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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Yu Hui (*Co-Chief Executive Officer*)  
Liang Liang (*Co-Chief Executive Officer*)  
Li Zhuoyang

### Independent Non-executive Directors

Cai Jinliang  
Chin Hon Siang  
Chen Kwok Wang

## COMPANY SECRETARY

Chan Yuen Ying, Stella

## AUTHORISED REPRESENTATIVES

Li Zhuoyang  
Chan Yuen Ying, Stella

## AUDIT COMMITTEE

Cai Jinliang (*Committee Chairman*)  
Chin Hon Siang  
Chen Kwok Wang

## REMUNERATION COMMITTEE

Chin Hon Siang (*Committee Chairman*)  
Cai Jinliang  
Li Zhuoyang

## NOMINATION COMMITTEE

Chin Hon Siang (*Committee Chairman*)  
Cai Jinliang  
Li Zhuoyang

## AUDITOR

HLB Hodgson Impey Cheng Limited

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1105, 11/F.  
Jubilee Centre  
18 Fenwick Street/46 Gloucester Road  
Wanchai, 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

## 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 BANKER

Bank of Communications Co., Ltd.

## STOCK CODE

1808

## COMPANY WEBSITE

[www.1808.com.hk](http://www.1808.com.hk)

# UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

The board (the “Board”) of directors (the “Directors”) of Enterprise Development Holdings Limited (the “Company”) presents the unaudited consolidated financial results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 together with comparative figures for the corresponding period in 2023. The unaudited interim financial report has not been audited but has been reviewed by the Company’s audit committee (the “Audit Committee”).

		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2024 (Unaudited) RMB'000</b>	2023 (Unaudited) RMB'000
<b>Revenue</b>	4	<b>127,590</b>	29,434
Cost of sales		<b>(94,318)</b>	(18,866)
<b>Gross profit</b>		<b>33,272</b>	10,568
Other revenue		<b>430</b>	263
Other gains, net	5	<b>17,174</b>	7,143
Distribution expenses		<b>(8,504)</b>	(7,055)
General and administrative expenses		<b>(14,548)</b>	(9,880)
Fair value (loss)/gain on financial assets at fair value through profit or loss (“FVPL”)		<b>(1,410)</b>	4,160
<b>Profit from operation</b>		<b>26,414</b>	5,199
Finance costs	6(a)	<b>(3,805)</b>	(548)
<b>Profit before taxation</b>	6	<b>22,609</b>	4,651
Income tax (expense)/credit	7	<b>(3,512)</b>	31
<b>Profit for the period</b>		<b>19,097</b>	4,682
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>19,109</b>	5,098
Non-controlling interests		<b>(12)</b>	(416)
<b>Profit for the period</b>		<b>19,097</b>	4,682
		<b>RMB</b>	RMB
<b>Basic and diluted earnings per share</b>	9	<b>0.092</b>	0.038

# UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024 (Unaudited) RMB'000</b>	2023 (Unaudited) RMB'000
<b>Profit for the period</b>	<b>19,097</b>	4,682
<b>Other comprehensive income/(loss) for the period</b>		
<i>Items that are or may be reclassified to profit or loss:</i>		
Exchange difference on translation of financial statements of overseas operations	<b>(2,785)</b>	4,977
	<b>(2,785)</b>	4,977
<b>Total comprehensive income for the period</b>	<b>16,312</b>	9,659
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>16,306</b>	9,989
Non-controlling interests	<b>6</b>	(330)
<b>Total comprehensive income for the period</b>	<b>16,312</b>	9,659

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	10	2,212	2,419
Intangible assets	11	10,889	6,912
Right-of-use assets	12	3,613	3,152
		<b>16,714</b>	12,483
<b>Current assets</b>			
Financial assets at FVPL	13	46,607	30,078
Contract assets		4,057	22,936
Trade and other receivables	14	181,724	59,462
Cash and cash equivalents		208,678	177,805
		<b>441,066</b>	290,281
<b>Current liabilities</b>			
Trade and other payables	15	40,795	10,628
Contract liabilities		26,741	4,809
Lease liabilities	12	3,564	2,372
Interest-bearing borrowings	16	21,938	19,816
Current taxation		6,026	123
		<b>99,064</b>	37,748
<b>Net current assets</b>		<b>342,002</b>	252,533
<b>Total assets less current liabilities</b>		<b>358,716</b>	265,016
<b>Non-current liability</b>			
Lease liabilities	12	70	875
<b>NET ASSETS</b>		<b>358,646</b>	264,141

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
	<i>Note</i>		
<b>Capital and reserves</b>			
Share capital	17	<b>21,535</b>	17,752
Reserves		<b>285,852</b>	195,136
<b>Total equity attributable to equity shareholders of the Company</b>		<b>307,387</b>	212,888
<b>Non-controlling interests</b>		<b>51,259</b>	51,253
<b>TOTAL EQUITY</b>		<b>358,646</b>	264,141

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Other reserve	Share-based payment reserve	PRC statutory reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2023</b>	6,939	564,253	(8,440)	2,291	8,483	21,943	(481,920)	113,549	53,565	167,114
Changes in equity for the six months ended 30 June 2023										
Profit for the period	-	-	-	-	-	-	5,098	5,098	(416)	4,682
Other comprehensive income	-	-	-	-	-	4,891	-	4,891	86	4,977
<b>Total comprehensive income (loss) for the period</b>	-	-	-	-	-	4,891	5,098	9,989	(330)	9,659
<b>Transactions with owners</b>										
<i>Contributions and distributions</i>										
Issue of rights shares, net of expenses (note 17)	10,813	79,840	-	-	-	-	-	90,653	-	90,653
Acquisition of non-controlling interests without a change in control	-	-	635	-	-	-	-	635	(635)	-
	10,813	79,840	635	-	-	-	-	91,288	(635)	90,653
<b>Balance at 30 June 2023 (Unaudited)</b>	17,752	644,093	(7,805)	2,291	8,483	26,834	(476,822)	214,826	52,600	267,426
<b>Balance at 1 January 2024</b>	17,752	644,093	(7,805)	2,291	8,483	24,444	(476,370)	212,888	51,253	264,141
Changes in equity for the six months ended 30 June 2024										
Profit for the period	-	-	-	-	-	-	19,109	19,109	(12)	19,097
Other comprehensive expense	-	-	-	-	-	(2,803)	-	(2,803)	18	(2,785)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(2,803)	19,109	16,306	6	16,312
<b>Transactions with owners</b>										
<i>Contributions and distributions</i>										
Issue of placing shares, net of expenses (note 17)	3,783	74,410	-	-	-	-	-	78,193	-	78,193
	3,783	74,410	-	-	-	-	-	78,193	-	78,193
<b>Balance at 30 June 2024 (Unaudited)</b>	21,535	718,503	(7,805)	2,291	8,483	21,641	(457,261)	307,387	51,259	358,646



# UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>Net cash used in operating activities</b>	<b>(35,590)</b>	(44,314)
<b>Net cash used in investing activities</b>	<b>(5,005)</b>	(3,246)
<b>Net cash generated from financing activities</b>	<b>75,062</b>	94,921
<b>Net increase in cash and cash equivalents</b>	<b>34,467</b>	47,361
<b>Cash and cash equivalents as at 1 January</b>	<b>177,805</b>	101,036
<b>Effect on exchange rate changes</b>	<b>(3,594)</b>	4,456
<b>Cash and cash equivalents as at 30 June</b>	<b>208,678</b>	152,853

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 1. BASIS OF PREPARATION

This unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “IASB”) and were authorised for issue on 23 August 2024.

The unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an unaudited interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains unaudited consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The unaudited interim report and notes thereon do not include all the information required for full set of consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the IASB.

The financial information relating to the financial year ended 31 December 2023 that is included in this unaudited interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Consolidated financial statements for the year ended 31 December 2023 are available from the Company’s principal place of business in Hong Kong.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following new IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's consolidated financial statements.

Amendments to IAS 1	Classification of liabilities as current or non-current ("2020 amendments")
Amendments to IAS 1	Classification of liabilities as current or non-current ("2022 amendments")
Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements

The adoption of these amendments to IFRSs and IAS did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods.

The Group has not applied any new standards, amendments and interpretation that is not yet effective for the current accounting period.

## 3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are mainly organised by business lines. In a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment, the Group has presented one major reportable segment during the six months ended 30 June 2024 and 2023.

Software business: Provision of integrated business software solutions in the People's Republic of China (the "PRC")

In addition, other unreportable segment (securities trading and trading of fresh cassava) are aggregated and presented as "Others".

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*Six months ended 30 June 2024*

## 3. SEGMENT REPORTING (continued)

### (a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade payables and accruals attributable to the sales activities of the individual segments and interest-bearing borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is “adjusted profit/(loss) before taxation”. Adjusted profit/(loss) before taxation is the Group’s profits/(losses) before items not specifically attributed to individual segments, such as directors’ and auditors’ remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit/(loss) before taxation, the Board is provided with segment information concerning revenue, interest income and expense from cash balances and interest-bearing borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations.

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales during the six months ended 30 June 2024 and 2023.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 3. SEGMENT REPORTING (continued)

### (a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Board for the purpose of resources allocation and assessment of segment performance for the period is set out below.

	Software business		Others		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>Revenue</b>						
Revenue from external customers	126,865	29,434	725	–	127,590	29,434
<b>Reportable segment revenue</b>	<b>126,865</b>	<b>29,434</b>	<b>725</b>	<b>–</b>	<b>127,590</b>	<b>29,434</b>
<b>Reportable segment profit/(loss)</b>						
Adjusted profit/(loss) before taxation	18,645	(1,154)	9,107	8,875	27,752	7,721
Fair value (loss)/gain on financial assets at FVPL	–	–	(1,410)	4,160	(1,410)	4,160
Gain on disposal of financial assets at FVPL	–	–	17,174	7,143	17,174	7,143
Interest income from bank deposits	6	7	194	4	200	11
Interest expenses	(194)	(493)	(3,441)	(12)	(3,635)	(505)
Depreciation and amortisation	(2,162)	(918)	(196)	(123)	(2,358)	(1,041)

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 3. SEGMENT REPORTING (continued)

### (a) Segment results, assets and liabilities (continued)

	Software business		Others		Total	
	As at 30 June 2024 (Unaudited) RMB'000	As at 31 December 2023 (Audited) RMB'000	As at 30 June 2024 (Unaudited) RMB'000	As at 31 December 2023 (Audited) RMB'000	As at 30 June 2024 (Unaudited) RMB'000	As at 31 December 2023 (Audited) RMB'000
<b>Reportable segment assets</b>	<b>274,067</b>	180,763	<b>98,474</b>	89,159	<b>372,541</b>	269,922
Additions to non-current segment assets during the reporting period	<b>5,763</b>	6,915	-	846	<b>5,763</b>	7,761
<b>Reportable segment liabilities</b>	<b>88,756</b>	28,956	<b>972</b>	671	<b>89,728</b>	29,627

### (b) Reconciliation of reportable segment revenue, profit, assets and liabilities

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Revenue</b>		
Reportable segment revenue	<b>127,590</b>	29,434
<b>Profit before taxation</b>		
Reportable segment profit derived from the Group's external customers	<b>27,752</b>	7,721
Unallocated head office and corporate expenses	<b>(5,143)</b>	(3,070)
<b>Consolidated profit before taxation</b>	<b>22,609</b>	4,651

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 3. SEGMENT REPORTING (continued)

### (b) Reconciliation of reportable segment revenue, profit, assets and liabilities (continued)

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
<b>Assets</b>		
Reportable segment assets	<b>372,541</b>	269,922
Unallocated head office and corporate assets	<b>85,239</b>	32,842
<b>Consolidated total assets</b>	<b>457,780</b>	302,764
<b>Liabilities</b>		
Reportable segment liabilities	<b>89,728</b>	29,627
Unallocated head office and corporate liabilities	<b>9,406</b>	8,996
<b>Consolidated total liabilities</b>	<b>99,134</b>	38,623

### (c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets and right-of-use assets ("Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided, or the goods delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of intangible assets and right-of-use assets.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 3. SEGMENT REPORTING (continued)

### (c) Geographic information (continued)

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June		30 June	31 December
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
The PRC	126,865	29,434	15,771	11,008
Thailand	725	-	-	-
Hong Kong	-	-	943	1,475
	<b>127,590</b>	29,434	<b>16,714</b>	12,483

## 4. REVENUE

The principal activity of the Group are sale of software licenses and other products and the provision of integrated business software solutions.

The amount of each significant category of revenue recognised during the period are as follows:

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Software maintenance and other services	49,347	18,101
Sales of software products and other products	78,243	11,333
	<b>127,590</b>	29,434



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 5. OTHER GAINS, NET

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Gain on disposal of financial assets at FVPL	17,174	7,143
	<b>17,174</b>	<b>7,143</b>

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>(a) Finance costs</b>		
Interest expenses on interest-bearing borrowings wholly repayable within five years	3,744	489
Interest expenses on lease liabilities	61	59
	<b>3,805</b>	<b>548</b>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits	12,622	10,176
Contributions to defined contribution retirement schemes	1,262	1,244
	<b>13,884</b>	<b>11,420</b>
<b>(c) Other items</b>		
Amortisation on intangible assets	1,162	201
Depreciation on property, plant and equipment	313	203
Depreciation on right-of-use assets (note 12)	1,251	637
Leases expenses under short-term leases	286	160

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 7. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>Current tax</b>		
PRC Enterprises Income Tax		
Current period	(3,512)	–
Over provision in respect of prior periods	–	31
	<b>(3,512)</b>	31

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. The statutory income tax rate of its PRC subsidiaries is 25%.

Beijing Orient LegendMaker Software Development Co., Ltd. is entitled to a preferential income tax rate of 15% for the six months ended 30 June 2024 and 2023 as it was awarded high-technology status by the tax authority.

No provision for Hong Kong Profits Tax have been made as the Group does not have assessable profits or incurred a loss for taxation purposes for the six months ended 30 June 2024 and 2023. PRC income tax has been made according to the expected assessable profits for the six months ended 30 June 2024 (*six months ended 30 June 2023: Nil*).

These tax rates were used to calculate the Group’s deferred tax assets and liabilities as at 30 June 2024 and 2023.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 8. DIVIDENDS

No dividend was paid or proposed in respect of the six months ended 30 June 2024 (*six months ended 30 June 2023: Nil*), nor has any dividend been proposed since the end of the reporting period.

## 9. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2024 is based on the profit attributable to equity shareholders of the Company of approximately RMB19,109,000 (*six months ended 30 June 2023: RMB5,098,000*) and the weighted average of 207,890,108 (*six months ended 30 June 2023: 133,277,036*) ordinary shares in issue during the interim period.

Potential dilutive ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive. Therefore, the diluted earnings per share equals to the basic earnings per share.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of furniture, fixtures and equipment (*six months ended 30 June 2023: furniture, fixtures and equipment and motor vehicles*) with a cost of approximately RMB106,000 (*six months ended 30 June 2023: RMB1,914,000*). No property, plant and equipment was disposed during both six months ended 30 June 2024 and 2023.

## 11. INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group developed software patents (*six months ended 30 June 2023: software patents*) with a cost of approximately RMB5,139,000 (*six months ended 30 June 2023: RMB1,380,000*).

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

	Motor vehicles <i>RMB'000</i>	Office premises <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 30 June 2024 (Unaudited)</b>			
Carrying amount	682	2,931	3,613
<b>As at 31 December 2023 (Audited)</b>			
Carrying amount	1,029	2,123	3,152
<b>For the period ended 30 June 2024 (Unaudited)</b>			
Depreciation charge	368	883	1,251
<b>For the period ended 30 June 2023 (Unaudited)</b>			
Depreciation charge	–	637	637
		<b>30 June 2024 (Unaudited) <i>RMB'000</i></b>	<b>31 December 2023 (Audited) <i>RMB'000</i></b>
Additions to right-of-use assets			
– Motor vehicles		–	1,442
– Office premises		<b>1,680</b>	1,574

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

### Lease liabilities

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Current portion	<b>3,564</b>	2,372
Non-current portion	<b>70</b>	875
	<b>3,634</b>	3,247

## 13. FINANCIAL ASSETS AT FVPL

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Mandatorily measured at FVPL		
Equity securities listed in Hong Kong	<b>481</b>	2,020
Equity securities listed in the United States	<b>46,126</b>	28,058
	<b>46,607</b>	30,078

Note:

The fair value of listed equity securities is based on quoted market prices in active markets at the end of the reporting period.

During the six months ended 30 June 2024, an unrealised fair value loss on listed equity securities of approximately RMB1,410,000 (six months ended 30 June 2023: an unrealised fair value gain of approximately RMB4,160,000) was recognised in profit or loss.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 14. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Trade receivables, net of loss allowance	<i>(a)</i>	<b>43,078</b>	9,888
Loan receivables from third parties	<i>(b)</i>	<b>12,222</b>	11,902
Less: loss allowance on loan receivables	<i>(c)</i>	<b>(10,169)</b>	(9,902)
Loan receivables, net of loss allowance		<b>2,053</b>	2,000
Prepayments made to suppliers, net of impairment loss		<b>80,966</b>	23,146
Deposits and other receivables, net of loss allowance	<i>(d)</i>	<b>55,627</b>	24,428
		<b>136,593</b>	47,574
		<b>181,724</b>	59,462

All of the trade and other receivables are expected to be recovered within one year.

*Note:*

- (a) As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Within 1 month	<b>37,966</b>	6,590
Over 1 month but less than 3 months	<b>262</b>	2,118
Over 3 months but less than 1 year	<b>4,666</b>	261
Over 1 year but less than 2 years	<b>136</b>	919
Over 2 years	<b>48</b>	–
	<b>43,078</b>	9,888

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 14. TRADE AND OTHER RECEIVABLES (continued)

Note: (continued)

- (b) As at 30 June 2024, except that loan receivables of RMB2,792,000 (31 December 2023: RMB2,719,000) were unsecured, interest-bearing at 8% per annum and repayable in December 2024, the remaining balance of RMB9,430,000 (31 December 2023: RMB9,183,000) were unsecured, carried at fixed interest rates of ranging from 7% to 8% (31 December 2023: 7% to 8%) per annum and overdue. The loan receivables were denominated in HK\$.
- (c) During the six months ended 30 June 2024 and 2023, the management consider no increase nor decrease in accumulated loss allowances on loan receivables recognised in profit or loss.
- (d) At 31 December 2023, deposits and other receivables include the advance of RMB8,248,000 made to other third parties which are unsecured, interest-bearing at 7% per annum and repayable on demand. The advance was fully settled as at 30 June 2024.

## 15. TRADE AND OTHER PAYABLES

	Note	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade payables	(a)	28,672	1,196
Non-trade payables and accrued expenses		9,341	8,721
Other tax payables		2,782	711
		<b>40,795</b>	10,628

All of the trade and other payables are expected to be settled within one year.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 15. TRADE AND OTHER PAYABLES (continued)

Note:

- (a) As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Due within 1 month or on demand	16,455	243
Due after 1 month but within 3 months	10,678	235
Due after 3 months but within 6 months	1,431	600
Due after 6 months but within 1 year	–	–
Due after 1 year	108	118
	<b>28,672</b>	1,196

## 16. INTEREST-BEARING BORROWINGS

	Note	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Loan from a third party, unsecured and unguaranteed	(a)	4,653	4,531
Loan from a former fellow subsidiary, unsecured and unguaranteed	(b)	7,285	7,285
Loans from banks, unsecured and unguaranteed	(c)	–	8,000
Loans from banks, unsecured and guaranteed	(d)	10,000	–
		<b>21,938</b>	19,816

Note:

- (a) At 30 June 2024, the loan from a third party is denominated in HK\$, unsecured and unguaranteed, carried fixed interest rate of 6.5% (31 December 2023: 6.5%) per annum and is repayable within one year.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 16. INTEREST-BEARING BORROWINGS (continued)

Note: (continued)

- (b) At 30 June 2024, the loan from a former fellow subsidiary is denominated in HK\$, unsecured and unguaranteed, carried fixed interest rate of 10% (31 December 2023: 10%) per annum and overdue.
- (c) At 31 December 2023, the loans from banks are denominated in RMB, unsecured and unguaranteed, carried fixed interest rate of 3.6% per annum and are repayable within one year.
- (d) At 30 June 2024, the loans from banks are denominated in RMB, unsecured and are guaranteed by third parties, carried fixed interest rate of 3.6% per annum and are repayable within one year.

## 17. SHARE CAPITAL

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	No. of shares	HK\$	No. of shares	HK\$
<b>Authorised:</b>				
Ordinary shares of HK\$0.1 each				
At beginning of period/year and at end of the period/year	10,000,000,000	1,000,000,000	10,000,000,000	1,000,000,000
<b>Issued and fully paid:</b>				
Ordinary shares of HK\$0.1 each				
At beginning of period/year	204,078,185	20,407,818	81,631,274	8,163,127
Issue of rights shares (note a)	–	–	122,446,911	12,244,691
Issue of placing shares (note b)	40,810,000	4,081,000	–	–
<b>At end of the period/year</b>	<b>244,888,185</b>	<b>24,488,818</b>	204,078,185	20,407,818
		<b>RMB equivalent</b>		<b>RMB equivalent</b>
		<b>21,535,274</b>		<b>17,752,024</b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 17. SHARE CAPITAL (continued)

*Note:*

- (a) On 14 March 2023, the shareholders of the Company approved a rights issue on the basis of three rights shares for every two existing shares in issue and held on 24 March 2023 at a subscription price of HK\$0.85 per rights share. The rights issue became unconditional on 18 April 2023. 122,446,911 rights shares with the par value of HK\$0.1 each were allotted and issued on 25 April 2023. The net proceeds of approximately RMB90,653,000 (equivalent to approximately HK\$102,653,000) were received.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (b) On 30 April 2024, the Company entered into a placing agreement (the "Placing Agreement") with the placing agent pursuant to which the placing agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 40,810,000 placing shares (the "Placing Shares") at the placing price of HK\$1.80 per Placing Share (the "Placing").

On 21 May 2024, the Company and the placing agent entered into a supplemental agreement to the Placing Agreement, pursuant to which the completion date of the Placing extended to 18 June 2024 (or such later time or date as the Company and the placing agent shall agree in writing) and the placing price adjusted to HK\$2.09 per Placing Share.

All conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on 13 June 2024. A total of 40,810,000 Placing Shares with par value of HK\$0.1 each have been successfully placed by the placing agent to not less than six placees at placing price of HK\$2.09 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net proceeds of approximately RMB78,193,000 (equivalent to approximately HK\$84,347,000) were received.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 18. SHARE OPTION

### (a) Share option scheme

On 26 May 2016, with approval by the shareholders, the Company adopted a new share option scheme (the "Scheme") for a period of 10 years to replace the share option scheme approved on 18 December 2006 that would otherwise expire on 17 December 2016. The Company amended its terms at the annual general meeting of the Company held on 23 June 2023. The amendments are to conform with the amendments to the Listing Rules related to share schemes of listed issuers which took effect from 1 January 2023.

Under the Scheme (as amended on 23 June 2023), the Company may grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group. The options will expire either after 10 years from the date of grant or upon the termination or the issuance of termination notice of the relevant grantee's employment with the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share schemes of the Company must not in aggregate exceed 10% of the number of shares in issue at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of the shares in issue. Unless approved by the shareholders, any grant of option to an independent non-executive director or any of their associates in any 12-month period must not exceed 0.1% of the relevant class of the shares in issue.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 18. SHARE OPTION (continued)

### (a) Share option scheme (continued)

The options granted may be accepted by a participant within 28 days from the date of such offer. A consideration of HK\$1 is payable on acceptance of the offer of grant of options. The exercise period of the share options granted is determinable by the Board and ends on a date which is not later than 10 years from the date of offer of the share options. The vesting period of the options granted under the Scheme shall not be shorter than 12 months from the date of acceptance of the offer. The Board may, however, at its absolute discretion, set any performance targets that must be achieved before the option can be exercised upon the grant of an option to a grantee.

The subscription price for shares payable on exercise of share options granted under the Scheme shall be a price determined by the Board, but shall in any event not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant.

Subject to earlier termination by the Company at general meeting, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 May 2016.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 18. SHARE OPTION (continued)

### (b) Movement in share option granted:

The following table discloses movements of the Company's share options held by directors and employees of the Group during the period:

Category of participant	Date of grant	Exercise period	Exercise price at 1 January 2024 HK\$	Outstanding at 1 January 2024	Adjustment	Outstanding at 30 June 2024	Exercise price at 30 June 2024 HK\$
Li Zhuoyang (Executive Director)	1 September 2020	1 December 2020 to 31 August 2030	3,6356	367,789	-	367,789	3,6356
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3,6356	1,485,747	-	1,485,747	3,6356
				<hr/>		<hr/>	
				1,853,536	-	1,853,536	

Note:

As at 30 June 2024, Ms. Li Zhuoyang ("Ms. Li"), an executive director of the Company was interested in an aggregate of 367,789 share options of the Company which shall entitle for her to subscribe for up to 367,789 shares of the Company at an exercise price of HK\$3.6356 each.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these unaudited interim financial report on recurring basis at 30 June 2024 across the three levels of the fair value hierarchy defined in IFRS 13, Fair value measurement, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3 valuations: Fair value measured using significant unobservable inputs.

### (a) Recurring fair value measurement

	30 June 2024 RMB'000 (Unaudited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets measured at fair value				
Financial assets at FVPL				
– Listed equity securities	46,607	46,607	–	–

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### (a) Recurring fair value measurement (continued)

	31 December 2023 RMB'000 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<hr/>				
Assets measured at fair value				
Financial assets at FVPL				
- Listed equity securities	30,078	30,078	-	-
<hr/>				

During the six months ended 30 June 2024 and the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2024 and 31 December 2023.

## 20. COMMITMENTS

### Commitments under leases

At 30 June 2024, the Group was committed to RMB118,000 (31 December 2023: RMB229,000) for short-term leases and low value assets.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

Six months ended 30 June 2024

## 21. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and supervisors of the Group. The compensation of key management personnel is as follows:

	<b>Unaudited Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Short-term employee benefits	<b>5,790</b>	2,524
Post-employment benefits	<b>187</b>	71
	<b>5,977</b>	2,595



## EXECUTIVE DIRECTORS' STATEMENT

On behalf of the board (the “Board”) of directors (the “Directors”) of Enterprise Development Holdings Limited (the “Company”), I present herewith the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024.

For the six months ended 30 June 2024, the Group recorded the consolidated net profit attributable to shareholders of the Company of approximately RMB19,109,000 as compared to the consolidated net profit attributable to shareholders of the Company of approximately RMB5,098,000 in the corresponding period last year. For the six months ended 30 June 2024, the Group's profit was mainly affected by a combined effect of, including but not limited to, (i) selling expenses of RMB8,504,000; (ii) general and administrative expenses of RMB14,548,000; and (iii) a loss from change in fair value of financial assets at fair value through profit or loss of RMB1,410,000; (iv) financial expenses of RMB3,805,000; and (v) income tax expenses of RMB3,512,000; which were offset by (i) a gross profit of RMB33,272,000; and (ii) a gain on the disposal of financial assets at fair value through profit or loss of RMB17,174,000.

This year, the Company has taken the initiative to position itself within the digital economy field with data, intelligent computing and edge computing, networks and applications as core elements, insisted on leading with innovation, seeking progress while maintaining stability. We are committed to building the Company into a service provider that focuses on the field of digital economy, data elements, data asset operations, artificial intelligence, and intelligent computing and edge computing to provide customers with integrated digital technology solutions. At present, the business layout and development have begun to bear fruit with satisfactory phased achievements. The interim net profit has increased significantly compared with the corresponding period last year.

# EXECUTIVE DIRECTORS' STATEMENT

Looking forward to the future, in order to actively embrace the opportunities of the digital transformation era, in terms of implementation roadmap, the Group will adopt a business-oriented approach to open up and establish a “three chains and one circle” model: focusing on the overall synergy of the innovation chain, industrial chain and financial chain. Through an organic combination of four aspects, namely business model innovation, data element assetization, capitalization of investments and incubation results and industrial layout ecologicalization, we will continuously reinforce an innovation-driven, open and win-win digital economy ecosystem. Meanwhile, the Company will strengthen its advantages and address weaknesses and combine its technological and capital advantages in a dual-chain approach to empower each node across the industrial ecosystem through means such as industrial incubation and investments.

The Group will fully leverage its technological potential of big data, big models and high-performance computing power to continuously optimize and consolidate its first-mover advantages in the fields of data elements, data asset operations, intelligent computing and edge computing, while also facilitating and strengthening the integration of digital and real economy and driving ongoing business innovation and upgrades to propel the Group's long-term development and create value for its shareholders.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all our shareholders for their unwavering support, our business partners for their dedicated collaboration and our employees for their hard work. We are committed to doing our best to achieve excellent results in the future.

## **Liang Liang**

*Executive Director and Co-Chief Executive Officer*

Hong Kong, 23 August 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group recorded a revenue of approximately RMB127,590,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB29,434,000), representing an increase of approximately 333%. During the first half year of 2024, the software business was benefited from the all-round improvement in management to significant growth of in the first half year of 2024 compared to the corresponding period in 2023. The significant increase in overall revenue for the software business was mainly attributable to the continuous development of the Group's existing business, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services.

For the six months ended 30 June 2024, the Group recorded consolidated net profit attributable to equity shareholders of the Company of approximately RMB19,109,000 as compared to approximately RMB5,098,000 in the corresponding period in 2023. The Group's increase in profit for the six months ended 30 June 2024 was mainly driven by the increase in revenue of its software business and increase in net gain on disposal of financial assets at fair value through profit or loss.

## OUTLOOK

The Company will continue to steadily expand its existing business while capitalizing on its longstanding customer resources and product and service advantages to strengthen its foundations. In addition, we will proactively position ourselves for the development of new-quality productive forces catalyzed by a combination of factors such as cutting-edge scientific and technological breakthroughs, innovative allocation of factors of production and industrial transformation and upgrading, particularly in the digital economy sector centered on core elements like data, AI computing and edge computing, networks and applications. We are leading with innovation and steadily advancing, with our business layout and development starting to bear fruit through phased achievements. Going forward, we are committed to establishing ourselves as a service provider that concentrates on the digital economy sector, with a focus on data elements, data asset operations, AI computing and edge computing, to provide customers with integrated digital technology solutions.

# MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the implementation roadmap, the Company will adopt a business-oriented approach to open up and establish a “three chains and one circle” model: focusing on the overall synergy of the innovation chain, industrial chain and financial chain. Through an organic combination of four aspects, namely business model innovation, data elements assetization, capitalization of investments and incubation results and industrial layout ecologicalization, we will continuously reinforce an innovation-driven, open and win-win digital economy ecosystem. Meanwhile, the Company will combine its technological and capital advantages in a dual-chain approach to empower various sections across the industrial ecosystem through means such as industrial incubation and investments.

To actively embrace the opportunities of the digital transformation era, the Company will continue to optimize and consolidate its first-mover advantages in the fields of data elements, data asset operations, AI computing and edge computing in the future. We will fully unleash the agglomeration effect of the industrial chain, dedicating long-term efforts to industrial chain integration and industrial ecosystem development. Leveraging the technological potential of big data, big models and high-performance computing, we will facilitate the integration of digital and real economy, continuously driving business innovation and upgrades to create value for our shareholders.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2024, the Group recorded revenue of approximately RMB127,590,000 (six months ended 30 June 2023: RMB29,434,000), of which revenue from (i) software maintenance and other services amounted to approximately RMB49,347,000 (six months ended 30 June 2023: RMB18,101,000); and (ii) sales of software products and other products amounted to approximately RMB78,243,000 (six months ended 30 June 2023: RMB11,333,000). The period-to-period increase in overall revenue for the software business rose 331% to RMB126,865,000, which was mainly attributable to the continuous development of the Group’s existing business, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gross Profit

For the six months ended 30 June 2024, the Group recorded a gross profit of approximately RMB33,272,000 (six months ended 30 June 2023: RMB10,568,000). For the alignment with the revenue growth, cost of sales increased significantly by 400% to approximately RMB94,318,000 (six months ended 30 June 2023: RMB18,866,000) as compared to the corresponding period in 2023. The gross profit ratio for the software business of the Group during the period was approximately 26% while that of the corresponding period in 2023 was approximately 36%. The decrease in gross profit ratio was mainly due to the increase in proportion for sales of server hardware products and computing power server products which have lower overall gross profit margin.

## Finance Costs

For the six months ended 30 June 2024, finance costs was approximately RMB3,805,000 (six months ended 30 June 2023: RMB548,000). The increase in finance costs was due to the increase in interest expenses on interest-bearing borrowings.

## Distribution Expenses

For the six months ended 30 June 2024, distribution expenses were approximately RMB8,504,000 (six months ended 30 June 2023: RMB7,055,000). The increase in distribution expenses is mainly arising from the increase in the staff costs and selling expenses of the software business in the PRC during the period.

## General and Administrative Expenses

For the six months ended 30 June 2024, the general and administrative expenses of the Group were approximately RMB14,548,000 (six months ended 30 June 2023: RMB9,880,000). The increase in general and administrative expenses was attributable to the increase in staff costs, overseas travelling expense and depreciation during the period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Change in Fair Value and Gain on Disposal of Financial Assets at Fair Value Through Profit or Loss

The Group invested in various financial instruments for short-term investments, including the equity securities listed in Hong Kong and the United States. During the six months ended 30 June 2024, fair value loss on financial assets at fair value through profit or loss of approximately RMB1,410,000 (six months ended 30 June 2023: fair value gain of RMB4,160,000) was recognised in profit or loss, and recorded net gain on disposal of financial assets at fair value through profit or loss of approximately RMB17,174,000 (six months ended 30 June 2023: RMB7,143,000).

## Profit for the Period

As a result of the foregoing, for the six months ended 30 June 2024, the Group recorded net profit for the period of approximately RMB19,097,000 (six months ended 30 June 2023: RMB4,682,000).

## Liquidity and Financial Resources

The Group's working capital is funded by the cash generated from operating and financing activities. As at 30 June 2024, the Group maintained cash and cash equivalents amounting to approximately RMB208,678,000 (31 December 2023: RMB177,805,000). As at 30 June 2024, the Group's current ratio was approximately 4.45 times (31 December 2023: 7.69 times); and the Group's net gearing ratio, which is calculated based on total borrowings less cash and cash equivalents divided by total equity, at 30 June 2024 and 31 December 2023 are not applicable since the Group had cash in excess of interest-bearing borrowings.

As at 30 June 2024, the Group's borrowings from bank, a former fellow subsidiary and a third-party amounted to approximately RMB21,938,000 (31 December 2023: RMB19,816,000) with fixed interest rate ranging from 3.6% to 10% per annum (31 December 2023: 3.6% to 10% per annum), amongst which RMB14,653,000 were repayable within one year. Approximately RMB10,000,000 (31 December 2023: RMB8,000,000) of the loan amount above was denominated in RMB and the remaining amount of approximately RMB11,938,000 were denominated in HKD (31 December 2023: RMB11,816,000).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Foreign Exchange Risk

The Group's revenue is mainly denominated in Renminbi and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the Directors consider the Group's exposure to foreign currency risk is not significant and no related hedge is required for the time being.

## Pledge of Assets

As at 30 June 2024 and 31 December 2023, the Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings.

## Capital Structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including interest-bearing borrowings, and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium, accumulated losses and other reserves. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the redemption of existing debt. The Group's overall strategy remains unchanged throughout the period. As at 30 June 2024, the cash and cash equivalents of the Group are mainly held in RMB and Hong Kong dollars.

## Significant Investments

The Group did not make or hold any significant investment as at 30 June 2024.

## Material Acquisition and Disposal of Listed Securities

During the six months ended 30 June 2024, the Group acquired and disposed certain listed securities, including shares of NVIDIA Corporation, RIOT Blockchain Inc., The Boeing Company and Tesla Inc., which are listed on NASDAQ or New York Stock Exchange. These acquisitions and/or disposals of listed securities constituted notifiable transactions of the Company under Chapter 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). For details of these notifiable transactions, please refer to the Company's announcements dated 10 January 2024, 12 January 2024, 24 January 2024, 7 February 2024 and 14 February 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Material Acquisition and Disposal of Subsidiaries or Associated Companies or Future Plans for Material Investments and Capital Assets

The Group has not made any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2024. As of 30 June 2024, the Group did not have plans for material investments and capital assets.

## Employees and Remuneration Policies

As at 30 June 2024, the Group employed 127 (30 June 2023: 101) full time employees. Staff costs amounted to approximately RMB13.9 million for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB11.4 million). The remuneration package of employees is determined by reference to their performance, experience, positions, duties and responsibilities in the Group and the prevailing market conditions. The Group continued to provide retirement, medical, employment injury, employment and maternity benefits which are governed by the state-managed social welfare scheme operated by the local government of the PRC to the employees in the PRC. In addition, the Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong. The Company had also adopted a share option scheme.

The Group believes that development and training are crucial for employees to discharge their duties more effectively and efficiently, and the Group organizes regular training and development courses for its employees.

## Contingent Liabilities

As at 30 June 2024, the Group had no significant contingent liability (31 December 2023: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## Fund Raising Activities and Use of Proceeds

### *Placing of New Shares*

On 30 April 2024, the Company entered into a placing agreement (the “Placing Agreement”) with Zhongtai International Securities Limited (the “Placing Agent”), pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties of the Company to subscribe for up to 40,810,000 placing shares with par value of HK\$0.1 each (the “Placing Share(s)”) at the placing price of HK\$1.80 per Placing Share (the “Placing”). The maximum Placing Shares represent approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of all Placing Shares. The Placing Shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 23 June 2023.

On 21 May 2024, the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement, pursuant to which, among other matters, the completion date of the Placing was extended and the placing price was adjusted to HK\$2.09 per Placing Share.

On 13 June 2024, 40,810,000 Placing Shares were successfully issued at placing price of HK\$2.09 per Placing Share with aggregate nominal value of HK\$4,081,000. The placing price of HK\$2.09 per Placing Share represents (i) a discount of approximately 5.43% to the closing price of HK\$2.21 per share of the Company as quoted on the Stock Exchange on 30 April 2024; and (ii) a discount of approximately 12.9% to the closing price of HK\$2.40 per share of the Company as quoted on the Stock Exchange on 21 May 2024. The gross proceeds from the Placing amounted to approximately HK\$85.293 million and the net proceeds amounted to approximately HK\$84.347 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$2.07 per Placing Share.

The Company intended to apply (i) 70% of the net proceeds from the Placing of approximately HK\$59.042 million for investment in new business when opportunity arise, including, but not limited to, investment in artificial intelligence data center comprising its construction, equipment and operation etc., and/or development and operation of smart city construction; and (ii) 30% of the net proceeds from the Placing of approximately HK\$25.305 million as general working capital for the Group including staff cost, professional fees, rental payments and other general administrative and operating expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, no net proceeds from the Placing had been utilised. The Company will use the net proceeds from the Placing according to the intended use on or before 31 December 2024.

Details of the Placing, including the reason for the Placing, were set out in the Company's announcements dated 30 April 2024, 21 May 2024, 22 May 2024 and 13 June 2024.

## *Rights Issue*

On 29 November 2022, the Company announced the proposed rights issue, by issuing up to 124,896,729 ordinary shares with par value of HK\$0.1 each in the share capital of the Company (the "Right Shares") on the basis of three (3) Rights Shares for every two (2) existing shares of the Company held on the record date (i.e. 10 February 2023) at the subscription price of HK\$0.85 per Rights Share (the "Rights Issue").

On 10 January 2023 and 3 February 2023, the Company and VC Brokerage Limited, the underwriter of the Rights Issue, entered into the supplemental underwriting agreement and second supplemental agreement to the underwriting agreement dated 29 November 2022, pursuant to which, the record date has been extended to 3 March 2023 and further extended to 24 March 2023.

On 25 April 2023, an aggregate of 122,446,911 Rights Shares with nominal value of HK\$12,244,691.10 was issued. The subscription price of HK\$0.85 per Rights Share represents a discount of approximately 39.72% to the closing price of HK\$1.410 per share of the Company as quoted on the Stock Exchange on 29 November 2022. The gross proceeds from the Rights Issue was approximately HK\$104.08 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, was approximately HK\$102.653 million (equivalent to a net subscription price of approximately HK\$0.84 per Rights Share). For the details of the Rights Issue, including the reasons for and benefits of the Rights Issue, please refer to the Company's prospectus dated 24 March 2023.

The Company originally intended to apply (i) 96% of the net proceeds from the Rights Issue of approximately HK\$98.553 million for the general working capital of the Group in industrial parks (the "Industrial Park Software Project"); and (ii) 4% of the net proceeds of approximately HK\$4.10 million from the Rights Issue will be used for the general working capital such as overhead expenses including salary, rental and other expenses of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 20 December 2023, the Company utilised approximately HK\$0.308 million of the net proceeds from the Rights Issue on the general working capital of the Group in the Industrial Park Software Project; and HK\$4.100 million the net proceeds from the Rights Issue on the general working capital of the Group. Having considered the current needs of working capital of the Group, as well as the prevailing market conditions, on 20 December 2023 the Board resolved to change the use of the unutilised net proceeds from the Rights Issue of approximately HK\$98.245 million to: (a) HK\$68.245 million for the general working of the Group in Industrial Park Software Project, and (b) HK\$30.0 million for the general working capital of the Group such as overhead expenses including salary, rental and other expenses, details of which are set forth as follows:

Use of Proceeds	Initial allocation <i>HK\$ million</i>	Utilised net proceeds before reallocation <i>HK\$ million</i>	Unutilised net proceeds for reallocation <i>HK\$ million</i>	Revised allocation of the unutilised net proceeds <i>HK\$ million</i>
General working capital of the Group in the Industrial Park Software Project	98.553	0.308	98.245	68.245
General working capital of the Group	4.100	4.100	-	30.000
Total:	102.653	4.408	98.245	98.245

As at 30 June 2024, the net proceeds from the Rights Issue was utilised as intended as to (i) approximately RMB30,330,000 (equivalent to HK\$34,345,000) for the general working capital of the Group in the Industrial Park Software Project, among which approximately RMB26,113,000 (equivalent to HK\$29,570,000) in the hardware facilities, network facilities, database facilities and application facilities; approximately RMB1,421,000 (equivalent to HK\$1,609,000) in the staff cost; approximately RMB889,000 (equivalent to HK\$1,007,000) in the sale and marketing; and approximately RMB1,907,000 (equivalent to HK\$2,159,000) in management and other operating expenses including the management fee such as rent and utilities, tax, equipment testing and evaluation and other miscellaneous expenses for the use of the Group; and (ii) approximately RMB21,176,000 (equivalent to HK\$23,675,000) for general working capital of the Group, among which approximately RMB2,609,000 (equivalent to HK\$2,946,000) is for professional fee, approximately RMB1,885,000 (equivalent to HK\$2,114,000) is for rental expenses, approximately RMB13,218,000 (equivalent to HK\$14,738,000) is for staff costs and the remaining RMB3,464,000 (equivalent to HK\$3,877,000) is for general administrative expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS

The remaining Unutilised Net Proceeds from the Rights Issue of approximately RMB39,147,000 (equivalent to HK\$44,633,000) will be used according to the intended usage in which (i) approximately RMB30,197,000 (equivalent to HK\$34,208,000) for the general working capital of the Group in the Industrial Park Software Project; and (ii) approximately RMB8,950,000 (equivalent to HK\$10,425,000) for the general working capital such as overhead expenses including salary, rental and other expenses of the Group, which are expected to be utilized on or before 31 December 2024.

Details of the Rights Issue and details of the utilization of its proceeds were set out in the Company's announcements dated 29 November 2022, 9 December 2022, 10 January 2023, 3 February 2023, 14 March 2023, 24 April 2023, 20 December 2023 and 20 February 2024, the circular of the Company dated 24 February 2023 and the prospectus of the Company dated 27 March 2023.

## Events after the Reporting Period

There was no material events after the reporting period.

## INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, are set out below:

#### Long position in Shares of the Company

Name of Director	Capacity	Long position/ Short position	Number of shares held (Approximate percentage in total number of issued shares)
Ms. Li Zhuoyang ("Ms. Li") <i>(Note)</i>	Beneficial Owner	Long position	367,789 (0.15%)

*Note:* 6,300,000 share options were granted to Ms. Li on 1 September 2020 pursuant to the share option scheme adopted by the Company on 26 May 2016. Subsequent to the grant date, the number of share options was adjusted to 6,481,413 to reflect the bonus element of rights issue completed on 18 May 2021; was adjusted to 324,070 upon the capital reorganisation became effective on 25 March 2022 and was further adjusted to 367,789 to reflect the bonus element of rights issue completed on 25 April 2023. Ms. Li is taken to be interested in the underlying shares that she is entitled to subscribe for subject to the exercise of and/or the validity period of the share options granted by virtue of the SFO.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as is known to any Director or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) were recorded in the register of the Company required to be kept under section 336 of the SFO as having long positions of 5% or more or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of shareholder</b>	<b>Nature of interest</b>	<b>Long position/ Short position</b>	<b>Number of shares held (Approximate percentage in total number of issued shares)</b>
Hong Tai International II LPF	Beneficial Owner	Long position	37,000,850 (15.11%)
Cheng Wing	Beneficial Owner	Long position	15,510,000 (6.33%)

### SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) at the annual general meeting of the Company held on 26 May 2016. The terms of the Share Option Scheme were amended pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 23 June 2023 (“2023 AGM”). The amendments are to conform with the amendments to the Listing Rules relating to share schemes of listed issuers which took effect from 1 January 2023.

## OTHER INFORMATION

### SHARE OPTION SCHEME (continued)

The purpose of the Share Option Scheme is to enable the Company to grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group. At the 2023 AGM, shareholders of the Company approved the refreshment of the scheme mandate limit under the Share Option Scheme. The total number of options available for grant under the scheme mandate limit at 1 January 2024 and 30 June 2024 was 20,407,818.

Details of the movement in the share options granted under the Share Option Scheme during the six months ended 30 June 2024 are as follows:

Name/category of participants	Date of grant of share option	Exercise Period	Exercise Price (HK\$)	Outstanding as at 1 January 2024	Granted during the period under review	Exercised / lapsed / cancelled / forfeited during the period under review	Outstanding as at 30 June 2023
Li Zhuoyang (Executive Director)	1 September 2020	1 December 2020 to 31 August 2030	3.6356	367,789	-	-	367,789
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	1,485,747	-	-	1,485,747
Total				1,853,536	-	-	1,853,536

The vesting period of the abovementioned share options ended on 30 November 2020. These share options were vested to the grantees on 1 December 2020 and exercisable up to 31 August 2030.

Save as the Share Option Scheme, the Company does not have any other share scheme. The number of shares that may be issued in respect of the share options granted under the Share Option Scheme divided by the weighted average number of issued shares of the Company (excluding treasury shares) for the six months ended 30 June 2024 was 0.89%.

## OTHER INFORMATION

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2024. As at 30 June 2024, the Company did not hold any treasury shares.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

### **CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") in part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance.

Under CG Code provision C.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed a chairman. The roles and functions of chairman have been performed by the Board jointly.

Save as those mentioned above and in the opinion of the Directors, the Company has complied with all relevant code provisions set out in the CG Code during the six months ended 30 June 2024.

### **CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**

With effect from 27 June 2024, Mr. Liu Yang has resigned from his position as an executive Director; and with effect from 16 July 2024, Mr. Liang Liang has been appointed as an executive Director and a Co-Chief Executive Officer of the Company. Please refer to the Company's announcements dated 27 May 2024 and 16 July 2024 for details of the change of Directors.



## OTHER INFORMATION

### CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES (continued)

Since the date of the Company's annual report for the year ended 31 December 2023, no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang. The unaudited interim financial results of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

By Order of the Board

**Enterprise Development Holdings Limited**

**Yu Hui**

*Executive Director and Co-Chief Executive Officer*

Hong Kong, 23 August 2024