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ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

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

Reference is made to the circular of the Company dated 27 March 2023 relating to the proposed rights issue (the “**Rights Issue**”) on the basis of three (3) rights shares for every two (2) existing shares held on the record date (the “**Circular**”). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Circular, the net proceeds from the Rights Issue shall be applied (i) 96% of the net proceeds from the Rights Issue of the maximum amount of approximately HK\$98.553 million will be for the general working capital of the Group in the Industrial Park Software Project and (ii) 4% of the net proceeds of approximately HK\$4.100 million from the Rights Issue will be for the general working capital such as overhead expenses including salary, rental and other expenses of the Company.

As at the date of this announcement, the Company has utilised approximately HK\$0.308 million Net Proceeds on the general working capital of the Group in the Industrial Park Software Project; and HK\$4.100 million Net Proceeds on the general working capital of the Group, representing approximately 0.3% and 4.0% of the Net Proceeds respectively.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the unutilized Net Proceeds amounted to approximately HK\$98.245 million (the “**Unutilised Net Proceeds**”). All of the Unutilised Net Proceeds are to be used for the general working capital of the Group in the Industrial Park Software Project.

The Company is still in the process of identifying suitable investment opportunities in the Industrial Park Software Project. The Board, having considered the current needs of working capital of the Company and its subsidiaries, as well as the prevailing market conditions, resolved to change the use of the Unutilised Net Proceeds 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.

Set out below is the utilization of Net Proceeds up to the date of this announcement and the proposed change in use of the Unutilised Net Proceeds:

Use of Proceeds	Proposed use of proceeds as disclosed in the Circular <i>HK\$ million</i>	Proceeds utilized up to the date of this announcement <i>HK\$ million</i>	Unutilized amount up to the date of this announcement <i>HK\$ million</i>	Revised allocation of the Unutilized 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:	<u>102.653</u>	<u>4.408</u>	<u>98.245</u>	<u>98.245</u>

The Unutilised Net Proceeds for (i) general working of the Group in Industrial Park Software Project, and (ii) general working capital of the Group are expected to be utilized on or before 31 December 2024.

REASON FOR AND BENEFITS FOR CHANGE IN USE OF PROCEEDS

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

It has been disclosed above the reason for the change in use of proceeds.

The Board considered that the change in use of the Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

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

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

Hong Kong, 20 December 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yu Hui (chief executive officer), Ms. Li Zhuoyang and Mr. Liu Yang, and three independent non-executive Directors, namely Mr. Cai Jinliang, Mr. Chin Hon Siang and Mr. Chen Kwok Wang.