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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 30 April 2024 (after trading hours), 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 (6) Placées who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 40,810,000 Placing Shares at the Placing Price of HK\$1.80 per Placing Share.

The maximum Placing Shares of up to 40,810,000 Shares represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.66% 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\$1.80 per Placing Share represents (i) a discount of approximately 18.55% to the closing price of HK\$2.21 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.57% to the average of the closing prices per Share of HK\$2.238 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 AGM, subject to the limit up to 40,815,637 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\$73.458 million and the net proceeds will be approximately HK\$72.783 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$1.784 per Placing Share.

The Directors intend to use the net proceeds (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; 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.

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 30 April 2024 (after trading hours), 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 40,810,000 Placing Shares at the Placing Price of HK\$1.80 per Placing Share. Details of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date: 30 April 2024

Issuer: the Company

Placing Agent: Zhongtai International 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 0.8% 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 individual, institutional or professional 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 40,810,000 Shares represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.66% 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 40,810,000 Placing Shares is HK\$4,081,000.

Placing Price

The Placing Price of HK\$1.80 per Placing Share represents (i) a discount of approximately 18.55% to the closing price of HK\$2.21 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.57% to the average of the closing prices per Share of HK\$2.238 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

Completion of the Placing is conditional upon the satisfaction of the following conditions by not later than the Closing Date (or such later date as may be agreed between the Placing Agent and the Company):

1. there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings given by the Company under the Placing Agreement;

2. listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
3. no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or governmental agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
4. the Placing Agreement not being terminated by the Placing Agent pursuant to the terms of the Placing Agreement.

If the conditions are not fulfilled by the Closing Date, the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing except (i) the Company shall remain liable for the payment of all costs and expenses incurred or to be incurred in consequence of such termination, (ii) any antecedent breach by the Parties of any of the obligations and liabilities hereunder (including liabilities arising prior to such termination under the representations and warranties and undertakings) set out in the Placing Agreement and (iii) that the provisions of indemnity as set out in the Placing Agreement shall remain in full force and effect.

Completion

Completion of the Placing shall take place on the Completion Date.

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 AGM, subject to the limit up to 40,815,637 Shares (representing approximately 20% of the aggregate number of issued Shares on that date). The 40,810,000 Placing Shares to be allotted and issued will almost fully utilise the General Mandate. As at the date of this announcement, the Company has not utilised the General Mandate.

Termination

If at any time prior to the Completion Date:

- (1) if there has come to the notice of either Party:-
 - (i) that any statement contained in this announcement was, when this announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission therefrom; or
 - (iii) any material breach of the undertakings, warranties and representations set out in the Placing Agreement; or
 - (iv) any material breach of any of the obligations imposed upon the Company under the Placing Agreement; or
 - (v) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (2) if there develops, occurs, or comes into effect:-
 - (i) 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, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would prejudice the success of the Placing; or
 - (iii) any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or

- (iv) 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 the PRC and if in the sole and absolute opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agent, prejudice the success of the Placing; or
- (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing.

then and in any such case, with respect to the Placing, if any of the events set out above occur at any time on or prior to the Completion Date, the Placing Agent may, by giving a written notice to the Company signed by the Placing Agent, at any time prior to the Completion, terminate the Placing Agreement without liability to the other Party hereto and, subject to the terms of the Placing Agreement which shall continue, the Placing Agreement shall thereupon cease to have effect, and none of the Parties shall have any rights or claims by reason thereof, save in respect of any antecedent breach of any obligation by them under the Placing Agreement.

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.

As disclosed in the annual report of the Group for the year ended 31 December 2023, the Group will continue to explore potential integration opportunities for the Group's existing IT services, strengthen project management practice, put the best effort on the Group's growth opportunities and increasing the Group's competitive advantage to facilitate the long term business development of the Group. The Group is actively considering other investment opportunities in artificial intelligence data center in addition to the industrial park projects.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$73.458 million and the net proceeds will be approximately HK\$72.783 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$1.784 per Placing Share.

The Directors intend to use the net proceeds (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; 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 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 has not conducted any fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECT ON THE 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:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Hong Tai International II LPF	37,000,850	18.13	37,000,850	15.11
Places	-	-	40,810,000	16.66
Public Shareholders	167,077,335	81.87	167,077,335	68.23
Total	204,078,185	100.00	244,888,185	100.00

GENERAL

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 have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 23 June 2023
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday in Hong Kong) on which commercial banks generally are open for business in Hong Kong
“Closing Date”	being 21 May 2024 or such later date as the parties may agree in writing
“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
“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”	subject to the Conditions having been fulfilled, being 28 May 2024 (or such later time or date as the Company and the Placing Agent shall agree in writing) on which completion of the Placing shall take place
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the 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 AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the 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
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	an independent professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 40,810,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Zhongtai International Securities Limited, a corporation which is licensed by the Securities and Futures Commission to carry out and conduct regulated activities Type 1 (dealing in securities) and Type 4 (advising on securities)
“Placing Agreement”	the conditional placing agreement dated 30 April 2024 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.80 per Placing Share
“Placing Shares”	up to 40,810,000 Shares to be placed under the Placing
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“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

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

Hong Kong, 30 April 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.