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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)

DISCLOSEABLE TRANSACTION – ESTABLISHMENT AND SUBSCRIPTION OF THE SPC

The Board is pleased to announce that, on 20 November 2024, the Subscriber, a direct wholly owned subsidiary of the Company, submitted the Subscription Application to Harmonia GenAI Ecosystem SPC, pursuant to which the Subscriber applied to subscribe for (i) 10,000 Class A Shares attributable to SP1 at a subscription amount of US\$1 million; and (ii) 40,000 Class A Shares attributable to SP2 at a subscription amount of US\$4 million. An independent third party also applied to subscribe for the Class A Shares.

LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Reference is made to the voluntary announcement of the Company dated 30 August 2024 in relation to the letter of intent entered into by the Company regarding the proposed establishment and subscription of a segregated portfolio company to pursue opportunities in the buildout of artificial intelligence (“AI”) internet data center (“IDC”) infrastructure and its utilization in overseas markets.

SUBSCRIPTION OF THE SPC

The Board is pleased to announce that, on 20 November 2024, the Subscriber, a direct wholly owned subsidiary of the Company, submitted the Subscription Application to the SPC, pursuant to which the Subscriber applied to subscribe for (i) 10,000 Class A Shares attributable to SP1 at a subscription amount of US\$1 million (“**Subscription I**”); and (ii) 40,000 Class A Shares attributable to SP2 at a subscription amount of US\$4 million (“**Subscription II**”).

The principal terms of the Subscription, which are set out in the Supplements (which shall be read in conjunction with the Private Placement Memorandum), are as follows:

	Subscription I	Subscription II
Date of subscription	20 November 2024	20 November 2024
Parties	1) Smart Billion Enterprises Corporation, as the subscriber; and 2) The SPC	
Name of segregated portfolio of the SPC	Harmonia GenAI EPC SP	Harmonia GenAI Investment SP
Investment objective and strategy	To achieve investment returns by making investments which focus on: establishing an offshore joint venture (“ AI IDC EPC JV ”) that provides engineering, procurement and construction services in the AI IDC market, utilising the AI IDC infrastructure in the Middle East or Southeast Asia, which are indirectly serviced by the AI IDC EPC JV, which are related to the AI and intelligent computing business of the Group. The investment objective and strategy may be amended from time to time by the directors of the SPC, in consultation with the Manager.	

Participating Shares	Participating Shares in respect of each Segregated Portfolio are being offered under the terms of the Private Placement Memorandum and the Supplements. Each Segregated Portfolio offers one class of Participating Shares as at the date of this announcement, being Class A Shares, and may determine to offer additional classes of Participating Shares with different terms.	
Subscription Amount	The Subscriber agreed to subscribe for 10,000 Class A Shares attributable to SP1 at a subscription price of US\$100 per Class A Share and the total subscription price amounted to US\$1 million.	The Subscriber agreed to subscribe for 40,000 Class A Shares attributable to SP2 at a subscription price of US\$100 per Class A Share and the total subscription price amounted to US\$4 million.
Subscription fee	Up to 1% of subscription proceeds paid by the Participating Shareholder(s), which is on top of each Participating Shareholder's capital commitment. The directors of the SPC may waive or rebate all or part of such subscription fee.	
Management and/or Advisory Fee	The Manager is entitled to receive management fee at a rate of 1% per annum of the Participating Shareholders' capital commitment to SP1, and shall accrue from the Initial Closing Date and be payable for each semi-annual period.	The Manager and the Investment Advisor is entitled to receive management fee at a rate of 1.15% and 0.85% per annum of the Participating Shareholders' capital commitment to SP2, respectively; and such fees shall accrue from the Initial Closing Date and be payable for each semi-annual period.
Term	SP1 may be terminated on the first Business Day after the 5th anniversary from the end of the Initial Closing Date.	SP2 may be terminated on the first Business Day after the 7th anniversary from the end of the Initial Closing Date.
	The term of each Segregated Portfolio is subject to an extension for two additional 12-month periods at the discretion of the directors of the SPC.	

Redemption	Participating Shares are not redeemable at the option of the holders of the Participating Shares. Redemptions of Participating Shares will be effected only by way of compulsory redemption by the SPC upon expiry of the term and will take place on such day or days as the directors of the SPC may from time to time determine.
Redemption Price	Redemption price per Participating Share will be equal to the net asset value per Participating Share as at the Valuation Day on the relevant Redemption Day.
Transfer of Participating Shares	Participating Shares are transferable but directors of the SPC may in their absolute discretion decline to register any transfer of Participating Shares.

Basis of determining the Subscription Amount

The Subscription Amount payable by the Subscriber will be settled by cash, and funded by internal resources of the Group.

The Company had taken into accounts the following, such as terms, investment scope and risk exposure of the Segregated Portfolios, the terms of the Private Placement Memorandum, and the financial position of the Group when determining the Subscription Amount.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The principal purpose of the Subscription is to diversify the investment portfolio of the Company with the aim of enhancing its profitability and return by utilising the Group’s assets more efficiently, leading to better operational performance. The Subscription is also an opportunity for the Company to strategically deploy and maximise return on the funds of the Group and focus on strategic initiatives by making investments in emerging sectors as an extension of the main business activities of the Company, in particular in serving the AI IDC infrastructure sector, and potential users/companies of such infrastructure.

Considering the board of the SPC and the Manager have extensive investment experience in the industrial investment space, and that the Segregated Portfolios are expected to be investing in opportunities that specialize in different parts of the industry chain, can lead to innovation and differentiation, as well as strategic partnerships and collaborations, which can open up new opportunities for growth and expansion. It is also conducive to continue consolidating the innovation-driven and open digital economy ecosystem, which the Group hopes to achieve a win-win outcome. The Directors believe this represents a valuable opportunity for the Group to balance and diversify its own investment portfolio, potentially leading to capital appreciation. By establishing the SPC and subscribing to the Segregated Portfolios, the Group can mitigate direct investment risks by leveraging the professional management of the SPC and the Manager bringing in new strategic partners to leverage on their respective strengths, resources, capital, reputation and expertise for the further development and expansion of the existing businesses and potential projects of the Group.

Based on the above, the Directors consider the terms of the Subscription are on normal commercial terms which are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE SUBSCRIBER

The Company is an investment holding company. The Group is principally engaged in the provision of integrated business software solutions, and completed contracts involving integrated IT solutions, edge computing, intelligent computing and other data services.

The Subscriber is an investment holding company and a direct wholly-owned subsidiary of the Company.

INFORMATION OF THE SPC AND THE SEGREGATED PORTFOLIOS

The SPC is an exempted limited liability company incorporated in the Cayman Islands on 3 October 2024, and will apply for registration as a segregated portfolio company with the Cayman Islands Monetary Authority in due course.

The SPC has an authorised share capital of US\$50,000, which was divided into 100 management shares of US\$1.00 par value each; and 49,900,000 participating shares, which may be issued as Participating Shares, of par value US\$0.001 each. The holder of management shares has the right to vote in respect of all matters relating to the SPC, whereas the holder of Participating Shares will not have the right to vote as a member at any general meeting of the SPC.

The Subscriber is the holder of 100 management shares, being all management shares in the capital of the SPC. The SPC is a subsidiary of the Company and its financial results, assets and liabilities are consolidated into the Company's accounts.

As a segregated portfolio company, the SPC can operate segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio. The SPC expects to raise US\$50 million of capital by way of issuing Class A Shares to its subscribers.

As the subscription of the Participating Shares has not closed as at the date of this announcement, the Group is unable to ascertain its exact percentage of interest in the Segregated Portfolios. However, the Subscriber is given to understand that the Participating Shares subscribed by it is expected to represent approximately 25% of each of SP1 and SP2's Participating Shares on the Initial Closing Date.

Asia-IO Partners Masters SPC (an exempted limited liability company registered as a segregated portfolio company with the Cayman Islands Monetary Authority), which is managed by the Investment Advisor, has also subscribed for the Class A Shares, which is expected to be approximately 75% of each of SP1 and SP2's Participating Shares on the Initial Closing Date. To the best knowledge, information and belief of the Directors, all voting shares of Asia-IO Partners Masters SPC and its ultimate beneficial owner are wholly owned by third parties independent of the Company and its connected persons.

The directors of the SPC are responsible for overseeing the SPC and the overall management and control of the SPC. Subject to the directors of the SPC's overall supervision, the responsibility for making day-to-day investment decisions has been delegated to the Manager. As at the date of this announcement, directors of the SPC comprise of Mr. Liang Liang (an executive Director and co-chief executive officer of the Company), and Mr. Tik Yang Denis Tse ("Mr. Tse"). Mr. Tse is the chief executive officer of the Investment Advisor, and has over 20 years of private equity investing experience, with extensive experience in investing in the advanced manufacturing and digital infrastructure sectors.

The SPC and the Segregated Portfolios are newly established and has not commenced any business. Therefore, as at the date of this announcement, no financial information or performance report of the SPC and the Segregated Portfolios is available.

INFORMATION OF THE MANAGER, INVESTMENT ADVISOR & ADMINISTRATOR

The SPC has appointed Dragonstone Capital Management Limited as the Manager, pursuant to which it shall, amongst others, assist each Segregated Portfolio to accomplish the investment objectives through the provision of investment management services, including monitoring the performance of each Segregated Portfolio and advising whether to convert, acquire or dispose any investment within each Segregated Portfolio, and the terms and timing of such actions; and review and evaluate the investment strategies of the SPC and promote efficient capital management. The Manager is engaged in fund management for corporations, institutions and individual investors, and its investment management team has extensive international investment experience across a wide range of investment products and services.

Asia-IO Partners International Pte. Ltd has been appointed as the Investment Advisor to SP2 to carry out certain advisory and administrative services, such as providing evaluation, investigation, structuring and consultation advice. The Investment Advisor is a private company limited by shares incorporated in Singapore and licensed with Monetary Authority of Singapore under the Securities and Futures Act of Singapore to carry out fund management regulated activities.

Apex Fund Services (HK) Limited has been appointed as the Administrator to perform all general administrative tasks for the SPC, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. The Administrator is part of Apex Group, which provides specialist fund administration, share registrar, custody, and corporate secretarial services to funds.

To the best knowledge, information and belief of the Directors, as of the date of this announcement, the ultimate beneficial owners of the Manager are Mr. Xie Guomin, Mr. Zhang Ke and Ms. Zhang Cong, and each of the Manager, the Investment Advisor, the Administrator and their ultimate beneficial owners is wholly owned by third parties independent of the Company and its connected persons.

LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Administrator”	Apex Fund Services (HK) Limited, the administrator of the SPC
“Board”	the board of Directors
“Business Day(s)”	any day on which banks in Hong Kong and the Cayman Islands are open for general business, excluding days on which banks in Hong Kong are open for a shorter time as a result of a typhoon signal 8 or above or a black rainstorm signal or similar event

“Class A Share(s)”	the class of Participating Share(s) designated as Class A Share(s) being offered for subscription
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Closing Date”	the date of initial closing of each Segregated Portfolio, being such date as the directors of the SPC may determine
“Investment Advisor”	Asia-IO Partners International Pte. Ltd, the investment advisor of SP2
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Dragonstone Capital Management Limited, a private company limited by shares incorporated in Hong Kong which is licensed by the Securities and Futures Commission to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Participating Share(s)”	non-voting, non-redeemable shares of par value US\$0.001 each in a Segregated Portfolio of the SPC being offered for subscription, which include the Class A Shares
“Participating Shareholder(s)”	holder(s) of the Participating Share(s)

“Private Placement Memorandum”	the private placement memorandum of the SPC dated 20 November 2024 (as may be further amended or supplemented from time to time) setting out, among other things, the offer for subscription of Class A Shares in the capital of the SPC
“Redemption Day”	a Business Day as prescribed by the directors of the SPC or the Manager on which Participating Shares are compulsorily redeemed or any day(s) as the directors of the SPC may determine as of which Participating Shares may be redeemed
“Segregated Portfolio(s)”	SP1 and SP2
“Share(s)”	share(s) of the Company
“Shareholders”	holders of the Shares
“SP1”	Harmonia GenAI EPC SP, a segregated portfolio of the SPC
“SP2”	Harmonia GenAI Investment SP, a segregated portfolio of the SPC
“SPC”	Harmonia GenAI Ecosystem SPC, an exempted limited liability company which will apply for registration as a segregated portfolio company with the Cayman Islands Monetary Authority in due course
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Smart Billion Enterprises Corporation, a company incorporated in British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Class A Shares under Subscription I and Subscription II
“Subscription Amount”	US\$5 million, being the total subscription amount under the Subscription
“Subscription Application”	the subscription application submitted to the SPC by the Subscriber on 20 November 2024 in relation to the Subscription

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplement(s)”	supplements to the Private Placement Memorandum describing the offering terms of Class A Shares attributable to each of the Segregated Portfolios, as amended or supplemented from time to time, which form part of and should be read in conjunction with the Private Placement Memorandum
“US\$”	U.S. dollar(s), the lawful currency of the United States
“Valuation Day”	(i) the last Business Day of each calendar year; (ii) the Business Day immediately preceding any subscription day or Redemption Day; or (iii) the day of termination of the Segregated Portfolio, and/or such other Business Day as determined by the directors of the SPC on which the net asset value of the Segregated Portfolio is calculated
“%”	per cent

By Order of the Board
Enterprise Development Holdings Limited
Liang Liang
Executive Director and Co-Chief Executive Officer

Hong Kong, 20 November 2024

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