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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)**

### **VOLUNTARY ANNOUNCEMENT DISCIPLINARY ACTION AGAINST THE COMPANY AND THE RELEVANT DIRECTORS**

This is a voluntary announcement of Enterprise Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

References are made to (i) the announcement of the Company dated 3 January 2021 (the “**Appointment Announcement**”) relating to the appointment of Ms. Mao Junjie (“**Ms. Mao**”) and (ii) the clarification announcement of the Company dated 14 April 2021 (the “**Clarification Announcement**”) relating to the revised biographical details and adjusted remuneration of Ms. Mao.

At the material time of the Appointment Announcement, the board of directors of the Company comprised of Mr. Bai Xuefei (the then executive director), Mr. Guan Huanfei (the then executive director and a member of Remuneration Committee and Nomination Committee), Mr. Liu Jian (the then independent non-executive director and the chairman of the Remuneration Committee and Nomination Committee) and Mr. Cai Jinliang (independent non-executive director and a member of the Remuneration Committee and Nomination Committee) (the “**Relevant Directors**”).

The Company received complaints on the inaccuracies of disclosure relating to the appointment of Ms. Mao. After further due diligence of the Company, it subsequently came to the knowledge of the Company that certain work experience of Ms. Mao as disclosed in the Appointment Announcement could not be satisfactorily verified.

The Company published a Clarification Announcement in this regard and also downward adjusted the remuneration payable to Ms. Mao. Ms. Mao tendered her resignation as an executive director of the Company on 8 November 2021.

The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) commenced enforcement action against the Company, Ms. Mao and the Relevant Directors in respect of the breaches of The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) relating to the appointment of Ms. Mao and inaccurate disclosure of Ms. Mao’s biography in the Appointment Announcement and in the notice of annual general meeting dated 28 May 2021 (the “**Notice of AGM**”).

After the investigation, the Enforcement Department of the Listing Division concluded that, among others:

- (1) The Company breached Rule 2.13(2) of the Listing Rules in respect of the Appointment Announcement and the Notice of AGM;
- (2) Ms. Mao breached her duties under Rule 3.08 of the Listing Rules and her Undertaking by providing inaccurate, incorrect and/or misleading information to the Company in respect of her biographical details and failing to procure the Company’s compliance with Rule 2.13(2) of the Listing Rules in respect of the Appointment Announcement and the Notice of AGM; and
- (3) The Relevant Directors breached their duties under Rule 3.08 of the Listing Rules and their Undertakings by:
  - (a) failing to ensure that proper due diligence was conducted on Ms Mao, including her background and experience;
  - (b) failing to ensure that there was proper consideration of the proposed appointment and remuneration of Ms Mao by the Board, the Nomination Committee and the Remuneration Committee, in accordance with the terms of the reference of the Nomination Committee and the Remuneration Committee;
  - (c) failing to procure the Company’s compliance with Rule 2.13(2) of the Listing Rules in respect of the Appointment Announcement and the Notice of AGM; and
  - (d) failing to safeguard the Company’s interests in respect of the determination of the original remuneration of Ms. Mao.

The appointment of Ms. Mao had not been considered by the Nomination Committee. The Relevant Directors relied on information provided by Ms Mao without ensuring that due diligence was conducted. There was no consideration of Ms. Mao’s remuneration by the Remuneration Committee in accordance with the terms of reference of the Remuneration Committee.

The Company and each of the Relevant Directors acknowledge that they should have conducted due diligence of any newly appointed director and supervising the relevant professional party in carrying out the necessary verification prior to publication of the Appointment Announcement. The Company and each of the Relevant Directors wish to offer their sincere apologies in respect of its inaccurate disclosure arising from the Appointment Announcement. The Relevant Directors have agreed to undergo 17 hours of training on regulatory and legal topics and Listing Rule compliance, including three hours on each of (1) directors' duties; (2) the Corporate Governance Code; and (3) the Listing Rule requirements for accurate and complete disclosure in corporate communication.

For details of the disciplinary action, in which a settlement was reached with the Exchange, please refer to the statement of disciplinary action issued by the Stock Exchange at ([https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Disciplinary-and-Enforcement/Disciplinary-Sanctions/2022/220718\\_SoDA.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Disciplinary-and-Enforcement/Disciplinary-Sanctions/2022/220718_SoDA.pdf)) on 18 July 2022.

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

Hong Kong, 18 July 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.*