
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used herein shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus, unless otherwise stated.

If you have sold or transferred all your shares in Enterprise Development Holdings Limited (the “Company”), you should at once hand this Prospectus and the accompanying PAL(s) and EAF(s) to the purchaser(s) or other transferee(s) or bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this Prospectus, together with copies of the documents specified in the paragraph headed “13. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Warning of the Risks of Dealing in the existing Shares and nil-paid Rights Shares” in the “Letter from the Board” in this Prospectus.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Underwriter to the Rights Issue



VC BROKERAGE LIMITED
滙盈證券有限公司

VC Brokerage Limited

The Rights Issue is only underwritten on a best effort basis. In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Conditions precedent of the Rights Issue” in this Prospectus and the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Wednesday, 12 May 2021). If the Underwriting Agreement does not become unconditional or if any of the conditions precedent of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 27 April 2021 to Tuesday, 4 May 2021 (both days inclusive). If the conditions precedent of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases, and/or dealings in the nil-paid Rights Shares, shall accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

The latest date and time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares is 4:00 p.m. on Friday, 7 May 2021. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 16 to 17 in the section headed “Letter from the Board – Procedures for acceptance and payment or transfer” of this Prospectus.

23 April 2021

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below. The expected timetable is indicative only and may be subject to change, and any such change will be announced in announcement by the Company as and when appropriate. The expected timetable has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Event	Time and Date 2021
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 27 April
Latest time for splitting of PALs	4:00 p.m. on Thursday, 29 April
Last day of dealings in nil-paid Rights Shares	Tuesday, 4 May
Latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares	4:00 p.m. on Friday, 7 May
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 12 May
Announcement of results of the Rights Issue	Tuesday, 18 May
Despatch of share certificates for the fully-paid Rights Shares	Thursday, 20 May
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Thursday, 20 May
Dealing in the fully-paid Rights Shares expected to commence	9:00 a.m. on Friday, 21 May
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 21 May
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Thursday, 10 June

EXPECTED TIMETABLE

All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

Whenever any part of the expected timetable of the Rights Issue as enlisted in the provisions of the Underwriting Agreement may be interrupted by a typhoon, a black rainstorm warning or Extreme Conditions, the Company shall properly inform the Shareholders of the corresponding contingency arrangements, which contingency arrangements shall include the Latest Time for Acceptance not taking place on the time as scheduled:

- (a) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 5:00 p.m. on the same Business Day; or
- (b) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Friday, 7 May 2021, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms have the following meanings:

“acting in concert”	having the meaning as set out in the Takeovers Code
“Announcement”	the announcement of the Company dated 19 February 2021 in relation to, among others, the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Enterprise Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on main board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EAF(s)”	the form(s) of application for Excess Rights Shares in the agreed form for use by such Qualifying Shareholders who wish to apply for any Excess Rights Shares

DEFINITIONS

“Excess Rights Shares”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares
“Excluded Shareholder(s)”	those Overseas Shareholders whose address is/are in such place(s) outside Hong Kong where the Directors, based on the enquiry made pursuant to the Underwriting Agreement consider it necessary or expedient on account of either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, to whom the Directors decide not to offer the Rights Shares
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department in June 2019 in the event of serious disruption of public transport services, or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules

DEFINITIONS

“Last Trading Day”	19 February 2021, being the last trading day of the Shares on the Stock Exchange prior to the execution of the Underwriting Agreement and release of the Announcement
“Latest Practicable Date”	19 April 2021, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on 7 May 2021 or such later time or date as may be agreed between the Parties in writing, being the latest time for acceptance of, and payment for, the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on 12 May 2021 or such later time or date as may be agreed between the Parties in writing, which shall be the latest time for termination of the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Option Holders”	holders of the outstanding Share Options
“Overseas Shareholder(s)”	such Shareholder(s) whose registered address(es) (as shown in the register of members of the Company at the close of business on the Record Date) is/are situated outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders in respect to their pro rata entitlement under the Rights Issue
“Prospectus”	this prospectus to be despatched to the Shareholders in connection with the Rights Issue in such form as may be agreed between the Parties
“Prospectus Documents”	this Prospectus (including any supplemental prospectus, if any), the PAL(s) and the EAF(s)

DEFINITIONS

“Prospectus Posting Date”	23 April 2021 or such other date as may be agreed between the Parties in writing, being the date for the despatch of the Prospectus Documents (in case of Excluded Shareholder(s), the Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	24 March 2021 or such other date as may be agreed between the Parties in writing, being the date for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited of Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	up to 379,086,466 new Shares for subscription by the Qualifying Shareholders by way of the Rights Issue
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company

DEFINITIONS

“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation or non-compliance with the Public Float Requirement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	as at the date of the Announcement, 31,950,000 outstanding share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 26 May 2016
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Specified Event”	an event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.12 per Rights Share

DEFINITIONS

“Supplemental Underwriting Agreement”	the supplemental underwriting agreement dated 24 March 2021 entered into between the Company and the Underwriter, pursuant to which the Company and the Underwriter agreed that the timetable for the Rights Issue shall have to be revised to such an extent that certain dates ought to be put off (the “ Extension ”) and to carry out and give effect to the Extension
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Underwriter”	VC Brokerage Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 19 February 2021 (as revised and supplemented by the Supplemental Underwriting Agreement) entered into between the Company and the Underwriter in relation to the Rights Issue, and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 379,086,466 Rights Shares underwritten by the Underwriter on best-effort basis pursuant to the terms and conditions of the Underwriting Agreement
“Untaken Share(s)”	such number of Rights Shares in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid by the Latest Time for Acceptance, including any Rights Shares to which the Excluded Shareholders would not have otherwise been entitled under the Rights Issue
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (5) in the absolute opinion of the Underwriter, there occurs any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than twenty (20) consecutive Business Days otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of the announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue, or
- (8) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing served on the Company on or prior to the Latest Time for Termination (the "**Termination Notice**"). For the avoidance of any doubt, if the Underwriter, in its sole and absolute opinion considers any COVID-19 related event to have caused a material adverse impact over the implementation of the Underwriting Agreement or the Rights Issue, it shall be entitled to rely on such impact or its aftermath thereof as ground or reason to terminate or rescind the Underwriting Agreement and/or the Rights Issue.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

Executive Directors:

Mr. Guan Huanfei (*Chairman*)

Ms. Mao Junjie

Independent non-executive Directors:

Mr. Cai Jinliang

Mr. Hui Yat On

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Flat B, 11/F

Hing Lung Commercial Building

68-74 Bonham Strand

Sheung Wan

Hong Kong

23 April 2021

*To the Qualifying Shareholders and,
for information purpose only,
to the Excluded Shareholders,*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement and the announcement of the Company dated 24 March 2021 whereby the Board announced that the Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise up to approximately HK\$47.4 million, before expenses. On the date of the Announcement, the Underwriter and the

LETTER FROM THE BOARD

Company entered into the Underwriting Agreement, pursuant to which, the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to 395,061,466 Rights Shares (assuming all outstanding Share Options are exercised in full on or before the Record Date, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. From the date of the Announcement and up to 18 March 2021, being the date the register of members of the Company closed for determining entitlement under the Rights Issue, no issue or repurchase of Shares has been conducted. As a result, the total number of issued Shares as at the Record date was 758,172,933 and the total number of Rights Shares to be issued will be up to 379,086,466 Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue and the underwriting arrangement; (ii) the financial information of the Group; and (iii) the general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares in issue and held at the close of business on the Record Date
Number of Shares in issue as at the Record Date	:	758,172,933 Shares
Number of Rights Shares to be issued	:	Up to 379,086,466 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$37,908,646.60
Subscription Price	:	HK\$0.12 per Rights Share
Net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue)	:	Approximately HK\$0.117 per Rights Share

LETTER FROM THE BOARD

Enlarged number of Shares in issue upon completion of the Rights Issue	:	Up to 1,137,259,399 Shares
Gross proceeds from the Rights Issue	:	Up to approximately HK\$45,490,000 before expenses
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of the Announcement, the Company had an outstanding 31,950,000 Share Options granted to the grantees which entitled the holders thereof to subscribe for an aggregate of 31,950,000 new Shares from 1 December 2020 to 31 August 2030. As at the Record Date, no Share Option has been exercised by the Option Holders. Save as disclosed above, as at the Record Date, the Company has no other outstanding derivatives, options, warrants or securities in issue which confer any rights to subscribe for, convert or exchange into Shares. As a result, the total number of issued Shares as at the Record Date was 758,172,933 Shares and the total number of Rights Shares to be issued by the Company will be up to 379,086,466 Rights Shares.

As at the Latest Practicable Date, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company shall not from the date of the Underwriting Agreement until after the Latest Time for Acceptance issue any Shares or issue or grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares.

As at the Latest Practicable Date, assuming all the Rights Shares are fully subscribed, the 379,086,466 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents approximately 50.00% of the total number of issued Shares and approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, and up to 379,086,466 Rights Shares to be subscribed subject, however, to any scale-down vis-a-vis the MGO Obligation or the Public Float Requirement.

LETTER FROM THE BOARD

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.12 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for the Excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 11.11% to the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 49.15% to the closing price of HK\$0.236 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 42.20% to the average of the closing price of HK\$0.2076 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 34.68% to the average of the closing price of HK\$0.1837 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 39.09% to the theoretical ex-rights price of approximately HK\$0.197 per Share based on the closing price of HK\$0.236 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 16.38%, represented by the theoretical diluted price of approximately HK\$0.197 per Share to the benchmarked price of HK\$0.236 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.236 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day of HK\$0.193 per Share); and

LETTER FROM THE BOARD

- (vii) a discount of approximately 18.37% to the audited consolidated net tangible asset value attributable to equity shareholders of the Company per Share of approximately HK\$0.147 (based on the latest published audited consolidated net tangible asset value attributable to equity holders of the Company of approximately RMB93.7 million (equivalent to approximately HK\$111.7 million based on the exchange rate of RMB1 to HK\$1.1916) as at 31 December 2020 and 758,172,933 Shares in issue as at the Latest Practicable Date).

Based on the audited consolidated statements of profit or loss of the Company, the Company has recorded a net loss after tax of approximately RMB39,055,000 and approximately RMB104,119,000 for the years ended 31 December 2018 and 31 December 2019 respectively and recorded an unaudited net loss after tax of approximately RMB11,876,000 for the six months ended 30 June 2020. Further, the Company has been closely monitoring the Share price and the liquidity of the Shares in the recent months. According to the website of the Stock Exchange, the average closing price of the Share was approximately HK\$0.154, the lowest closing price of the Share was HK\$0.132 and the average trading volume of the Shares was only approximately 362,439 Shares per trading day for the three months between 19 November 2020 to 19 February 2021, being the day on which the Subscription Price was arrived, which represented only approximately 0.05% of the total number of issued Shares of 758,172,933 Shares as at the Last Trading Day. In view of the unsatisfactory financial performance of the Company, the average Share price and the low liquidity of the Shares as aforementioned, the Company regarded that the discount of the Subscription Price to the Last Trading Day may be considered to match the market expectation upon discussion with the Underwriter.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed "**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**" in this Prospectus. The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all dividends and distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

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Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. The Company will despatch the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date and will despatch the Prospectus only (without the PAL or the EAF) to the Excluded Shareholders for their information.

To qualify for the Rights Issue, a Shareholder:

- (i) must be registered as a member of the Company at the close of business on the Record Date; and
- (ii) is not an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date so as to qualify for the Rights Issue, any transfer of Shares (together with the relevant share certificates) must have been lodged with the Registrar for registration by no later than 4:00 p.m. on Wednesday, 17 March 2021.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders (if any) should note that their shareholdings in the Company may be diluted.

Rights of the Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue.

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According to the register of members of the Company as at the Record Date, there was no Overseas Shareholders with registered addresses situated outside Hong Kong. It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

Basis of provisional allotments

The Company shall provisionally allot the Rights Shares to the Qualifying Shareholders at the Subscription Price, in the proportion of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

Fractional entitlements

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed "Application for Excess Rights Shares" below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

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Application for the Rights Shares

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar of the Company by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. on Friday, 7 May 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "**ENTERPRISE DEVELOPMENT HOLDINGS LTD – Provisional Allotment Account**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Friday, 7 May 2021, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Thursday, 29 April 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the

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surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the conditions precedent of the Rights Issue as set out in the paragraph headed "Conditions precedent of the Rights Issue" below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Wednesday, 12 May 2021 (or such later time or date as may be agreed between the Company and the Underwriter in writing), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 20 May 2021.

No receipt will be issued in respect of any PAL and/or remittances received.

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Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares represent:

- (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

The Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to applications for topping up odd lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which

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are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status.

Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the amount payable for the Excess Rights Shares being applied for with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by not later than 4:00 p.m. on Friday, 7 May 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "**ENTERPRISE DEVELOPMENT HOLDINGS LTD – Excess Application Account**" and crossed "**ACCOUNT PAYEE ONLY**". No receipt will be issued in respect of any remittances received.

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Tuesday, 18 May 2021. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for Excess Rights Shares, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 20 May 2021. If the number of Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 20 May 2021.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

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Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the conditions precedent of the Rights Issue as set out in the paragraph headed "Conditions precedent of the Rights Issue" below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Wednesday, 12 May 2021 (or such later time or date as may be agreed between the Company and the Underwriter in writing), the monies received in respect of application for Excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 20 May 2021.

It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions precedent of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 20 May 2021 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each Shareholder (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be posted on or before Thursday, 20 May 2021 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Thursday, 20 May 2021, by ordinary post to the applicants, at their own risk, to their registered addresses.

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Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement

Without prejudice to the generality of the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort basis, to avoid the unwitting triggering of MGO Obligations and non-compliance of Public Float Requirements, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation or non-compliance of Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Application for listing

The Company has made an application to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in the board lots of 2,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Arrangement of odd lot trading

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed VC Brokerage Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Leung (Dealing Department) at (852) 2913 6716, 6/F., Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong during the period from Friday, 21 May 2021 at 9:00 a.m. to Thursday, 10 June 2021 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

THE UNDERWRITING AGREEMENT

On 19 February 2021 (after trading hours), the Company and the Underwriter (each a “Party” and collectively, the “Parties”) entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement are set out below:

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Underwriting Agreement

- Date : 19 February 2021 (after trading hours) and revised and supplemented by the Supplemental Underwriting Agreement
- Issuer : The Company
- Underwriter : VC Brokerage Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

As at the Latest Practicable Date, the Underwriter does not hold any Shares. The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

- Number of Rights Shares underwritten by the Underwriter : up to 379,086,466 Rights Shares underwritten by the Underwriter on a best-effort basis pursuant to the terms and conditions of the Underwriting Agreement
- Underwriting Commission : 1% of the aggregate Subscription Price in respect of such number of the Rights Shares actually procured by the Underwriter for subscription pursuant to the Underwriting Agreement

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the market practice. The Directors consider that the terms of the Underwriting Agreement including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

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Subject to the fulfilment of all the conditions precedent (save and except such conditions precedent waived in accordance with the conditions precedent (v) and (xi) and the paragraphs as set out in the section headed “**Conditions precedent of the Rights Issue**”) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription, on a best effort basis, on the terms of the Prospectus Documents (insofar as the same are applicable) for such Untaken Shares.

Conditions precedent of the Rights Issue

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Prospectus Posting Date, and such listing and permission to deal not having been withdrawn or revoked;
- (iv) the obligations of the Underwriter having become unconditional and the Underwriting Agreement not having been terminated in accordance with its terms;
- (v) compliance with and performance of all undertakings and obligations, and representations and warranties of the Company under the Underwriting Agreement, and the Underwriting Agreement is not terminated in accordance with its terms;

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- (vi) compliance with the requirements under all applicable laws and regulations;
- (vii) each Party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein;
- (viii) the entering into of binding agreements by the Underwriter with certain subscribers procured by the Underwriter and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber procured by the Underwriter and/or sub-underwriters and/or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons associated of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue;
- (ix) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (x) there being no Specified Event occurring on or before the Latest Time for Termination; and
- (xi) the Underwriter receiving from the Company all the documents as set out in the Underwriting Agreement in form and substance satisfactory to the Underwriter as soon as practicable after the date of the Underwriting Agreement, and not later than 4:00 p.m. on the Business Day immediately before the Prospectus Posting Date.

Apart from the conditions precedent as set out in (v) and (xi) above which can be waived in whole or in part by the Underwriter unilaterally by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent are incapable of being waived. The Parties shall use their respective best endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Parties may agree in writing and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares (in their nil-paid or fully-paid forms) or to give effect to the Rights Issue and the arrangements contemplated in the Underwriting Agreement.

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If any of the conditions precedent (save and except those having been waived in accordance with the above paragraph) are not satisfied in whole by the Latest Time for Termination or such other date as the Parties may agree in writing, the Underwriting Agreement shall terminate (save and except the clauses of fees and expenses and indemnity and certain clauses which shall remain in full force and effect) and no Party shall have any claim against the other Party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, the condition precedent (vii) has been satisfied and none of the other conditions precedent has been satisfied or fulfilled. Further, condition precedent (v) and (xi) has not been waived by the Underwriter up to date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, assuming no new Shares (other than the Rights Shares) will be issued and no repurchase of Shares on or before the completion of the Rights Issue, the shareholding structure of the Company as at the Latest Practicable Date, and the effect on the shareholding structure of the Company immediately after completion of the Rights Issue in the manner contemplated under the Underwriting Agreement are set out as follows:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholders		Assuming (a) no acceptance by the Qualifying Shareholders; and (b) all the Untaken Shares are taken up by the Underwriter and its subscribers procured by the Underwriter	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Substantial Shareholders						
King Pak Fu (Note 1)	278,351,792	36.71%	417,527,688	36.71%	278,351,792	24.48%
Zhongwei Group (Hong Kong) Company Limited (Note 2)	<u>126,362,155</u>	<u>16.67%</u>	<u>189,543,232</u>	<u>16.67%</u>	<u>126,362,155</u>	<u>11.11%</u>
Sub-total	404,713,947	53.38%	607,070,920	53.38%	404,713,947	35.59%
Public Shareholders						
The Underwriter and/or its subscriber(s) procure by it	-	-	-	-	379,086,466	33.33%
Other public Shareholders	<u>353,458,986</u>	<u>46.62%</u>	<u>530,188,479</u>	<u>46.62%</u>	<u>353,458,986</u>	<u>31.08%</u>
Sub-total	<u>353,458,986</u>	<u>46.62%</u>	<u>530,188,479</u>	<u>46.62%</u>	<u>732,545,452</u>	<u>64.41%</u>
Total	<u><u>758,172,933</u></u>	<u><u>100.00%</u></u>	<u><u>1,137,259,399</u></u>	<u><u>100.00%</u></u>	<u><u>1,137,259,399</u></u>	<u><u>100.00%</u></u>

LETTER FROM THE BOARD

Notes:

1. Pursuant to the SFO, King Pak Fu (“**Mr. King**”) is deemed to be interested in (i) 60,435,500 Shares held through Affluent Start Holdings Investment Limited (“**Affluent Start**”); (ii) 3,846,000 Shares held through Mystery Idea Limited (“**Mystery Idea**”); (iii) 10,216,000 Shares held through Elite Mile Investments Limited (“**Elite Mile**”); (iv) 17,182,000 Shares held through Sino Wealthy Limited (“**Sino Wealthy**”); and (v) 186,672,292 Shares held through Luck Success Development Limited (“**Luck Success**”). Each of Affluent Start, Mystery Idea and Elite Mile is wholly-owned by Mr. King. Sino Wealthy is wholly-owned by Bremwood Holdings Limited, both of Bremwood Holdings Limited and Luck Success are wholly-owned by Gauteng Focus Limited, which is wholly-owned by Rentian Technology Holdings Limited (in liquidation), the latter is indirectly controlled by Mr. King as at the Latest Practicable Date.
2. Zhongwei Group (Hong Kong) Company Limited beneficially owns 126,362,155 Shares of the total number of issued Shares of the Company and is wholly-owned by Han Lili. Therefore, Han Lili is deemed to be interested in the number of Shares held by Zhongwei Group (Hong Kong) Company Limited by virtue of the SFO.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Untaken Shares, the Underwriter shall confirm with the Company the actual number of Untaken Shares as at the Latest Time for Acceptance, and shall procure for subscription therefor on the best effort basis whilst using its best endeavours to ensure that (1) each of the subscribers of the Untaken Shares procured by the Underwriter shall be an Independent Third Party of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (2) the Public Float Requirement be fulfilled by the Company upon completion of the Rights Issue; and (3) the Underwriter or each subscriber procured by the Underwriter shall not (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

INFORMATION ON THE UNDERWRITER

The Underwriter is a company incorporated in Hong Kong with limited liability. It is principally engaged in dealing in securities and its ordinary course of business includes underwriting of securities. As at the Latest Practicable Date, it is a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in software business segment and money lending and investment business in Hong Kong and the People's Republic of China, mainly in Beijing, Shanghai, Chengdu and Guangzhou. The software business segment is engaged in the provision of integrated business software solutions. The investment business are engaged in trading securities listed on the Stock Exchange and New York Stock Exchange.

As disclosed in the Company's annual results for the year ended 31 December 2020, the Company recorded a revenue of approximately RMB70.8 million for the year ended 31 December 2020, representing a decrease of approximately 30% as compared to the same period ended 31 December 2019. The decrease in overall revenue for the software business was due to the outbreak of COVID-19. The COVID-19 has brought a negative impact in overall market sentiment and the Group's financial performance in the year 2020 was adversely affected. The COVID-19 has posed significant challenges to the Group's business activities and has caused operational delays to some extent. The financial performance of the Group was thereby adversely affected. In addition, the interest-bearing borrowings amounted to approximately RMB9.8 million as at 31 December 2020. As at 28 February 2021, the cash of the Group was approximately RMB49.4 million.

As mentioned in the 2019 annual report of the Company, the Group will continue to look for suitable business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can enhance return to the Shareholders. Accordingly, on 30 September 2020, the Company entered into a subscription agreement with a subscriber, pursuant to which approximately 126 million new shares were issued and the net proceeds of approximately HK\$21 million was obtained by the Company. As at the Latest Practicable Date, all the net proceeds were utilized (details of which are set out in the section headed "**FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**" below).

In light of the latest financial performance, the Company further considers to raise new capital by conducting rights issue to replenish its financial resources and strengthen its financial position in order to pay for the Group's operating expenses, develop the businesses of the Group and make further investments when the opportunities arise, but no specific investment targets have been identified yet as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors consider that the Rights Issue will strengthen its capital structure without incurring debt financing cost. Also, the Rights Issue will improve the working capital and liquidity and cash position of the Group. Furthermore, the Rights Issue will allow all the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement of the Rights Shares and hence avoiding dilution in their shareholding interests in the Company. The Qualifying Shareholders are also able to further increase their interests in the Company through excess applications. Therefore, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company has considered other fund-raising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Company has considered different fund-raising options other than the Rights Issue.

In respect of debt financing, after discussion with various banks, the Company is unlikely to obtain debt financing given that the financial performance of the Group was not satisfactory. Also, debt financing will increase the financial cost and gearing ratio of the Group which is not beneficial to the Group. In respect of equity financing, placing or subscription of new Shares would further dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. The Company considered that rights issue would be more attractive and flexible to the Shareholders than open offer because the Shareholders would have a choice to sell their entitled nil-paid Rights Shares when they do not wish to participate in the rights issue.

Therefore, the Rights Issue is suitable for the Company (i) to raise the necessary capital; (ii) to enhance its financial position without increasing its debt or finance costs; and (iii) to allow the existing Shareholders to maintain their proportional shareholdings in the Company. In light of the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company has approached various financial institutions to explore interest in underwriting the Rights Issue. Under the current uncertain economic atmosphere, only the Underwriter expressed its interest in acting as the underwriter of the Rights Issue on a best effort basis instead of a fully-underwritten basis among all those financial institutions.

LETTER FROM THE BOARD

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be approximately HK\$45.5 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$44.3 million. The Company intends to apply such net proceeds as to approximately (i) 30% of net proceeds for the potential acquisitions, expansion and equipment purchase of the Group's software business in the future; (ii) 40% of net proceeds for loan financing business and securities investments business; and (iii) the remaining 30% of net proceeds for the Group's operating expenses and overheads, among which approximately 60% is for staff cost (including salary and allowance), approximately 4% is for rental payments, approximately 20% is for professional fees (including legal fee, financial advisory fee, accounting and auditing fee) and the remaining 16% is for the general administrative and operating expenses (including utilities and insurance, statutory registration fee, listing fee and travelling expenses etc.). In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

The Company will look for suitable business opportunities so as to diversify the Group's business and to broaden its source of income. As at the Latest Practicable Date, the Company is in the process of identifying potential acquisition and business opportunities but no particular targets of potential acquisition, expansion and equipment purchase of the Group's software business have been identified yet. With respect to the securities investments business, the Group currently holds a portfolio of various listed securities, which comprised of listed companies in different business sectors. The Group will closely monitor the stock market and adjust its current investments portfolio from time to time according to market change. On the other hand, the Group will expand its loan financing business through its existing business network and introduction from its existing customers. The Group will adopt a prudent approach to identify borrowers which can provide the Group with stable fixed income under an acceptable risk level. The management will continue to monitor the market situation to seize the advantages of this business activity and expand the business steadily.

The expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) are estimated to be approximately HK\$1.2 million.

After careful consideration, the Directors consider that the terms and conditions of the Rights Issue are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
30 September 2020 and 17 November 2020 (date of completion)	Issue of 126,362,155 subscription Shares under general mandate	HK\$21.13 million	general working capital, used to improve the Company's professional technical services capabilities to facilitate the long-term business development of the Group, and further investments of the Group as and when the opportunities arise	general working capital of HK\$1.5 million, loan financing business of HK\$10.5 million and investment in listed securities of HK\$9.13 million

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS

As at the Latest Practicable Date, there are 31,950,000 outstanding share options under the Share Option Scheme. Pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules, the exercise price and/or the number of the outstanding Share Options granted under the Share Option Scheme will be adjusted. Further announcement will be made in respect of the said adjustments as and when appropriate.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Conditions precedent of the Rights Issue" and "Termination of the Underwriting Agreement" in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

LETTER FROM THE BOARD

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
Enterprise Development Holdings Limited
Guan Huanfei
Chairman

1. FINANCIAL SUMMARY OF THE GROUP

Details of (i) the consolidated annual results of the Group for the year ended 31 December 2020; (ii) the unaudited consolidated financial information of the Group for the six months ended 30 June 2020; and (iii) to (v) the audited consolidated financial information of the Group for the years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.1808.com.hk/>). Set out below are links to the relevant annual results, annual reports and interim report of the Company:

- (i) The consolidated annual results of the Group for the year ended 31 December 2020 is disclosed in the announcement of the Company dated 30 March 2021, from pages 1 to 19:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0331/2021033100015.pdf>
- (ii) The unaudited financial information of the Group for the six months ended 30 June 2020 is disclosed in the interim report of the Company for the six months ended 30 June 2020 published on 28 September 2020, from pages 3 to 29:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0928/2020092800439.pdf>
- (iii) The audited financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 21 April 2020, from pages 48 to 124:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0421/2020042101332.pdf>
- (iv) The audited financial information of the Group for the year ended 31 December 2018 is disclosed in the annual report of the Company for the year ended 31 December 2018 published on 16 April 2019, from pages 46 to 136:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0416/lt20190416403.pdf>
- (v) The audited financial information of the Group for the year ended 31 December 2017 is disclosed in the annual report of the Company for the year ended 31 December 2017 published on 19 April 2018, from pages 46 to 128:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0419/lt20180419139.pdf>

2. INDEBTEDNESS OF THE GROUP**Loan from a third party, unsecured and unguaranteed**

At the close of business on 28 February 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had a short-term borrowing of RMB4,174,000 from an independent third party.

Loan from a fellow subsidiary, unsecured and unguaranteed

At the close of business on 28 February 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had a short-term borrowing of RMB5,674,000 from a fellow subsidiary.

Margin facilities

At the close of business on 28 February 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had pledged certain financial assets at fair value through profit or loss with carrying amount of approximately RMB19,428,000 to secure margin facilities of approximately RMB250,000 obtained from a regulated securities dealer. Part of facilities of RMB243,000 was utilised as at 28 February 2021.

Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. At the close of business on 28 February 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had current and non-current liabilities amounting to RMB1,650,000 and RMB673,000, respectively.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at the close of business on 28 February 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since 28 February 2021 and up to the Latest Practicable Date; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including margin facilities and other internal resources, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in software business segment and money lending and investment business in Hong Kong and the People's Republic of China ("PRC"), mainly in Beijing, Shanghai, Chengdu and Guangzhou. The software business segment is engaged in the provision of integrated business software solutions. The investment business are engaged in trading securities listed on the Stock Exchange and New York Stock Exchange.

The Group has an experienced technical team which can provide its clients with prompt and effective services and business solutions and it has established a solid client base over the years. Over the past ten years, the Group's software business has provided database software and engineering services to the PRC enterprise customers in terms of life cycle management, health check, troubleshooting and function upgrade which has a significant market share and a strong brand effect in this area.

As impacted by the spreading of COVID-19, the economic conditions of the PRC and the world slowed down sharply. The PRC and many other countries implemented lockdowns and social distancing measures for protecting the society in response to the outbreak of COVID-19 pandemic, which caused a plenitude of challenges and uncertainties in the global economic environment. To lower the negative impact from the outbreak of COVID-19, the Group's management has closely monitored the market conditions in the PRC and has put in place certain contingency measures such as remote working of employees. However, the impact of COVID-19 on economic activities was far beyond expectation and resulted in a decrease of 30% in the consolidated revenue of the Group for the year ended 31 December 2020 as compared with the same period of 2019. Despite the decrease in revenue, the Group is looking to improve its profit margin in the software maintenance services. Therefore, it is repositioning its products in terms of lowering the cost of sales.

In order to maintain the Group's sustainability and value creation capability over the long term, the Group will try to maintain its competitiveness through introduction of new products and services, and will continue to look for suitable business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can enhance return to the Shareholders.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company prepared in accordance with paragraph 4.29 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the unaudited adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as if the Rights Issue had been completed on 31 December 2020.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 31 December 2020 is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 31 December 2020 is prepared based on the consolidated statement of financial position of the Group as at 31 December 2020, as extracted from the published annual results announcement of the Group for the year ended 31 December 2020, with adjustments described below.

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company immediately after completion of the Rights Issue	Adjusted consolidated net tangible assets of the Group per share attributable to the equity shareholders of the Company immediately after completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the equity shareholders of the Company immediately after completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the equity shareholders of the Company immediately after completion of the Rights Issue
	Estimated net proceeds from Rights Issue	RMB'000	RMB	RMB	HK\$
	(Note i)	(Note ii)	(Note iii)	(Note iv)	(Note v)
Rights Issue of 379,086,466 Rights Shares at subscription price of HK\$0.12 per Rights Share	93,745	36,968	130,713	0.124	0.115
					0.138

Notes:

- (i) The adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company as at 31 December 2020 of approximately RMB93,745,000 is based on the consolidated net assets of the Group attributable to the equity shareholders of the Company as at 31 December 2020 of RMB94,914,000, adjusted by intangible assets of RMB1,169,000 as shown on the consolidated statement of financial position of the Group as at 31 December 2020 as extracted from published annual results announcement of the Group for the year ended 31 December 2020.
- (ii) The estimated net proceeds from the Rights Issue of approximately HK\$44,283,000 (equivalent to approximately RMB36,968,000) are based on 379,086,466 Rights Shares to be issued (in the proportion of one rights share for every two existing shares) at the subscription price of HK\$0.12 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,207,000 (equivalent to RMB1,008,000), assuming that the Rights Issue had been completed on 31 December 2020.
- (iii) The adjusted consolidated net tangible assets of the Group per share attributable to the equity shareholders of the Company as at 31 December 2020 is RMB0.124, which is calculated based on the adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 31 December 2020 of RMB93,745,000 as set out in Note (i) above divided by 758,172,933 shares in issue as at 31 December 2020.
- (iv) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the equity shareholders of the Company immediately after completion of the Rights Issue of RMB0.115, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company immediately after completion of the Rights Issue of RMB130,713,000 divided by 1,137,259,399 shares, which comprising 758,172,933 shares in issue as at 31 December 2020 and 379,086,466 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of one Rights Share for every two existing shares held as at the Rights Issue record date), that are in issue assuming that the Rights Issue had been completed on 31 December 2020.
- (v) For the purpose of the unaudited pro forma financial information, conversion of RMB and HK\$ is calculated at the exchange rate of RMB0.8348 to HK\$1.0. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, may be exchanged at this or any other rate or at all.
- (vi) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2020.

**B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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23 April 2021

The Directors
Enterprise Development Holdings Limited
Flat B, 11th Floor
Hing Lung Commercial Building
68-74 Bonham Strand
Sheung Wan, Hong Kong

Dear Sirs,

**ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Enterprise Development Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets attributable to the equity shareholders of the Company as at 31 December 2020 and related notes (the “**Pro Forma Financial Information**”) as set out on page II-1 to II-2 to the prospectus dated 23 April 2021 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in page II-1 to II-2 to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 379,086,466 right shares (assuming no outstanding share options are exercised in full on or before the record date, but otherwise no other shares are issued and no repurchase of shares on or before the record date) at HK\$0.12 per rights share (the “**Rights Shares**”) on the basis of one Rights Shares for every two existing shares of the Company held on the rights issue record date (the “**Rights Issue**”) on the Group's consolidated net tangible assets attributable to the equity shareholders of the Company as at 31 December 2020 as if the Rights Issue had taken place on 31 December 2020.

As part of this process, information about the Group's financial position as at 31 December 2020 has been extracted by the Directors from the Group's published annual results announcement for the year ended 31 December 2020.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

REPORTING ACCOUNTANT'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Hong Kong Standard on Quality Control 1 (Clarified) "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue as at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Mazars CPA Limited

Certified Public Accountants

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue) are set out as follows:

(i) as at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.10	<u>1,000,000,000</u>
<i>Issued and fully paid up:</i>		
<u>758,172,933</u>	Shares of HK\$0.10	<u>75,817,293.30</u>

(ii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue):

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares	<u>1,000,000,000</u>
<i>Issued and fully paid up:</i>		
758,172,933	Shares of HK\$0.10 in issue as at the Latest Practicable Date	75,817,293.30
<u>379,086,466</u>	Rights Shares to be allotted and issued	<u>37,908,646.60</u>
<u>1,137,259,399</u>	Shares in issue and fully paid upon completion of the Rights Issue	<u>113,725,939.90</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the Shares then in issue including the right to receive future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. Save as disclosed below, the Company has no other outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

As at the Latest Practicable Date, there are 31,950,000 outstanding Share Options which are exercisable from 1 December 2020 to 31 August 2030 and entitle the Options Holders to subscribe for 31,950,000 Shares under the Share Option Scheme, details of which are set out below:

Name of category of participant	Date of grant	Exercisable period	Exercise price	Number of outstanding Share Options
Executive Director	1 September 2020	1 December 2020 to 31 August 2030 (both days inclusive)	HK\$0.2122	200,000
Employees	1 September 2020	1 December 2020 to 31 August 2030 (both days inclusive)	HK\$0.2122	31,750,000
				31,950,000

3. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and short positions in Share, underlying Shares and debentures of the Company and associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were otherwise required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of underlying Shares (Note 1)	Approximate percentage of the total issued Shares
Mr. Guan Huanfei	Beneficial owner (Note 2)	200,000 (L)	0.03%

Notes:

1. “L” denotes long position.
2. 200,000 Share Options were granted to Mr. Guan Huanfei on 1 September 2020 pursuant to the Share Option Scheme. Therefore, under Part XV of the SFO, Mr. Guan Huanfei is taken to be interested in the underlying shares that he is entitled to subscribe for subject to the exercise of and/or the validity period of the Share Options granted.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company has any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which were required, pursuant to the Model Code as set out in appendix 10 to the Listing Rules.

(ii) **Substantial shareholders' interests and short positions in the Shares and underlying Shares of the Company**

Save as disclosed below, as at the Latest Practicable Date, to the best knowledge of the Directors, interests or short positions of the persons, other than a Director or chief executive of the Company, in the Shares and/or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of the substantial Shareholder	Capacity in which the Shares are held	Long positions/ short positions in Shares	Approximate percentage of total issued Shares (Note 1)
China Taiping Insurance Holdings Company Limited (“ China Taiping ”) (Note 2)	Person having a security interest in shares	Long position: 203,854,292	26.89%
Taiping Financial Holdings Company Limited (“ Taiping Financial ”) (Note 2)	Person having a security interest in shares	Long position: 203,854,292	26.89%
China Insurance Group Finance Company Limited (“ China Insurance ”) (Note 2)	Person having a security interest in shares	Long position: 203,854,292	26.89%
King Pak Fu (“ Mr. King ”) (Note 3)	Interest of controlled corporations	Long position: 278,351,792	36.71%
		Short position: 203,854,292	26.89%
Luck Success Development Limited (“ Luck Success ”) (Note 3)	Beneficial owner	Long position: 186,672,292	24.62%
		Short position: 186,672,292	24.62%

Name of the substantial Shareholder	Capacity in which the Shares are held	Long positions/ short positions in Shares	Approximate percentage of total issued Shares (Note 1)
Rentian Technology Holdings Limited (“ Rentian ”) (Note 3)	Interest of controlled corporations	Long position: 203,854,292 Short position: 203,854,292	26.89% 26.89%
Gauteng Focus Limited (“ Gauteng Focus ”) (Note 3)	Interest of controlled corporations	Long position: 203,854,292 Short position: 203,854,292	26.89% 26.89%
Han Lili (Note 4)	Interest of controlled corporations	Long position: 126,362,155	16.67%
Zhongwei Group (Hong Kong) Co., Limited (Note 4)	Beneficial owner	Long position: 126,362,155	16.67%

Notes:

- (1) As at the Latest Practicable Date, the percentage of shareholding is calculated based on 758,172,933 Shares in issue.
- (2) China Insurance is wholly-owned by Taiping Financial which in turn is wholly-owned by China Taiping. Therefore, China Taiping is deemed to be interested in the Shares held by Taiping Financial and China Insurance pursuant to the SFO.
- (3) Pursuant to the SFO, Mr. King is deemed to be interested in (i) 60,435,500 Shares held through Affluent Start Holdings Investment Limited (“**Affluent Start**”); (ii) 3,846,000 Shares held through Mystery Idea Limited (“**Mystery Idea**”); (iii) 10,216,000 Shares held through Elite Mile Investments Limited (“**Elite Mile**”); (iv) 17,182,000 Shares held through Sino Wealthy Limited (“**Sino Wealthy**”); and (v) 186,672,292 Shares held through Luck Success. Each of Affluent Start, Mystery Idea and Elite Mile is wholly-owned by Mr. King. Sino Wealthy is wholly-owned by Bremwood Holdings Limited, both of Bremwood Holdings Limited and Luck Success are wholly-owned by Gauteng Focus, which is wholly-owned by Rentian (in liquidation), the latter is indirectly controlled by Mr. King as at the Latest Practicable Date.

- (4) Zhongwei Group (Hong Kong) Company Limited beneficially owns 126,362,155 Shares of the total number of issued Shares of the Company and is wholly-owned by Han Lili. Therefore, Han Lili is deemed to be interested in the number of Shares held by Zhongwei Group (Hong Kong) Company Limited by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (other than the Directors and chief executives of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation;
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2019, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (c) none of the Directors and their respective associates was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors was considered to have interests in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, the Company was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far as the Directors are aware.

7. MATERIAL CONTRACTS

Save for the following, there were no material contracts (not being contract(s) entered into in the ordinary course of business) which had been entered into by any member of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the loan agreement dated 21 August 2019 entered into between Enterprise Development Investment Holdings Limited (“**Enterprise Development Investment**”), an indirect wholly-owned subsidiary of the Company as lender and Carnival Group (Hong Kong) Holdings Limited (“**Carnival Group (Hong Kong)**”), as borrower pursuant to which Enterprise Development Investment agreed to provide to Carnival Group (Hong Kong) a loan in the principal amount of HK\$5,900,000 by way of a loan facility at an interest rate of 8% per annum for a term commencing from 21 August 2019 to 20 February 2020, subject to and upon the terms and conditions of the loan agreement;
- (b) the placing agreement dated 15 January 2020 entered into between the Company, as an issuer and CVP Securities Limited, as a placing agent in relation to the placing of up to 105,301,796 placing shares at a placing price of HK\$0.249 per placing share;
- (c) the subscription agreement (the “**2020 Subscription Agreement**”) dated 30 September 2020 entered into between the Company, as an issuer and Zhongwei Group (Hong Kong) Co., Limited, as a subscriber in relation to the subscription of 126,362,155 Shares by Zhongwei Group (Hong Kong) Co., Limited at the subscription price of HK\$0.168 per subscription Share;
- (d) the supplemental agreement to the 2020 Subscription Agreement dated 21 October 2020 entered into between the Company and Zhongwei Group (Hong Kong) Co., Limited in relation to the amendment of the completion date and the extension of the long stop date from 3 November 2020 to 17 November 2020, or such other date as may be mutually agreed between the Company and Zhongwei Group (Hong Kong) Co., Limited;
- (e) the Underwriting Agreement; and
- (f) the Supplemental Underwriting Agreement.

8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Guan Huanfei (“**Mr. Guan**”), aged 63, was appointed as an executive Director, chairman of the Board on 2 June 2020. He is also a member of each of the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company. Mr. Guan obtained a Doctor degree in Economics in 2000 from Wuhan University and was a postdoctoral researcher in Theoretical Economics with Fudan University from 2000 to 2002. He has been a part-time researcher of the Insurance Research Centre of Fudan University since 2004. Mr. Guan has been appointed as a part-time lecturer of professional degree of Fudan University since 2013. He has been appointed as a visiting professor of Jilin University of Finance and Economics since August 2019. Mr. Guan has been an economic and technical consultant of People’s Government of Jilin Province for years. He has extensive experience in finance and insurance industry in Hong Kong and the People’s Republic of China. Mr. Guan held various senior managerial positions in the People’s Insurance Company of China (Jilin Branch), the business department of Hong Kong and Macao Regional Office of China Insurance Group, China Taiping Insurance (HK) Company Limited and China Pacific Insurance Co., (H.K.) Limited. He also held offices at the Bank of Communications, including the deputy chairman of the risk asset management committee, the deputy chairman of credit asset management committee, the chairman of loan verification committee, the deputy general manager of the Bank of Communications Hong Kong Branch, a director of Bank of Communications Trustee Limited, the chairman and chief executive of China BOCOM Insurance Company Limited and an executive director and general manager of BoCommLife Insurance Company Limited.

Mr. Guan is currently an independent non-executive director of each of China Nonferrous Mining Corporation Limited (stock code: 1258), China Shandong Hi-Speed Financial Group Limited (stock code: 412), Huarong International Financial Holdings Limited (stock code: 993), Sunwah Kingsway Capital Holdings Limited (stock code: 188), and Shanghai Zendai Property Limited (stock code: 755), all of the companies are listed on the Main Board of the Stock Exchange. During the period from December 2017 to June 2018, Mr. Guan served as a non-executive director of Ping An Securities Group (Holdings) Limited (a company listed on the Main Board of the Stock Exchange, stock code: 231). He was the chairman emeritus of Culturecom Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 343) and the chairman of the board of directors of UCAN.COM Group Limited, a subsidiary of Culturecom Holdings Limited from July 2013 to March 2016. Mr. Guan was an independent non-executive director of Solis Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2227) since August 2019 and resigned in September 2020. He was also an independent non-executive director of China Wood International Holding Co., Limited (formerly known as HongDa Financial Holding Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 1822) during the period from June 2018 to May 2020. Save as aforesaid, Mr. Guan did not hold any directorship in any other listed companies during the past three years.

Ms. Mao Junjie (“**Ms. Mao**”), aged 38, was appointed as an executive Director on 31 December 2020. She worked at 北京東方龍馬軟件發展有限公司 (Beijing Oriental LegendMaker Software Development Company Limited*), a subsidiary of the Company, from October 2012 to March 2017, and her last position was a public relation manager. Ms. Mao was a director of Forefront International (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Rentian Technology Holdings Limited (in liquidation) (a company listed on the Main Board of the Stock Exchange; Stock code: 885) (the controlling shareholder (as defined under the Listing Rules) of the Company which was ordered to be wound up by the High Court of Hong Kong on 21 October 2020), between the period from May 2019 until her resignation in December 2019. Ms. Mao confirmed that she is not a party of such winding up proceedings and is not aware of any actual or potential claim that has been or will be made against her as a result of the above. She has 15 years of experience in financial management, information system management, accounting projects, and various mergers and acquisitions activities. Ms. Mao obtained a bachelor’s degree from The Central Academy of Drama in July 2006. Ms. Mao did not hold any directorship in any other listed companies during the past three years.

Independent non-executive Directors

Mr. Cai Jinliang (“**Mr. Cai**”), aged 51, was appointed as an independent non-executive Director on 24 August 2020. He is also the chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Cai was graduated from Gannan Normal University in July 1989, majoring in Mathematics and obtained a Master degree of Business Administration and a Postgraduate Degree from Northwest Polytechnical University in September 2006. He has been a certified public accountant in China since August 2008 and has more than 12 years of practicing experience and obtained the qualification of a certified internal auditor, certification in control self-assessment and an independent director in the Shanghai Stock Exchange. Mr. Cai joined Wuyige Certified Public Accountants LLP in October 2012 and has been a partner and department manager since April 2018. He had been a senior project manager and a manager in RSM China LLP (now known as Ruihua Certified Public Accountants) during the period

from 2006 to September 2012. Mr. Cai has been an independent director and the convener of the board of directors, the audit committee of Fujian Start Group Co., Ltd. (a company listed on the Shanghai Stock Exchange; stock code: 600734) since September 2018. He had conducted the audit work on the annual reports of Jingwei Textile Machinery Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 666), Shandong Xinneng Taishan Power Generation Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 720), Xinyangfeng Agricultural Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 902), Metallurgical Corporation of China Ltd. (a company listed on both the Shanghai Stock Exchange and Hong Kong Stock Exchange; stock code: 601618, 01618), China Huaneng Group Co., Ltd., Great Wall Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 2939) and Yintai Securities Co., Ltd., and has extensive experience in auditing annual report, significant assets restructuring and special audit on state-owned enterprises and listed companies. Mr. Cai performed internal audits according to corporate internal control standards of Datang International Power Generation Co., Ltd. (a company listed on both the Shanghai Stock Exchange and Hong Kong Stock Exchange; stock code: 601991, 991) and Angang Steel Company Limited (a company listed on both the Shenzhen Stock Exchange and Hong Kong Stock Exchange; stock code: 898, 347), provided consultation services on the establishment of internal control system of Xinjiang Bayi Iron & Steel Group Co., Ltd. (a company listed on the Shanghai Stock Exchange; stock code: 600581) and has extensive experience in internal audit, evaluation and system construction consulting services. Save as aforesaid, Mr. Cai did not hold any directorship in any other listed companies during the past three years.

Mr. Hui Yat On (“**Mr. Hui**”), aged 61, was appointed as an independent non-executive Director on 11 January 2021. He is also a member of the Audit Committee. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor’s degree in business administration in December 1982. In November 2004, Mr. Hui obtained a master’s degree in professional accounting from Hong Kong Polytechnic University. He has become a member of the Hong Kong Institute of Certified Public Accountants since December 1986. Mr. Hui is a member of the Hong Kong Chiu Chow Chamber of Commerce. He has been an independent non-executive director of ArtGo Holdings Limited (a company listed on the Main Board of the Stock Exchange; stock code: 3313) since 8 June 2016. Mr. Hui is currently a senior executive of a company listed on the GEM of the Stock Exchange. He has previously served as the executive director and senior executive of several Hong Kong listed companies. Mr. Hui has three decades of experiences in the field of corporate finance and financial services. Save as aforesaid, Mr. Hui did not hold any directorship in any other listed companies during the past three years.

9. EXPERT'S CONSENT AND QUALIFICATION

The following sets out the qualification of the expert who has given opinions, letters or advices included in this Prospectus:

Name	Qualification
Mazars CPA Limited	Certified Public Accountants

Mazars CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and reference to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, Mazars CPA Limited did not have any shareholding, directly or indirectly, in any member of the Group nor did Mazars CPA Limited have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Mazars CPA Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2019 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office of the Company:	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business of the Company in Hong Kong:	Flat B, 11/F Hing Lung Commercial Building 68-74 Bonham Strand Sheung Wan Hong Kong
Underwriter:	VC Brokerage Limited 6/F., Centre Point 181-185 Gloucester Road Wanchai Hong Kong
Legal advisers to the Company as to the Rights Issue:	WT Law Offices Units 1102-1103 11/F, Prosperous Building 48-52 Des Voeux Road Central Hong Kong
Legal advisers to the Company as to the Company Act (Revised) of the Cayman Islands	Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Hong Kong branch share registrar and transfer office:	Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong

Principal share registrar and transfer office:	Suntera (Cayman) Limited Suite 3204, Unit 2A Block 3, Building D P.O. Box 1586 Gardenia Court Camana Bay Grand Cayman, KY1-1100 Cayman Islands
Financial adviser to Company:	VC Capital Limited 7/F., Centre Point 181-185 Gloucester Road Wanchai Hong Kong
Auditor:	Mazars CPA Limited 42/F, Central Plaza 18 Harbour Road Wanchai Hong Kong
Principal banker:	Bank of Communications Co., Ltd. 20 Pedder Street Central Hong Kong
Authorised representatives:	Ms. Mao Junjie and Ms. Chan Yuen Ying, Stella Flat B, 11/F Hing Lung Commercial Building 68-74 Bonham Strand Sheung Wan Hong Kong
Company Secretary:	Ms. Chan Yuen Ying, Stella (<i>Note</i>) Suites 1106-08, 11/F The Chinese Bank Building 61-65 Des Voeux Road Central Hong Kong

Note: Ms. Chan Yuen Ying, Stella is a fellow member of The Chartered Governance Institute (formerly known as The institute of Chartered secretaries and Administrator) and a fellow member of the Hong Kong Institute of Chartered Secretaries.

11. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) are estimated to be approximately HK\$1.2 million, which are payable by the Company.

12. BINDING EFFECT

This Prospectus, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “**9. EXPERT’S CONSENT AND QUALIFICATION**” in this Appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the office in Hong Kong of the Company at Flat B, 11/F, Hing Lung Commercial Building, 68-74 Bonham Strand, Sheung Wan, Hong Kong during the period of 14 days from the date of this Prospectus:

- (i) the memorandum of association and the articles of association of the Company;
- (ii) the announcement dated 30 March 2021 of the consolidated annual results of the Group for the year ended 31 December 2020;
- (iii) the unaudited interim report of the Company for the six months ended 30 June 2020;
- (iv) the annual reports of the Company for the three financial years ended 31 December 2017, 2018 and 2019;
- (v) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;

- (vi) the written consent referred to in the paragraph headed “**9. EXPERT’S CONSENT AND QUALIFICATION**” in this Appendix;
- (vii) the material contracts referred to in the paragraph headed “**7. MATERIAL CONTRACTS**” in this Appendix; and
- (viii) the Prospectus Documents.

15. LANGUAGE

In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

16. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (iii) The business address of all Directors and authorized representatives of the Company is Flat B, 11/F, Hing Lung Commercial Building, 68-74 Bonham Strand, Sheung Wan, Hong Kong.