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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)**

### **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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

#### **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.

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.

### **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.

## **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 RMB 14,653,000 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).

## **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 on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). 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.

## **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).

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

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



## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
<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	<u>(2,785)</u>	<u>4,977</u>
	<u>(2,785)</u>	<u>4,977</u>
<b>Total comprehensive income for the period</b>	<b><u>16,312</u></b>	<b><u>9,659</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>16,306</b>	9,989
Non-controlling interests	<u>6</u>	<u>(330)</u>
<b>Total comprehensive income for the period</b>	<b><u>16,312</u></b>	<b><u>9,659</u></b>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

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

		<b>30 June</b>	31 December
		<b>2024</b>	2023
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current liability</b>			
Lease liabilities		<u>70</u>	<u>875</u>
<b>NET ASSETS</b>		<b><u>358,646</u></b>	<b><u>264,141</u></b>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<u>21,535</u>	17,752
Reserves		<u>285,852</u>	<u>195,136</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>307,387</b>	212,888
<b>Non-controlling interests</b>		<b><u>51,259</u></b>	<u>51,253</u>
<b>TOTAL EQUITY</b>		<b><u>358,646</u></b>	<b><u>264,141</u></b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

*Six months ended 30 June 2024*

## 1. BASIS OF PREPARATION

This unaudited interim results have 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 results have 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 results 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 results contain 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 result 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 result 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.

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

**(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 auditor’s 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.

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	2023	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Revenue</b>						
Revenue from external customers	<u>126,865</u>	<u>29,434</u>	<u>725</u>	<u>–</u>	<u>127,590</u>	<u>29,434</u>
<b>Reportable segment revenue</b>	<u><u>126,865</u></u>	<u><u>29,434</u></u>	<u><u>725</u></u>	<u><u>–</u></u>	<u><u>127,590</u></u>	<u><u>29,434</u></u>
<b>Reportable segment profit/(loss)</b>						
Adjusted profit/(loss) before taxation	<u>18,645</u>	<u>(1,154)</u>	<u>9,107</u>	<u>8,875</u>	<u>27,752</u>	<u>7,721</u>
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	<u>(2,162)</u>	<u>(918)</u>	<u>(196)</u>	<u>(123)</u>	<u>(2,358)</u>	<u>(1,041)</u>
	<u><u>274,067</u></u>	<u><u>180,763</u></u>	<u><u>98,474</u></u>	<u><u>89,159</u></u>	<u><u>372,541</u></u>	<u><u>269,922</u></u>
<b>Reportable segment assets</b>						
Additions to non-current segment						
assets during the reporting period	<u>5,763</u>	<u>6,915</u>	<u>–</u>	<u>846</u>	<u>5,763</u>	<u>7,761</u>
<b>Reportable segment liabilities</b>	<u>88,756</u>	<u>28,956</u>	<u>972</u>	<u>671</u>	<u>89,728</u>	<u>29,627</u>

  

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

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Revenue</b>		
Reportable segment revenue	<u><b>127,590</b></u>	<u>29,434</u>
<b>Profit before taxation</b>		
Reportable segment profit derived from the Group's external customers	<u><b>27,752</b></u>	<u>7,721</u>
Unallocated head office and corporate expenses	<u><b>(5,143)</b></u>	<u>(3,070)</u>
<b>Consolidated profit before taxation</b>	<u><b>22,609</b></u>	<u>4,651</u>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Assets</b>		
Reportable segment assets	<u><b>372,541</b></u>	<u>269,922</u>
Unallocated head office and corporate assets	<u><b>85,239</b></u>	<u>32,842</u>
<b>Consolidated total assets</b>	<u><b>457,780</b></u>	<u>302,764</u>
<b>Liabilities</b>		
Reportable segment liabilities	<u><b>89,728</b></u>	<u>29,627</u>
Unallocated head office and corporate liabilities	<u><b>9,406</b></u>	<u>8,996</u>
<b>Consolidated total liabilities</b>	<u><b>99,134</b></u>	<u>38,623</u>



(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.

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

4. **REVENUE**

The principal activity of the Group is the provision of integrated business software solutions.

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

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

## 5. OTHER GAINS, NET

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

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>(a) Finance costs</b>		
Interest expenses on interest-bearing borrowings wholly repayable within five years	3,744	489
Interest expenses on lease liabilities	<u>61</u>	<u>59</u>
	<b><u>3,805</u></b>	<b><u>548</u></b>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits	12,622	10,176
Contributions to defined contribution retirement schemes	<u>1,262</u>	<u>1,244</u>
	<b><u>13,884</u></b>	<b><u>11,420</u></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	1,251	637
Leases expenses under short-term leases	<u>286</u>	<u>160</u>

## 7. INCOME TAX (EXPENSES)/CREDIT

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

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.

## 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 the basic earnings per share.

## 10. 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	481	2,020
Equity securities listed in the United States	<u>46,126</u>	<u>28,058</u>
	<b><u>46,607</u></b>	<b><u>30,078</u></b>

*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, a fair value loss on listed equity securities of RMB1,410,000 (six months ended 30 June 2023: fair value gain of RMB4,160,000) was recognised in profit or loss.

## 11. 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>	<u>43,078</u>	<u>9,888</u>
Loan receivables from third parties	<i>(b)</i>	12,222	11,902
Less: loss allowance on loan receivables	<i>(c)</i>	<u>(10,169)</u>	<u>(9,902)</u>
Loan receivables, net of loss allowance		<u>2,053</u>	<u>2,000</u>
Prepayments made to suppliers, net of impairment loss		80,966	23,146
Deposits and other receivables, net of loss allowance		<u>55,627</u>	<u>24,428</u>
		<u>136,593</u>	<u>47,574</u>
		<b><u>181,724</u></b>	<b><u>59,462</u></b>

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</b>	31 December
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Audited)
	<b>RMB'000</b>	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

- (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.

## 12. TRADE AND OTHER PAYABLES

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

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

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

### 13. INTEREST-BEARING BORROWINGS

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

### 14. SHARE CAPITAL

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

*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.



## OTHER INFORMATION

### 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.

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.

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:

<b>Use of Proceeds</b>	<b>Initial allocation <i>HK\$ million</i></b>	<b>Utilised net proceeds before reallocation <i>HK\$ million</i></b>	<b>Unutilised net proceeds for reallocation <i>HK\$ million</i></b>	<b>Revised allocation of the net proceeds <i>HK\$ million</i></b>
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>

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.

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.

### **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).

### **Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the six months ended 30 June 2024.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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.

### **Events after the Reporting Period**

There was no material events after the reporting period.

### **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

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