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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)**

### **ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE**

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On 9 November 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares, being an aggregate of 226,770,954 new Shares, at the Subscription Price of HK\$0.07 per Subscription Share. The Subscription Shares represent (i) 20% of the total number of Shares in issue as at the date of this announcement and (ii) approximately 16.67% of the total number of Shares in issue as enlarged by the issue of the Subscription Shares (assuming there will be no other change in the total number of Shares from the date of this announcement and up to the date of Completion).

Assuming all the Subscription Shares are being subscribed for in full, the gross proceeds and net proceeds from the Subscription will be approximately HK\$15.87 million and approximately HK\$15.64 million respectively and the net issue price per Subscription Share is approximately HK\$0.069. It is intended that the net proceeds arising from the Subscription will be used for capital injection in Beijing Orient LegendMaker, an indirect non wholly-owned subsidiary of the Company, which engaged in the provision of integrated software solutions and is a high-technology company. The capital injection in Beijing Orient LegendMaker is expected to increase its competitive advantage and improve its professional technical services capabilities by investing additional financial and human resources in research and development to keep abreast with technological advances in order to facilitate the long-term business development of the Group.

The issue of the Subscription Shares will be pursuant to the General Mandate and is not subject to Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreements and therefore, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE

On 9 November 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares, being an aggregate of 226,770,954 new Shares, at the Subscription Price of HK\$0.07 per Subscription Share.

### The Subscription Agreements

#### Subscription Agreement I

Date: : 9 November 2021

Issuer: : The Company

Subscriber I : De Gennes Limited (鴻贇有限公司)

Number of Subscription Shares : 192,755,311 Subscription Shares  
to be subscribed by Subscriber  
I

Consideration payable by : HK\$ 13,492,872  
Subscriber I

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Subscriber I and its ultimate beneficial owner, Mr. Wu Xiaodong, are Independent Third Parties.

Upon Completion, Subscriber I will hold 14.17% of the total number of Shares in issue as enlarged by the issue of Subscription Shares and it is expected that Subscriber I will become a substantial Shareholder of the Company immediately after the Completion.

## **Subscription Agreement II**

Date: : 9 November 2021

Issuer: : The Company

Subscriber II : Ms. Sun Ningning

Number of Subscription Shares to : 34,015,643 Subscription Shares  
be subscribed by Subscriber II

Consideration payable by : HK\$2,381,095  
Subscriber II

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Subscriber II is an Independent Third Party.

## **The Subscription Shares**

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for the Subscription Shares, being a total of 226,770,954 new Shares, representing: (i) 20% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 16.67% of the total number of Shares in issue immediately upon Completion as enlarged by the issue and allotment of the Subscription Shares (assuming there will be no other change in the total number of Shares in issue from the date of this announcement and up to the date of Completion). The aggregate nominal value of the Subscription Shares is approximately HK\$22,677,095.

## **Ranking of the Subscription Shares**

The Subscription Shares will be allotted and issued free of any Encumbrance, and will rank pari passu in all respects among themselves and all other issued Shares as at the Completion Date in all respects, including the right to receive all dividends declared or payable or distribution made or proposed to be made at any time by reference to a record date falling on or after the Completion Date.

## **Subscription Price and the Subscription Consideration**

The Subscription Price of HK\$0.07 per Subscription Share represents:

- (i) a discount of approximately 11.39% to the closing price of HK\$0.0790 per Share as quoted on the Stock Exchange on 9 November 2021, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 10.94% to the average closing price of HK\$0.0786 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 8 November 2021, being the last trading day immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the prevailing market price of the Shares and the current market conditions. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Subscription Consideration will be payable by the Subscribers in cash upon completion of the Subscription Agreements.

Assuming all the Subscription Shares are being subscribed for in full, the gross proceeds and net proceeds from the Subscription will be approximately HK\$15.87 million and approximately HK\$15.64 million respectively and the net issue price per Subscription Share is approximately HK\$0.069.

### **General Mandate to issue the Subscription Shares**

The issue of the Subscription Shares is not subject to Shareholders' approval as the Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the aggregate number of Shares in issue as at the date of the AGM (i.e. 226,770,954 Shares, representing 20% of 1,133,854,771 Shares in issue as at the date of the AGM). Up to the date of this announcement, the General Mandate has not been utilized. The issue of the Subscription Shares will utilize the General Mandate in full. The Company has not bought back any Shares within the last 30 days prior to the date of this announcement.

### **Conditions Precedent**

The Completion shall be subject to the following conditions being satisfied:

- (A) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of valid and definitive share certificate(s) representing the Subscription Shares to the Subscribers); and
- (B) all relevant approvals and consents (if required) from governmental or other competent authority or in accordance with applicable laws having been obtained on the part of the Company and the Subscribers in respect of the Subscriptions and the transactions contemplated thereunder.

Each of the Subscription Agreements is not inter-conditional upon one another.

In the event that the above conditions are not fulfilled in full on or before the Long Stop Date, the Subscription Agreements shall terminate and no party shall be liable to the other party save for antecedent breaches.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **Termination**

Under the Subscription Agreements, an innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the Subscription Agreements without liability to defaulting party by giving notice in writing to the defaulting party if at any time prior to 3:00 p.m. on the Completion Date, there occurs any material breach of any provision of the Subscription Agreements.

## **Completion**

Completion under the Subscription Agreements shall take place on the Completion Date.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of integrated business software solutions and trading of listed securities.

The aggregate gross proceeds arising from the Subscription will be approximately HK\$15.87 million and the aggregate net proceeds arising from the Subscription, after the deduction of the related expenses, will amount to approximately HK\$15.64 million. The Company intends to apply the net proceeds from the Subscription for capital injection in Beijing Orient LegendMaker, an indirect non wholly-owned subsidiary of the Company, which engaged in the provision of integrated software solutions and is a high-technology company. The capital injection in Beijing Orient LegendMaker is expected to increase its competitive advantage and improve its professional technical services capabilities by investing additional financial and human resources in research and development to keep abreast with technological advances in order to facilitate the long-term business development of the Group.

The Directors are of the view that the Subscription are in the interests of the Company and the Shareholders as a whole and the allotment and issue of the Subscription Shares is an appropriate means of raising additional capital for the Company to finance the operation of Beijing Orient LegendMaker and the capital base of the Company will be enlarged. The Directors consider that the terms of the Subscription Agreements are fair and reasonable.

## **INFORMATION OF THE SUBSCRIBERS**

### **Subscriber I**

De Gennes Limited, is a company incorporated in Hong Kong with limited liability. It is principally engaged in consultancy and trading.

The ultimate beneficial owner of Subscriber I is Mr. Wu Xiaodong, a Hong Kong citizen and an individual investor.

### **Subscriber II**

Ms. Sun Ningning, a Hong Kong citizen and an individual investor.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately following the Completion (assuming that there is no change in the total number of issued Shares from the date of this announcement and up to the Completion other than the issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately after the completion of the Subscriptions	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
King Pak Fu ( <i>Note 1</i> )	278,351,792	24.55	278,351,792	20.46
Zhongwei Group (Hong Kong) Company Limited ( <i>Note 2</i> )	126,362,155	11.14	126,362,155	9.29
Subscriber I	-	-	192,755,311	14.17
Subscriber II	-	-	34,015,643	2.50
Public Shareholders	729,140,824	64.31	729,140,824	53.58
<b>Total</b>	<b><u>1,133,854,771</u></b>	<b><u>100.00</u></b>	<b><u>1,360,625,725</u></b>	<b><u>100.00</u></b>

### Notes:

- Pursuant to the SFO, Mr. King Pak Fu (“**Mr. King**”) is deemed to be interested in (i) 60,435,500 Shares held through Affluent Start Holdings Investment Limited (“**Affluent Start**”); (ii) 3,846,000 Shares held through Mystery Idea Limited (“**Mystery Idea**”); (iii) 10,216,000 Shares held through Elite Mile Investments Limited (“**Elite Mile**”); (iv) 17,182,000 Shares held through Sino Wealthy Limited (“**Sino Wealthy**”); and (v) 186,672,292 Shares held through Luck Success Development Limited (“**Luck Success**”). Each of Affluent Start, Mystery Idea and Elite Mile is wholly-owned by Mr. King. Sino Wealthy is wholly-owned by Gauteng Focus Limited, which is wholly-owned by Rentian Technology Holdings Limited (in liquidation), the latter is indirectly controlled by Mr. King.
- Zhongwei Group (Hong Kong) Company Limited is wholly-owned by Ms. Han Lili (“**Ms. Han**”). Therefore, Ms. Han is deemed to be interested in the number of Shares held by Zhongwei Group (Hong Kong) Company Limited by virtue of the SFO.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
30 September 2020 and 17 November 2020 (date of completion)	Issue of 126,362,155 Shares under general mandate	HK\$21.13 million	General working capital, used to improve the Company's professional technical services capabilities to facilitate the long-term business development of the Group, and further investments of the Group as and when the opportunities arise	(i) HK\$1.5 million for general working capital, (ii) HK\$10.5 million for loan financing business and (iii) HK\$9.13 million for investment in listed securities
19 February 2021, 18 May 2021 (Rights Issue became unconditional) and 1 November 2021	Issue of 375,681,838 rights Shares pursuant to the Rights Issue	HK\$43.91 million	(i) Procurement for the Group's software business development as to HK\$10 million on procurement of software license and related services; (ii) HK\$4 million for loan financing business and securities investments business; and (iii) HK\$29.91 million for general working capital of the Group (Note 1)	(i) HK\$4 million for loan financing business; and (ii) HK\$13.42 million for general working capital of the Group (Note 2)

Notes:

- 1. The intended use of proceeds as set out in this summary table have taken into account the proposed change of use of proceeds of the Rights Issue as announced by the Company on 1 November 2021. According to the prospectus of the Rights Issue dated 23 April 2021, the Company originally planned to apply such net proceeds as to approximately (i) 30% for the potential acquisitions, expansion and equipment purchase of the Group's software business in the future; (ii) 40% for loan financing business and securities investments business; and (iii) the remaining 30% for the Group's operating expenses and overheads, among which approximately 60% is for staff cost (including salary and allowance), approximately 4% is for rental payments, approximately 20% is for professional fees (including legal fee, financial advisory fee, accounting and auditing fee) and the remaining 16% is for the general administrative and operating expenses (including utilities and insurance, statutory registration fee, listing fee and travelling expenses etc.). On 1 November 2021, the Company published a further announcement in respect of the proposed change of use of proceeds of the unutilized proceeds from the Rights Issue and proposed to reallocate HK\$10 million to procurement of software licenses and related services and HK\$16.737 million for general working capital of the Group. For details, please refer to the announcement of the Company dated 1 November 2021.*
- 2. In respect of the utilized proceeds in the amount of HK\$13.42 million, of which approximately HK\$9.48 million was applied for staff cost, approximately HK\$0.61 million for rental payments, approximately HK\$1.22 million for professional fee and the remaining HK\$2.11 million for general administrative expenses*

As at the date of this announcement, the net proceeds from the Rights Issue of approximately HK\$26.49 million had not yet been utilized. The remaining proceeds will be used according to the intended use.

## GENERAL

**Completion of the Subscriptions is subject to the satisfaction of the conditions precedent in the Subscription Agreements and therefore, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 30 June 2021
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beijing Orient LegendMaker”	Beijing Orient LegendMaker Software Development Co., Ltd.* (北京東方龍馬軟件發展有限公司), a company established in the PRC
“Board”	the board of Directors



“Business Day(s)”	any day (excluding Saturdays) on which commercial banks generally are open for normal banking business in Hong Kong
“Company”	Enterprise Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Subscription pursuant to the terms and conditions of the Subscription Agreements
“Completion Date”	the date on which Subscription Shares will be allotted and issued to the Subscribers by the Company, which shall be the date falling within 10 Business Days after the conditions precedent under the Subscription Agreements are fulfilled or such other date as the Company and the Subscribers may agree
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“General Mandate”	the general mandate to allot, issue and deal with up to 226,770,954 new Shares (representing 20% of the aggregate number of the Shares in issue as at the date of the AGM) granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s)
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 20 Business Days after the date of the Subscription Agreements (i.e. 7 December 2021) (or such other date as may be mutually agreed between the Company and each of the Subscribers)
“Rights Issue”	the rights issue of up to 395,061,466 new Shares by the qualifying shareholders on the basis of one (1) rights Share for every two (2) existing Shares in issue held on 24 March 2021 at the subscription price of HK\$0.12 per rights Share
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber I and Subscriber II
“Subscriber I”	De Gennes Limited (鴻贊有限公司), a company incorporated in Hong Kong with limited liability
“Subscriber II”	Ms. Sun Ningning, an Independent Third Party
“Subscriptions”	the conditional subscription of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreement I”	the subscription agreement entered into between the Company and Subscriber I on 9 November 2021 in respect of the subscription of 192,755,311 Subscription Shares
“Subscription Agreement II”	the subscription agreement entered into between the Company and Subscriber II on 9 November 2021 in respect of the subscription of 34,015,643 Subscription Shares
“Subscription Agreements”	collectively, the Subscription Agreement I and the Subscription Agreement II
“Subscription Consideration”	the consideration to be paid by each of the Subscribers to subscribe for the Subscription Shares, amounting to an aggregate amount of approximately HK\$15,873,967

“Subscription Price”	HK\$0.07 per Subscription Share
“Subscription Share(s)”	an aggregate of 226,770,954 new Shares to be allotted and issued by the Company to the respective Subscriber pursuant to the Subscription Agreements
“substantial shareholder”	has the same meaning ascribed to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Enterprise Development Holdings Limited**  
**Li Zhuoyang**  
*Executive Director*

Hong Kong, 9 November 2021

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

*\* for identification purpose only*