
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Enterprise Development Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 CAPITAL REORGANISATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 8 to 17 of this circular. A notice convening the EGM to be held at Meeting Room (SOHO 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 26 January 2022 at 10:30 a.m. is set out on page 18 to 20 of this circular. A form of proxy for use by the Shareholders at the EGM or any adjourned meeting is also enclosed.

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event the instrument appointing a proxy shall be deemed to be revoked.

In view of the ongoing Coronavirus Disease 2019 (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise your voting rights by appointing the chairperson of the Meeting as your proxy to vote on the relevant resolution at the Meeting as an alternative to attending the Meeting in person.

3 January 2022

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PRECAUTIONARY MEASURES FOR THE EGM

The Company will implement the following measures at the EGM, including:

1. Compulsory temperature screening/checks will be carried out on every attendee at the entrance of the meeting venue. Any person with a body temperature above 37.3 degrees Celsius or the reference point announced by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the meeting venue and requested to leave the meeting venue;
2. Every attendee will be required to wear a surgical face mask at the meeting venue and throughout the meeting and to sit at a distance from the other attendees. Please note that no surgical face masks will be provided at the meeting venue and attendees should bring and wear their own masks;
3. No refreshment or drinks will be provided to the attendees at the meeting; and
4. No corporate gifts or gift coupons will be provided to the attendees at the meeting.

To the extent permitted under law, the Company reserves the right to deny entry into the meeting venue or require any person to leave the Meeting venue so as to ensure the health and safety of the other attendees at the meeting. The number of attendees allowed in the meeting venue is subject to the requirements and restrictions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong).

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation is as follows:

Event	Time and date
Latest time for lodging transfer of Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Wednesday, 19 January 2022
Register of members of the Company closes	Thursday, 20 January 2022 to Wednesday, 26 January 2022 (both dates inclusive)
Latest time for return of proxy form of the EGM	10:30 a.m. on Monday, 24 January 2022
Expected time and date of the EGM	10:30 a.m. on Wednesday, 26 January 2022
Publication of announcement of poll results of the EGM	Wednesday, 26 January 2022
 The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation, including the availability and compliance with any requirements imposed by the Grand Court. The dates are therefore tentative:	
Effective date of the Capital Reorganisation (<i>Note</i>)	Thursday, 21 April 2022
First day of free exchange of existing share certificates for new share certificates for the Adjusted Shares	Thursday, 21 April 2022
Commencement of dealings in the Adjusted Shares	9:00 a.m. on Thursday, 21 April 2022
Original counter for trading in the Existing Shares in board lots of 2,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 21 April 2022
Temporary counter for trading in the Adjusted Shares in board lot size of 100 Adjusted Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 21 April 2022

EXPECTED TIMETABLE

Event	Time and date
Original counter for trading in the Adjusted Shares in board lots of 2,000 Adjusted Shares (in the form of new share certificates for Adjusted Shares) re-opens	9:00 a.m. on Friday, 6 May 2022
Parallel trading in the Adjusted Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m. on Friday, 6 May 2022
Designated broker starts to stand in the market to provide matching services for odd lots of the Adjusted Shares	9:00 a.m. on Friday, 6 May 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of the Adjusted Shares	4:00 p.m. on Friday, 27 May 2022
Temporary counter for trading in board lot size of 100 Adjusted Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 27 May 2022
Parallel trading in the Adjusted Shares (in the form of new and existing share certificates) ends	4:10 p.m. on Friday, 27 May 2022
Last day for free exchange of existing share certificates for new share certificates for the Adjusted Shares	4:00 p.m. on Tuesday, 31 May 2022

EXPECTED TIMETABLE

All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Note: The Capital Reorganisation will become effective upon fulfillment of the conditions mentioned in the section headed “Conditions of the Capital Reorganisation” in the “Letter from the Board”, including, but not limited to, the Grand Court granting an order confirming the Capital Reduction. As the Grand Court hearing date(s) has yet to be fixed, the effective date of the Capital Reduction is expected to take a longer period in which the date mentioned above is for indicative purpose only, further announcement will be made by the Company once the Grand Court hearing date is fixed.

DEFINITIONS

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

“Adjusted Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Articles”	the articles of association of the Company for the time being adopted by the Company and as amended from time to time
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction in the issued share capital of the Company and cancellation of any fractional Consolidated Shares arising out of the Share Consolidation each as detailed in the section headed “Proposed Capital Reorganisation”
“Capital Reorganisation”	the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands as consolidated and revised
“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 (Stock code: 1808)
“Consolidated Share(s)”	ordinary share(s) of HK\$2.0 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at Meeting Room (SOHO 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 26 January 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the Capital Reorganisation
“Existing Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company before the Capital Reorganisation becoming effective
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	30 December 2021, being the latest practicable date prior to the printing of this circular for ascertaining information contain herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 26 May 2016
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share of HK\$2.0 each into twenty (20) Adjusted Shares

DEFINITIONS

“Share(s)”	the Existing Share(s), the Consolidated Share(s) or the Adjusted Share(s), as the context may require
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

Executive Director:

Ms. Li Zhuoyang

Independent non-executive Directors:

Mr. Cai Jinliang

Mr. Chin Hon Siang

Mr. Chen Kwok Wang

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal place
of business:*

Flat B, 11/F

Hing Lung Commercial Building

68-74 Bonham Strand

Sheung Wan, Hong Kong

3 January 2022

To the Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION

INTRODUCTION

Reference is made to the announcement of the Company dated 14 December 2021.

The purpose of this circular is to provide you with, among other things, details of the Capital Reorganisation and the notice of EGM.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation by which every twenty (20) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share of HK\$2.0;
- (ii) the Capital Reduction by which: (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; and (b) the par value of all the then issued Consolidated Shares shall be reduced from HK\$2.0 each to HK\$0.1 each by cancelling the paid-up capital of the Company to the extent of HK\$1.9 on each of the then Consolidated Shares in issue; and
- (iii) the Share Subdivision of every unissued Consolidated Share of HK\$2.0 each in the authorised share capital of the Company into twenty (20) Adjusted Shares of HK\$0.1 each.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.1 each, of which 1,360,625,725 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

On the assumption that there is no change in the issued share capital prior to the Capital Reorganisation becoming effective, the Company will have 68,031,286 Adjusted Shares in issue and a credit of approximately HK\$129,259,443.875 will arise as a result of following the completion of the Capital Reduction. It is proposed that the credit arising from Capital Reduction will be applied towards offsetting part of the balance of the accumulated losses of the Company up to the effective date of the Capital Reduction. The accumulated losses amounted to approximately RMB553,430,000 (equivalent to approximately HK\$646,008,000) as at 31 December 2020.

Following the Capital Reorganisation becoming effective, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Adjusted Shares of HK\$0.1 each.

LETTER FROM THE BOARD

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.1 each, of which 1,360,625,725 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Adjusted Shares of par value HK\$0.1 each, of which 68,031,286 Adjusted Shares will be in issue which will be fully paid or credited as fully paid.

Upon the Capital Reorganisation becoming effective, the Adjusted Shares shall rank *pari passu* in all respects with each other.

Other than the relevant expenses to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interest of the Shareholders as a whole. The Directors believe that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders to approve the Capital Reorganisation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue and to be issued upon the Capital Reorganisation becoming effective;
- (iii) the Grand Court granting an order confirming the Capital Reduction;
- (iv) compliance with any conditions which the Grand Court may impose in relation to the Capital Reduction;
- (v) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (vi) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reorganisation.

LETTER FROM THE BOARD

The Capital Reorganisation will become effective when the conditions are fulfilled. Further announcement(s) will be made by the Company as soon as practicable after the Grand Court hearing date(s) is confirmed.

Listing Application

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares in issue and to be issued upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Capital Reorganisation being effective, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding share options for subscription of 32,664,263 Existing Shares under the Share Option Scheme.

LETTER FROM THE BOARD

Pursuant to the terms of the Share Option Scheme, the outstanding share options shall be adjusted upon the Capital Reorganisation becoming effective in the following manner:

Name of category of participant	Date of grant	Exercise period	Before the		Adjustment after the	
			Capital Reorganisation becoming effective	Exercise price per Existing Share (HK\$)	Capital Reorganisation becoming effective	Exercise price per Adjusted Share (HK\$)
			Number of Existing Shares to be issued upon full exercise of the outstanding share options		Number of Adjusted Shares to be issued upon full exercise of the outstanding share options	
Li Zhuoyang	1 September 2020	1 December 2020 to 31 August 2030	6,481,413	0.2063	324,070	4.126
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	26,182,850	0.2063	1,309,142	4.126
			<u>32,664,263</u>		<u>1,633,212</u>	

Note:

The vesting period of the share options is from the date of grant up to 30 November 2020. These share options are vested to the grantees on 1 December 2020 and exercisable up to 31 August 2030.

The Company will engage the auditors of the Company or financial adviser to certify the adjustments to the number of outstanding share options and the related exercise price. Further announcement(s) will be made by the Company as and when appropriate in this regard.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding derivatives, options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares, Consolidated Shares or Adjusted Shares, as the case may be.

LETTER FROM THE BOARD

REASONS FOR THE CAPITAL REORGANISATION

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, pursuant to the requirements set out in “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008, which was last updated on 30 August 2019 (“**Guidelines**”), the expected board lot value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the recent market volatility and that the Shares had been traded below HK\$0.10 and the Shares were trading at under HK\$2,000 per board lot in the past six months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation in order to comply with the trading requirements of the Listing Rules. The Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

In view of the recent market volatility and that the Shares had been traded below HK\$0.10, accordingly, the Company proposes to effect the Capital Reorganisation which would provide greater flexibility to the Company to carry out fund raising exercises and react promptly as and when opportunities arise.

In addition, the Company is prohibited from issuing any new Shares at a price below its par value. Immediately after completion of the Share Consolidation but before implementation of the Capital Reduction, the par value of the Consolidated Shares will be HK\$2.0 per Consolidated Share. The Capital Reduction will reduce the par value of the Adjusted Shares to a lower amount of HK\$0.1 per Adjusted Share, which allows greater flexibility in the pricing for any issue of new Shares in the future.

At the same time, the Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create value. Since it is expected that the Capital Reorganisation will bring about a corresponding upward adjustment in the trading price per Adjusted Share on the Stock Exchange which, in the view of the Board, will help to enhance the corporate image of the Company and optimise the Shareholder base, as the Capital Reorganisation will make investing in the Adjusted Shares more attractive to a broader range of institutional and professional investors.

LETTER FROM THE BOARD

Save for the Capital Reorganisation, the Company has no intention to carry out any corporate actions that may affect the trading in the Shares, including share consolidation, share subdivision and change in board lot size, in the next 12 months which would have a contradictory effect to the Capital Reorganisation. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate. In view of the Company's financial position and performance for the year ended 31 December 2020, the upcoming challenges and uncertainties towards the overall economy, and the potential business and investment opportunities, the Company is actively exploring equity fund raising opportunities including, but not limited to, placing or subscription of new shares or any other viable means in order to improve its financial position. The Company may conduct equity fund raising activities in the next 12 months, including but not limited to, subscription of new Shares of the Company not exceeding 30% of the issued share capital of the Company. As at the Latest Practicable Date, there was no agreement or arrangement reached for any proposed equity fund raising activities.

Based on the reasons above, the Board considers that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BOARD LOT SIZE

Upon the Capital Reorganisation becoming effective, the board lot size of the Adjusted Shares for trading on the Stock Exchange will remain unchanged at 2,000 Adjusted Shares per board lot, which is the same board lot size for trading of the Existing Shares on the Stock Exchange.

OTHER ARRANGEMENTS

Fractional Entitlement to Adjusted Shares

Fractional Adjusted Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Adjusted Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

Arrangement on Odd lot Trading

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares, the Company has appointed Cinda International Securities Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares during the period from 9:00 a.m. on Friday, 6 May 2022 to 4:10 p.m. on Friday, 27 May 2022. Shareholders who wish to take advantage of this service should contact Mr. Leung Siu Wa of Cinda International Securities Limited at 45/F., COSCO Tower, 183 Queen's Road Central, Hong Kong or at telephone number (852) 2235 7801 during office hours of such period.

LETTER FROM THE BOARD

Holders of odd lots of the Adjusted Shares should note that the matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of Share Certificates for Adjusted Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Thursday, 21 April 2022, the Shareholders may during the period from Thursday, 21 April 2022 to Tuesday, 31 May 2022 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of yellow) to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange for new share certificates (in the colour of light brown) for the Adjusted Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for each share certificate issued for the Adjusted Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:00 p.m. on Tuesday, 31 May 2022, trading will only be in Adjusted Shares. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Book closure for determining entitlements to attend and vote at the EGM

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 20 January 2022 to Wednesday, 26 January 2022, both days inclusive. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 19 January 2022.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation is set out on pages 2 to 4 of this circular.

LETTER FROM THE BOARD

EGM

The EGM will be convened and held at Meeting Room (SOHO 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 26 January 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the proposed Capital Reorganisation.

Pursuant to Rule 13.39(4) of the Listing Rules and/or the Articles, the voting on the proposed resolution set out in the notice of the EGM will be taken by way of a poll and an announcement on the poll results will be published by the Company on the websites of the Stock Exchange and the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules after the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be proposed at the EGM.

A notice convening the EGM is set out on pages 18 to 20 of this circular. A form of proxy for use by the Shareholders at the EGM or any adjourned meeting is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event the instrument appointing a proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the proposed Capital Reorganisation are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Accordingly, the Board recommends that all Shareholders vote in favour of the special resolution to be proposed at the EGM for approving the proposed Capital Reorganisation.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

WARNING

The Capital Reorganisation are conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Capital Reorganisation” in this circular. There is no assurance that the Capital Reorganisation will become unconditional and completed. Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

By order of the board
Enterprise Development Holdings Limited
Li Zhuoyang
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Enterprise Development Holdings Limited (the “**Company**”) will be held at Meeting Room (SOHO 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 26 January 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following special resolution:

SPECIAL RESOLUTION

“**THAT** subject to: (i) an order being made by the Grand Court of the Cayman Islands (the “**Grand Court**”) confirming the Capital Reduction (as defined below); (ii) compliance with any conditions which the Grand Court may impose in relation to the Capital Reduction; (iii) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minutes approved by the Grand Court containing the particulars required under the Companies Act (as defined below) with respect to the Capital Reduction; (iv) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and (v) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares (as defined below) arising from the Capital Reorganisation (as defined below), with effect from the date on which these conditions are fulfilled:

- (a) every twenty (20) existing issued and unissued ordinary shares with a par value of HK\$0.1 each (the “**Existing Share(s)**”) in the authorised share capital of the Company be consolidated into one (1) consolidated share with a par value of HK\$2.0 (each a “**Consolidated Share**”) (the “**Share Consolidation**”);
- (b) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled and the par value of all issued Consolidated Shares shall be reduced from HK\$2.0 each to HK\$0.1 each (the “**Adjusted Shares**”) and the issued share capital of the Company shall be reduced by HK\$1.9 per Consolidated Share in issue (the “**Capital Reduction**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) every unissued Consolidated Share in the share capital of the Company arising from the Share Consolidation shall be sub-divided into twenty (20) Adjusted Shares with a par value of HK\$0.1 each (the “**Share Subdivision**”, and together with the Share Consolidation and the Capital Reduction, the “**Capital Reorganisation**”);
- (d) immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Adjusted Shares of HK\$0.1 each;
- (e) the credit arising from the Capital Reduction be applied towards offsetting against part of the balance of the accumulated losses of the Company up to the effective date of the Capital Reorganisation in a manner as permitted by the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands as consolidated and revised (“**Companies Act**”) and the articles of association of the Company;
- (f) each of the Adjusted Shares arising from the Capital Reorganisation shall rank *pari passu* in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company; and
- (g) any Director be and is hereby authorised to do all such acts and things and execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the Capital Reorganisation.”

By order of the board
Enterprise Development Holdings Limited
Li Zhuoyang
Executive Director

Hong Kong, 3 January 2022

Notes:

1. A form of proxy for use at the EGM is enclosed.
2. Any member of the Company entitled to attend and vote at the EGM convened by this notice shall be entitled to appoint proxy to attend and vote instead of him in accordance with the articles of association of the Company. A proxy need not be a member of the Company, but must be present in person to represent the member.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members of the Company.

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4. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time fixed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the instrument appointing a proxy shall be deemed to be revoked.
5. The above resolution will be voted by way of a poll at the EGM.
6. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 20 January 2022 to Wednesday, 26 January 2022, both days inclusive. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 19 January 2022.
7. **In light of the epidemic situation of COVID-19, Shareholders may consider appointing the chairman of the EGM as his/her proxy to vote on the resolutions, instead of attending the EGM in person.**
8. **In case the venue is being closed on the date of the EGM due to COVID-19, the Meeting shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board. The Company will post an announcement on the Stock Exchange and the Company's website notifying Shareholders of the date, time and place of the adjourned meeting.**
9. As at the date of this notice, 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.