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edenSOFT
EDENSOFT HOLDINGS LIMITED
伊登軟件控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1147)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

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On 9 July 2021, Eden Information, as subscriber, entered into the Wealth Management Agreement with Industrial Bank, as issuer, to subscribe for the Wealth Management Products with subscription amount of RMB40.0 million (equivalent to approximately HK\$48.0 million).

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is 5% or more but less than 25%, the Subscription constitutes a discloseable transaction under the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Group is an integrated IT solutions and cloud services provider in the PRC. Our business portfolio includes provision of IT infrastructure services, IT implementation and supporting services and cloud services.

Eden Information is a company established in the PRC with limited liability and is an indirectly wholly-owned subsidiary of the Company. Eden Information has been principally engaged in providing integrated IT solution and cloud services in the PRC since its establishment.

Industrial Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Industrial Bank and its ultimate beneficial owners are all Independent Third Parties. The principal businesses of Industrial Bank include the provision of corporate and personal services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

The Company announces that on 9 July 2021, the Company entered into the Wealth Management Agreement with Industrial Bank, pursuant to which the Company agreed to subscribe for the Wealth Management Products with subscription amount of RMB40.0 million (equivalent to approximately HK\$48.0 million). The funds for the subscription of the Wealth Management Products are the Group's internal funds that are not required immediately for operation or capital expenditure purposes.

PRINCIPAL TERMS OF WEALTH MANAGEMENT AGREEMENT

The principal terms of the Wealth Management Agreement are summarized as follows:

Date:

Date of Wealth Management Agreement: 9 July 2021

Date of Subscription: 9 July 2021

Parties: (i) Industrial Bank Shenzhen Branch, as issuer
(ii) Eden Information, as subscriber

Name of the Wealth Management plan: Industrial Bank Corporate Finance RMB Structured Deposit Product

Type of investment return: principal-guaranteed floating income

Subscription amount: RMB40.0 million (equivalent to approximately HK\$48.0 million)

Period of investment: From 12 July 2021 to 30 December 2021

Actual investment days: 171 days

Right of early termination: Eden Information is not entitled to the right of early termination. Except for extremely unpredictable events, Industrial Bank has no right to unilaterally and voluntarily terminate the product.

Risk level of product:	Principal-preservation with low risk
Expected rate of investment return per annum:	Floating return rate: 1.5–3.27%
Principle for calculation of return:	Calculated based on the investment principal of Eden Information, days of investment, the fluctuation of the Shanghai Gold Benchmark Price in Shanghai Gold Exchange and its corresponding floating return rate per annum during the investment period.
Payment of principal and return:	The principal and return will be paid to Eden Information in one lump sum on the maturity date or the specified date after early termination by Industrial Bank.

RISK CONTROL MEASURES

Giving top priority to risk prevention, the Company implemented stringent control and made prudent decisions in respect of the purchase of bank wealth management products on the principle of protecting the interests of all Shareholders and the Company. The bank wealth management products purchased by the Company are of a principal-preservation nature. In addition, the underlying Wealth Management Products are considered to have relatively low risk and are also in line with the internal risk management, cash management and investment policies of the Group. During the term of the Wealth Management Products, the Company will keep in close contact with Industrial Bank, follow up on the operation of wealth management funds, strengthen risk control and supervision, and strictly control the security of funds.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The funds for the subscription of the Wealth Management Products are the Group's internal funds that are not required immediately for operation or capital expenditure purposes. The subscription of the Wealth Management Products is considered to be part of the Group's treasury management to improve the utilisation of its funds. By way of rational and effective utilization of such funds, it is beneficial to the Group as it would improve the efficiency of fund usage and would bring higher return on capital. In addition, the Company has fully considered its fund needs for daily operations and capital expenditure when purchasing and determining the subscription amount of the Wealth Management Products. The underlying Wealth Management Products are considered to have relatively low risk and are also in line with the internal risk management, cash management and investment policies of the Group. In addition, the subscription of the Wealth Management Products will not affect the working capital of the Group or the operation of the Group's principal businesses.

The considerations of the subscription of the Wealth Management Products were determined on the basis of commercial terms negotiated at arm's length between Eden Information and Industrial Bank. The Board (including its independent non-executive Directors) are unanimously of the view that the terms of the Wealth Management Agreement entered into by the Company are on normal commercial terms which are fair and reasonable. The Wealth Management Agreement and transactions contemplated thereunder are in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to the Listing Rules, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is 5% or more but less than 25%, the Subscription constitutes a discloseable transaction under the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein shall have the following meanings:

“Board”	the board of Directors
“Company”	Edensoft Holdings Limited (伊登軟件控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 4 September 2018
“Director(s)”	the director(s) of the Company
“Eden Information”	Eden Information Service Limited* (深圳市伊登軟件有限公司), a company established in the PRC with limited liability on 21 November 2002 with former name as Eden Information Service Co. Ltd.* (深圳市伊登軟件股份有限公司) from 15 October 2015 till 17 October 2018, and an indirectly wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons

“Industrial Bank”	Industrial Bank Co. Ltd, a licensed bank incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Gold Benchmark Price”	Shanghai Gold Benchmark Price means the RMB benchmark price determined based on the market equilibrium between volume and price achieved by market participants on the platform of the Shanghai Gold Exchange in accordance with a centralized trading system that involves the issuance of various prices to solicit, and in response to, the corresponding buy and sell orders from interested traders
“Shanghai Gold Exchange”	Shanghai Gold Exchange is a non-profit self-regulatory organization, approved by the State Council, organized by the People’s Bank of China, and registered with the State Administration for Industry & Commerce, for the purpose of trading gold, silver, platinum and other precious metals
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Company at RMB40.0 million (equivalent to approximately HK\$48.0 million) for Wealth Management Products in accordance with the Wealth Management Agreement
“Wealth Management Agreement”	the wealth management agreement entered into between the Company and Industrial Bank in relation to the Subscription on 9 July 2021, major terms of which are summarized herein
“Wealth Management Product(s)”	the wealth management product(s) denominated in RMB subscribed for by the Company under the Wealth Management Agreement

“%”

percentage

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of approximately RMB1.00 to HK\$1.20. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By Order of the Board
Edensoft Holdings Limited
Ms. Ding Xinyun

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 12 July 2021

As at the date of this announcement, the Board comprises Ms. Ding Xinyun (Chairman and Chief Executive Officer), Ms. Li Yi, Mr. Ling Yunzhi and Ms. Peng Dongping as the executive Directors, and Mr. Leung Chu Tung, Ms. Zhu Weili, Mr. Liang Chi and Ms. Zhang Shuo as the independent non-executive Directors.

* *For identification purpose only*