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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)**

### **CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTIONS**

This announcement is made by Enterprise Development Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company (i) dated 9 November 2021 relating to the Subscriptions, (ii) dated 29 November 2021 relating to the use of proceeds from the Subscriptions, (iii) dated 7 December 2021 relating to the amendment of the Subscription Price and extension of the Long Stop Date and (iv) dated 29 December 2021 relating to the completion of the Subscriptions (the “**Announcements**”). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements.

### **USE OF PROCEEDS FROM THE SUBSCRIPTIONS**

As disclosed in the Announcements, the net proceeds from the Subscriptions amounted to approximately HK\$22.37 million (the “**Net Proceeds**”). The Company intended to use the Net Proceeds as detailed in the Announcements as to (i) approximately HK\$15.64 million for capital injection in Beijing Orient LegendMaker and (ii) approximately HK\$6.73 million for general working capital of the Group which shall be applied on, including, but not limited to, approximately 70% for staff cost, approximately 20% for professional fees, approximately 5% for rental payments and approximately 5% for general administrative and operating expenses of the Group.

As at the date of this announcement, the Company has utilised approximately HK\$6.65 million Net Proceeds, representing approximately 29.7% of the Net Proceeds.

## CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$15.72 million (the “**Unutilised Net Proceeds**”), of which HK\$15.64 million are intended to be used for capital injection in Beijing Orient LegendMaker, including (i) research and development of the artificial intelligence related solutions software (the “**R&D in Solutions Software**”) of HK\$7.30 million and (ii) expansion of Group’s existing business to promote a domestic-produced database software to its end customers (the “**Domestic-produced Database Software**”) of HK\$8.34 million. The Board, having considered the current needs of the Group and the prevailing market conditions, resolved to change the use of part of the Unutilised Net Proceeds for general working capital of the Group. Set out below is the utilisation of the Net Proceeds up to the date of this announcement and the proposed change in use of the Unutilised Net Proceeds:

Use of proceeds	Proposed use of proceeds as disclosed in the Announcement HK\$ million	Proceeds utilised up to the date of this announcement HK\$ million	Unutilised amount up to the date of this announcement HK\$ million	Revised allocation of the Unutilised Net Proceeds HK\$ million
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Capital injection in Beijing Orient LegendMaker				
- R&D in Solutions Software	7.30	--	7.30	3.30
- Domestic-produced Database software	8.34	--	8.34	8.34
<b>Subtotal</b>	<b>15.64</b>	<b>--</b>	<b>15.64</b>	<b>11.64</b>
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General working capital of the Group				
- staff cost	4.70	4.70	N/A	2.80
- professional fees	1.35	1.35	N/A	0.80
- rental payments	0.34	0.26	0.08	0.28
- general administrative and operating expenses	0.34	0.34	N/A	0.20
<b>Subtotal</b>	<b>6.73</b>	<b>6.65</b>	<b>0.08</b>	<b>4.08</b>
<b>Total</b>	<b>22.37</b>	<b>6.65</b>	<b>15.72</b>	<b>15.72</b>

The Unutilised Net Proceeds for (i) capital injection in Beijing Orient LegendMaker and (ii) general working capital of the Group are expected to be utilised on or before 31 August 2023 and 31 December 2022 respectively.

## **REASON FOR AND BENEFITS OF CHANGE IN USE OF PROCEEDS**

The Company has considered certain recent developments of the Group when assessing the allocation of the use of Unutilised Net Proceeds.

The continuing US-China trade tension and the prolonged COVID-19 pandemic have brought negative impacts to economies around the globe. The scheduled projects in relation to R&D in solutions software have been delayed. In addition, the financial resources of the Group in Hong Kong are stringent. As such, in order to better utilise the Unutilised Net Proceeds, as interim arrangement, the Board decided to re-allocate HK\$4 million from the fund assigned for R&D in solutions software to general working capital of the Group to meet the financial needs of the Group.

The Board is of the view that the reallocation of the Unutilised Net Proceeds from capital injection in Beijing Orient LegendMaker to general working capital of the Group could satisfy the immediate funding need of working capital of the Company. Meanwhile, the Board will use its best endeavour to explore other opportunity to raise fund in order to replenish the shortfall of the capital to be injected to for Beijing Orient LegendMaker. The Board considered that the change in use of the Unutilised Net Proceeds will be a cost-effective way to use the fund of the Group for the time being and the proposed change in the use of the Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

If there are any further adjustments on the use of the Unutilised Net Proceeds, the Company will make further announcement as and when appropriate.

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

Hong Kong, 5 August 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.*