1 million funds available for use as general working capital for the Company’s Hong Kong office.

Based on the Company's estimation, the monthly operating expenses of the Company's Hong Kong office including salaries payment, rental payments, professional fees, office overheads and other day-to-day operation payments amounted to approximately RMB0.7 million, as such, the funds available for use as general working capital at the listed company level as at 30 June 2022 would only be sufficient to cover not more than two months of the operation of the Company's Hong Kong office. As such, the Company had replenished its working capital by relocating HK\$4 million from the proceeds from the previous subscriptions for the use as general working capital of the Company as an interim measure to resolve the urgent working capital need for the Company's operation in Hong Kong. On 10 August 2022, the Company announced to conduct a placing of new Shares under general mandate and had raised a net proceeds of approximately of HK\$10.95 million, of which HK\$4 million will be applied to resolve the shortfall for the planned Beijing Orient Capital Injection and the remaining approximately HK\$6.95 million will be applied as general working capital for the Company's Hong Kong office (for further details, please refer to the announcement of the Company dated 5 August 2022, 10 August 2022 and 25 August 2022).

In light of the above, the Directors are of the view that there remains an imminent need to conduct the Rights Issue for the Industrial Park Software Project and the medium to long-term working capital needs of the Company.

The Directors consider that the Rights Issue will strengthen its capital structure without incurring debt financing cost. Also, 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 avoids 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.

The expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) payable by the Company are estimated to be approximately HK\$2.11 million, subject to the final subscription.

In light of the aforementioned, the Directors consider that the terms of the Underwriting Agreement are fair and reasonable and the Rights Issue is in the best interests of the Company and the 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	Immediately after the Rights Issue					
	As at the date of this announcement		Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholder		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	
					Number of Shares	Approximate
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
Substantial Shareholders						
King Pak Fu (<i>Note 1</i>)	13,917,589	17.05%	34,793,972	17.05%	13,917,589	6.82%
De Gennes Limited (<i>Note 2</i>)	9,637,765	11.81%	24,094,412	11.81%	9,637,765	4.72%
Sub-total	23,555,354	28.86%	58,888,384	28.86%	23,555,354	11.54%
Public Shareholders						
The Underwriter and/or its subscriber(s) procured by it	-	-	-	-	122,446,911	60.00%
Other public Shareholders	58,075,920	71.14%	145,189,801	71.14%	58,075,920	28.46%
Sub-total	58,075,920	71.14%	145,189,801	71.14%	180,522,831	88.46%
Total	81,631,274	100.00%	204,078,185	100.00%	204,078,185	100.00%

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

Shareholders	Immediately after the Rights Issue					
	As at the date of this announcement		Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholder		Assuming (a) no acceptance by the Qualifying Shareholders; and (b) all the Untaken Shares are taken up by the Underwriter and/or its subscribers procured by it	
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
Substantial Shareholders						
King Pak Fu (Note 1)	13,917,589	17.05%	34,793,972	16.71%	13,917,589	6.69%
De Gennes Limited (Note 2)	9,637,765	11.81%	24,094,412	11.57%	9,637,765	4.63%
Sub-total	23,555,354	28.86%	58,888,384	28.28%	23,555,354	11.32%
Director						
Ms. Li Zhuoyang (“Ms. Li”) (Note 3)	–	–	810,175	0.39%	324,070	0.16%
Sub-total	–	–	810,175	0.39%	324,070	0.16%
Public Shareholders						
Options Holders except						
Ms. Li	–	–	3,272,855	1.57%	1,309,142	0.63%
The Underwriter and/or its subscriber(s) procured by it	–	–	–	–	124,896,729	60.00%
Other public Shareholders	58,075,920	71.14%	145,189,801	69.76%	58,075,920	27.89%
Sub-total	58,075,920	71.14%	148,462,656	71.33%	184,281,791	88.52%
Total	81,631,274	100.00%	208,161,215	100.00%	208,161,215	100.00%

Notes:

- Pursuant to the SFO, Mr. King Pak Fu (“**Mr. King**”) is deemed to be interested in (i) 3,021,775 Shares held through Affluent Start Holdings Investment Limited (“**Affluent Start**”); (ii) 192,300 Shares held through Mystery Idea Limited (“**Mystery Idea**”); (iii) 510,800 Shares held through Elite Mile Investments Limited (“**Elite Mile**”); (iv) 859,100 Shares held through Sino Wealthy Limited (“**Sino Wealthy**”); and (v) 9,333,614 Shares held through Luck Success Development Limited. Each of Affluent Start, Mystery Idea and Elite Mile is wholly-owned by Mr. King. Sino Wealthy is 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.
- De Gennes Limited is wholly-owned by Mr. Wu Xiaodong. Therefore, Mr. Wu Xiaodong is deemed to be interested in the number of Shares held by De Gennes Limited by virtue of the SFO.
- Ms. Li, who is the executive Director, beneficially owns 324,070 Share Options.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are 1,633,212 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.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

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

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds	Allocation of unutilised net proceeds	Expected timeline for the use of proceeds
10 August 2022, 25 August 2022 and 1 September 2022 (date of completion)	Placing of 13,600,000 Shares under general mandate	HK\$10.95 million	(i) HK\$4 million for the Beijing Orient Capital Injection, and (ii) approximately HK\$6.95 million as general working capital for the Company's Hong Kong office	approximately HK\$1.11 million for general working capital of the Group which was used on, including, but not limited to, approximately HK\$0.96 million for professional fees, and approximately HK\$0.15 million for general administrative and operating expenses of the Group	(i) HK\$4 million for the Beijing Orient Capital Injection, and (ii) approximately HK\$5.84 million as general working capital for the Company's Hong Kong office	By August 2023 By October 2023
13 July 2022, 29 July 2022 (lapse of the placing)	Placing of 13,606,000 Shares under general mandate	Not applicable (the placing agreement lapsed and ceased to have any effect on 1 August 2022)				

EXPECTED TIMETABLE

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

Event	Time and Date
Publication of the Rights Issue announcement	Tuesday, 29 November 2022
Expected despatch date of circular in relation to the Rights Issue with notice and form of proxy for the EGM	Tuesday, 10 January 2023
Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Thursday, 19 January 2023
Closure of register of members of the Company to determine entitlement to attend and vote at the EGM (both days inclusive)	Friday, 20 January 2023 to Tuesday, 31 January 2023
Latest time for lodging forms of proxy for the EGM (not less than 48 hours prior to the time of the EGM)	10:00 a.m. on Sunday, 29 January 2023
Record date for attending and voting at the EGM	Tuesday, 31 January 2023
Time and date of the EGM	10:00 a.m. on Tuesday, 31 January 2023
Announcement of poll results of the EGM	Tuesday, 31 January 2023
Re-opening of the register of members of the Company	Wednesday, 01 February 2023
Last day of dealings in the Shares on a cum-rights basis of the Rights Issue	Wednesday, 01 February 2023
First day of dealings in the Shares on an ex-rights basis of the Rights Issue	Thursday, 02 February 2023

Event	Time and Date
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue	4:00 p.m. on Friday, 03 February 2023
Closure of register of members of the Company to determine the entitlement to the Rights Issue (both days inclusive)	Monday, 06 February 2023 to Friday, 10 February 2023
Record Date to determine entitlements under the Rights Issue	Friday, 10 February 2023
Register of members of the Company re-opens	Monday, 13 February 2023
Despatch of the Prospectus Documents (in case of the Excluded Shareholders, the Prospectus only)	Monday, 13 February 2023
First day of dealings in nil-paid Rights Shares	Wednesday, 15 February 2023
Latest time for splitting of PALs	4:00 p.m. on Friday, 17 February 2023
Last day of dealings in nil-paid Rights Shares	Wednesday, 22 February 2023
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 Monday, 27 February 2023
Latest time and date for termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 02 March 2023
Announcement of results of the Rights Issue and the application for Excess Rights Shares	Wednesday, 08 March 2023

Event	Time and Date
Despatch of share certificates for the fully-paid Rights Shares	Thursday, 09 March 2023
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Thursday, 09 March 2023
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 10 March 2023

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 Monday, 27 February 2023, 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.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established for the purpose of providing recommendations to the Independent Shareholders in connection with the Rights Issue (including the Underwriting Agreement). An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue (including the Underwriting Agreement), and as to voting. An announcement will be made by the Company following the appointment of the Independent Financial Adviser.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further information regarding the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 10 January 2023.

Subject to the fulfilment of the conditions precedent as set out in the Underwriting Agreement, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL or the EAF) to the Excluded Shareholders for their information only.

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
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 or the Extreme Conditions is announced 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 Act”	the Companies Act (Revised) of the Cayman Islands
“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)
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (i) the Underwriting Agreement and the transactions contemplated thereunder; and (ii) the Rights Issue
“Excess Rights Shares”	any nil-paid 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 and the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any)
“Excluded Shareholder(s)”	those Overseas Shareholders whose address is/are in such place(s) outside Hong Kong where the Directors, based on the enquiry(ies) 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 exclude them from the Rights Issue and to whom the Directors decide not to offer any of 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 PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders of the Company on the terms of the Rights Issue and the Underwriting Agreement
“Independent Shareholders”	the shareholders, save and except the controlling shareholders of the Company (within the meaning of the Listing Rules) or the Directors and their associates, who are not required under the Listing Rules to abstain from voting on the resolution(s) to approve the Rights Issue at the EGM

“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”	29 November 2022, being the last trading day of the Shares on the Stock Exchange prior to the making of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 27 February 2023 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 02 March 2023 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
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus (including any supplementary prospectus, if any) 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, the PAL and the EAF
“Prospectus Posting Date”	13 February 2023 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”	10 February 2023 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”	Union Registrars Limited, being the branch share registrar and transfer office of the Company in Hong Kong at 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 three (3) Rights Shares 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 124,896,729 new Shares for subscription by the Qualifying Shareholders by way of the Rights Issue
“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
“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
“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 Consolidation”	the latest share consolidation undertaken by the Company with the detailed particulars of which being disclosed in, inter alia, the announcements made by the Company on 14 December 2021, 26 January 2022 and 23 February 2022, respectively, as well as the circular despatched by the Company on 3 January 2022
“Share Option(s)”	as at the date of this announcement, 1,633,212 outstanding share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 26 May 2016 under and pursuant to which 38,250,000 Share Options were initially granted by the Company with the exercise period falling between 1 December 2020 to 31 August 2030 (both days inclusive), and as a result of the Share Consolidation and lapsed of certain share options pursuant to the terms of the Share Option Scheme, as at the date of the Underwriting Agreement, 1,633,212 Share Options remain outstanding
“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 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”	the subscription price of HK\$0.85 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 29 November 2022 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 124,896,729 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
Li Zhuoyang
Executive Director

Hong Kong, 29 November 2022

As at the date of this announcement, the Board comprises one executive Director, namely Ms. Li Zhuoyang, and three independent non-executive Directors, namely Mr. Cai Jinliang, Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

For the purpose of this announcement, unless otherwise specified, conversion of Renminbi into Hong Kong dollars is based on the approximately exchange rate of RMB1 to HK\$1.0925. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.