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ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1808)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



星火證券有限公司
CVP SECURITIES LIMITED

On 15 January 2020 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six Placers who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 105,301,796 Placing Shares at the Placing Price of HK\$0.249 per Placing Share.

The maximum Placing Shares of up to 105,301,796 Shares represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.249 per Placing Share represents (i) a discount of approximately 19.68% to the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.89% to the average of the closing prices per Share of HK\$0.307 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 22 May 2019, subject to the limit up to 105,301,796 Shares (representing approximately 20% of the aggregate number of issued Shares on that date).

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$26.22 million and the net proceeds will be approximately HK\$25.41 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.241 per Placing Share. The Directors intend to use the net proceeds for the general working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

On 15 January 2020 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 105,301,796 Placing Shares at the Placing Price of HK\$0.249 per Placing Share. Details of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date: 15 January 2020

Issuer: the Company

Placing Agent: CVP Securities Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 2.50% of the gross proceeds from the Placing. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares.

The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six (6) Placees which will be professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent

Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Number of Placing Shares

The maximum Placing Shares of up to 105,301,796 Shares represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 105,301,796 Placing Shares is HK\$10,530,179.6.

Placing Price

The Placing Price of HK\$0.249 per Placing Share represents (i) a discount of approximately 19.68% to the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.89% to the average of the closing prices per Share of HK\$0.307 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the recent trading performance of the Shares. The Directors consider that the Placing Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares as at the date of this announcement.

Conditions of the Placing

The Placing is conditional upon:

- (A) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (B) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

If the above condition is not fulfilled by 4 February 2020 (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereto shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breach under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place within four Business Days after the fulfilment of the conditions set out above (or such later date as may be agreed by the parties thereto in writing).

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 22 May 2019, subject to the limit up to 105,301,796 Shares (representing approximately 20% of the aggregate number of issued Shares on that date). The 105,301,796 Placing Shares to be allotted and issued will fully utilise the General Mandate. As at the date of this announcement, the Company has not utilised the General Mandate.

Termination

The Placing Agent may terminate the Placing Agreement by notice in writing to the Company at any time prior to 6:00 p.m. on the day immediately preceding the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement represented, warranted and undertaken by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the paragraph above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

REASONS FOR THE PLACING AND THE 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.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$26.22 million and the net proceeds will be approximately HK\$25.41 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.241 per Placing Share. The Directors intend to use the net proceeds for the general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares are fully placed	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Luck Success Development Limited (“ Luck Success ”) (<i>note</i>)	186,672,292	35.45	186,672,292	29.55
Affluent Start Holdings Investment Limited (<i>note</i>)	60,435,500	11.48	60,435,500	9.57
Elite Mile Investments Limited (<i>note</i>)	11,540,000	2.19	11,540,000	1.83
Mystery Idea Limited (<i>note</i>)	4,000,000	0.76	4,000,000	0.63
The Placees	–	–	105,301,796	16.67
Other public Shareholders	<u>263,861,190</u>	<u>50.12</u>	<u>263,861,190</u>	<u>41.75</u>
Total	<u>526,508,982</u>	<u>100.00</u>	<u>631,810,778</u>	<u>100.00</u>

Note: Each of Affluent Start Holdings Investment Limited, Elite Mile Investments Limited and Mystery Idea Limited is wholly owned by Mr. King Pak Fu (“**Mr. King**”). Luck Success is wholly owned by Gauteng Focus Limited, a company wholly owned by Rentian Technology Holdings Limited, which, in turn, is indirectly owned as to 55.97% by Mr. King.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Enterprise Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1808)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	a date falling within four Business Days after the fulfilment of the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Company and the Placing Agent)
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 22 May 2019
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executives, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	15 January 2020, being the last trading day for the Shares prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 105,301,796 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	CVP Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 15 January 2020 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.249 per Placing Share
“Placing Shares”	up to 105,301,796 Shares to be placed under the Placing
“Share(s)”	ordinary issued share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Enterprise Development Holdings Limited
Lam Kai Tai
Chairman

Hong Kong, 15 January 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lam Kai Tai (Chairman) and Mr. Bai Xuefei, and three independent non-executive Directors, namely Ms. Hu Gin Ing, Mr. Liu Jian and Mr. Li Wai Kwan.