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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Placing Agent



Reference is made to the announcements of Enterprise Development Holdings Limited (the “**Company**”) dated 30 April 2024 and 21 May 2024 in relation to the Placing of up to 40,810,000 Shares under the General Mandate (the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement have the same meanings defined in the Announcements.

As stated in the Announcements, the net proceeds from the Placing will be utilized (i) as to 70% for investment in new business when opportunity arise, including, but not limited to, investment in artificial intelligence data center comprising its construction, equipment and operation etc., and/or development and operation of smart city construction (“**New Business**”); and (ii) the remaining 30% as general working capital for the Group including staff cost, professional fees, rental payments and other general administrative and operating expenses.

The Board would like to provide further information on the utilization of the net proceeds as follows:

For the New Business

The Company entered into a non-legally binding strategic cooperation memorandum of understanding with an independent third party in April 2024 for the proposed investment in the construction of an artificial intelligence data center. This can enable to seize the historical opportunity of the rapid development of the domestic artificial intelligence and computing power industry. The cooperation may be in the form of establishment of a joint venture, and to select areas with rapid development of the domestic computing power industry to carry out intelligent computing through investment and construction of centers and intelligent computing clusters. It is expected that this will create a new benchmark for intelligent computing in the country.

Services to be provided will include:

- (i) Computing power leasing services: providing external computing power sales, including training intelligent computing power and inference computing power, and supporting storage services;
- (ii) Demonstrative industry large model innovative applications: based on powerful computing resources support system, build data space connectors, data asset connectors, deploy general large models and industry large models, mainly for agriculture, education, medical, culture and other fields; and
- (iii) Bandwidth rental service: provision of high-speed bandwidth rental services.

The proposed overall investment scale of the project is approximately RMB150 million, of which the Company will contribute RMB50 million and the other investors will invest RMB100 million.

As ChatGPT opens up the artificial intelligence economy, building a hyper-converged computing power network with “intelligent computing power + edge computing” as the core has become a new productivity that opens up a new space for the development of the digital economy and promotes high-quality development. In the era of artificial intelligence economy, the Company gives full play to its comprehensive advantages of customer resources, product services and market understanding accumulated in the database market. By building intelligent computing centers + edge computing, it builds hyper-converged computing power network covering old customers and campuses, and integrates new distributed intelligent databases based on big data and cloud-edge collaborative computing resources that combine intelligent computing and general computing to form new products and solutions that integrate data and

computing to provide new and old customers comprehensive services with large models, big data, data assets and intelligent computing resources, which creates a new fully closed-loop business revenue model.

The Board expects that the New Business will bring into synergy into the Group's existing business and will be beneficial to the Company and the Shareholders as a whole.

For the general working of the Group

Reference is also made to the announcement of the Company dated 20 February 2024 relating to the change in use of proceeds from the rights issue. Up to the date of this announcement, the proceeds in the amount of HK\$30 million allocated for the general working capital of the Group has been utilized up to HK\$18 million as to (i) HK\$2.03 million for professional fees, (ii) HK\$1.74 million for rental payments, (iii) HK\$11.18 million for staff costs and (iv) HK\$2.96 million for general administrative and operating expenses. The remaining proceeds amounted to approximately HK\$12 million. It is expected that the general working requirement of the Group for each month is approximately HK\$2.5 million in which approximately 75% on staff costs, approximately 10% for professional fees comprising of (but not limited to) auditor fees, legal advisors fees, financial printer fees, company secretarial services fees etc., approximately 10% for rental payments and approximately 5% for other general administrative and operating expenses. Based on the existing remaining balance, the remaining proceeds can only meet the working capital requirement for another six months.

Based on the above, the Directors are of the view that raising additional working capital to meet the future operations needs is required.

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 (as amended and supplemented by the Supplemental 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.

By Order of the Board
Enterprise Development Holdings Limited
Yu Hui
Executive Director and Chief Executive Officer

Hong Kong, 22 May 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yu Hui (chief executive officer), Ms. Li Zhuoyang and Mr. Liu Yang, and three independent non-executive Directors, namely Mr. Cai Jinliang, Mr. Chin Hon Siang and Mr. Chen Kwok Wang.