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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Enterprise Development Holdings Limited (the “**Company**”) announces the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

| | <i>Notes</i> | 2024 RMB'000 | 2023 RMB'000 |
|--|--------------|-------------------------------|-------------------------------|
| Revenue | <i>3(a)</i> | 408,585 | 60,646 |
| Cost of sales | | (362,571) | (34,601) |
| Gross profit | | 46,014 | 26,045 |
| Other income, gains and losses, net | <i>4</i> | 104,186 | 24,082 |
| Distribution expenses | | (21,921) | (15,918) |
| General and administrative expenses | | (41,868) | (22,573) |
| Loss allowance on contract assets and trade and other receivables, net | | (1,937) | (7,314) |

| | | 2024 | 2023 |
|---|--------------|-----------------------|---------------------|
| | <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Profit from operation | | 84,474 | 4,322 |
| Finance costs | <i>5(a)</i> | <u>(9,186)</u> | <u>(918)</u> |
| Profit before taxation | <i>5</i> | 75,288 | 3,404 |
| Income tax (expenses)/credit | <i>6</i> | <u>(1,727)</u> | <u>397</u> |
| Profit for the year | | <u>73,561</u> | <u>3,801</u> |
| Attributable to: | | | |
| Equity shareholders of the Company | | 72,737 | 5,550 |
| Non-controlling interests | | <u>824</u> | <u>(1,749)</u> |
| Profit for the year | | <u>73,561</u> | <u>3,801</u> |
| | | <i>RMB</i> | <i>RMB</i> |
| Basic and diluted earnings per share | <i>8</i> | <u>0.321</u> | <u>0.033</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Profit for the year | <u>73,561</u> | <u>3,801</u> |
| Other comprehensive income for the year (after tax) | | |
| <i>Items that are or may be reclassified to profit or loss:</i> | | |
| Exchange difference on translation of financial statements of overseas operations | <u>5,230</u> | <u>2,573</u> |
| | <u>5,230</u> | <u>2,573</u> |
| Total comprehensive income for the year | <u><u>78,791</u></u> | <u><u>6,374</u></u> |
| Attributable to: | | |
| Equity shareholders of the Company | 77,943 | 8,051 |
| Non-controlling interests | <u>848</u> | <u>(1,677)</u> |
| Total comprehensive income for the year | <u><u>78,791</u></u> | <u><u>6,374</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

| | <i>Notes</i> | 2024 | 2023 |
|--|--------------|-----------------------|----------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current assets | | | |
| Property, plant and equipment | | 1,897 | 2,419 |
| Intangible assets | | 18,639 | 6,912 |
| Right-of-use assets | | 2,437 | 3,152 |
| Interests in an associate | | 21,000 | – |
| | | <u>43,973</u> | <u>12,483</u> |
| Current assets | | | |
| Inventories | | 37,369 | – |
| Financial assets at fair value through profit or loss (“FVTPL”) | <i>9</i> | 129,591 | 30,078 |
| Contract assets | | 6,031 | 22,936 |
| Trade and other receivables | <i>10</i> | 182,543 | 59,462 |
| Cash and cash equivalents | | 160,575 | 177,805 |
| | | <u>516,109</u> | <u>290,281</u> |
| Current liabilities | | | |
| Trade and other payables | <i>11</i> | 45,379 | 10,628 |
| Contract liabilities | | 56,958 | 4,809 |
| Lease liabilities | | 1,234 | 2,372 |
| Interest-bearing borrowings | | 32,252 | 19,816 |
| Current taxation | | 1,824 | 123 |
| | | <u>137,647</u> | <u>37,748</u> |
| Net current assets | | <u>378,462</u> | <u>252,533</u> |
| Total assets less current liabilities | | <u>422,435</u> | <u>265,016</u> |

| | | 2024 | 2023 |
|--|--------------|-----------------------|-----------------------|
| | <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current liability | | | |
| Lease liabilities | | <u>1,310</u> | <u>875</u> |
| NET ASSETS | | <u>421,125</u> | <u>264,141</u> |
| Capital and reserves | | | |
| Share capital | <i>12</i> | 21,535 | 17,752 |
| Reserves | | <u>347,489</u> | <u>195,136</u> |
| Total equity attributable to equity shareholders of the Company | | 369,024 | 212,888 |
| Non-controlling interests | | <u>52,101</u> | <u>51,253</u> |
| TOTAL EQUITY | | <u>421,125</u> | <u>264,141</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

1. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those consolidated financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Hong Kong Companies Ordinance (Cap.622).

2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new IFRSs and amendments to 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 |
| Amendments to IAS 1 | Non-current Liabilities with Covenants |
| Amendments to IFRS 16 | Lease liability in a Sale and Leaseback |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements |

Impacts on application of Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (the “2020 Amendments”) and Amendments to IAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)

The Groups have applied the amendments for the first time in the current year.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for noncurrent liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

The adoption of the other amendments does not have any significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

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

The amount of each significant category of revenue within the scope of IFRS 15 recognised during the year is as follows:

| | 2024 | 2023 |
|--|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Software maintenance and other services | 36,777 | 36,251 |
| Sale of software license, hardware products and other products | 371,808 | 24,395 |
| | <u>408,585</u> | <u>60,646</u> |

Disaggregation of revenue from contract with customers by timing of revenue recognition is as follows:

| | 2024 | 2023 |
|--------------------------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Timing of revenue recognition | | |
| At a point in time | 371,808 | 24,395 |
| Over time | 36,777 | 36,251 |
| | <u>408,585</u> | <u>60,646</u> |

Disaggregation of revenue from contracts with customers by geographic market is disclosed in note 3(c).

(b) 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 the following one major reportable segment. No operating segments have been aggregated to form the following reportable segments.

| | |
|---------------------------------|--|
| Software and Hardware Business: | Sale of software licenses, hardware products and other products and the provision of integrated business software solutions in the PRC |
|---------------------------------|--|

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

(i) Segment results, assets and liabilities

For the purposes 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 and other corporate assets. Segment liabilities include trade payables and accruals attributable to the sales activities of the individual segments and 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 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 in both years.

Information regarding the Group's major reportable segment as provided to the Board for the purposes of resource allocation and assessment performance for the years ended 31 December 2024 and 2023 is set out below:

| | Software and | | Others | | Total | |
|--|-------------------|---------|----------------|---------|----------------|---------|
| | Hardware Business | | | | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Revenue | | | | | | |
| Revenue from external customers | 407,756 | 60,084 | 829 | 562 | 408,585 | 60,646 |
| Reportable segment revenue | 407,756 | 60,084 | 829 | 562 | 408,585 | 60,646 |
| Reportable segment profit/(loss) | | | | | | |
| Adjusted profit/(loss) before taxation | 6,086 | (5,230) | 80,499 | 16,462 | 86,585 | 11,232 |
| Depreciation and amortisation | (2,813) | (2,049) | (433) | (402) | (3,246) | (2,451) |
| Fair value gain on financial assets at FVTPL: | | | | | | |
| – Realised gain on disposal of financial assets at FVTPL | – | – | 99,138 | 23,854 | 99,138 | 23,854 |
| – Unrealised gain on financial assets at FVTPL | – | – | 4,991 | 330 | 4,991 | 330 |
| Interest expenses | (466) | (324) | (8,387) | (457) | (8,853) | (781) |
| Interest income from bank deposits | 22 | 21 | 273 | 105 | 295 | 126 |
| Loss allowance on contract assets and trade and other receivables, net | (2,668) | (6,600) | 731 | (714) | (1,937) | (7,314) |
| Reportable segment assets | 254,104 | 180,763 | 295,379 | 89,159 | 549,483 | 269,922 |
| Additions to non-current segment assets during the year | 35,350 | 6,915 | 93 | 846 | 35,443 | 7,761 |
| Reportable segment liabilities | 69,726 | 28,956 | 60,972 | 671 | 130,698 | 29,627 |

(ii) **Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Revenue | | |
| Reportable segment revenue | <u>408,585</u> | <u>60,646</u> |
| Profit before taxation | | |
| Reportable segment profit derived | | |
| from the Group's external customers | 86,585 | 11,232 |
| Unallocated head office and corporate expenses | <u>(11,297)</u> | <u>(7,828)</u> |
| Consolidated profit before taxation | <u>75,288</u> | <u>3,404</u> |
| | | |
| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
| Assets | | |
| Reportable segment assets | 549,483 | 269,922 |
| Unallocated head office and corporate assets | <u>10,599</u> | <u>32,842</u> |
| Consolidated total assets | <u>560,082</u> | <u>302,764</u> |
| | | |
| Liabilities | | |
| Reportable segment liabilities | 130,698 | 29,627 |
| Unallocated head office and corporate liabilities | <u>8,259</u> | <u>8,996</u> |
| Consolidated total liabilities | <u>138,957</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, right-of-use assets and interests in an associate (“**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, right-of-use assets and interests in an associate.

| | Revenue from external customers | | Specified non-current assets | |
|-----------|------------------------------------|------------------------|---------------------------------|------------------------|
| | 2024 <i>RMB’000</i> | 2023 <i>RMB’000</i> | 2024 <i>RMB’000</i> | 2023 <i>RMB’000</i> |
| The PRC | 407,756 | 60,084 | 43,543 | 11,008 |
| Thailand | 829 | 562 | – | – |
| Hong Kong | – | – | 430 | 1,475 |
| | <u>408,585</u> | <u>60,646</u> | <u>43,973</u> | <u>12,483</u> |

(d) **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the Group are as follows:

| | 2024 <i>RMB’000</i> | 2023 <i>RMB’000</i> |
|-------------------------|------------------------|------------------------|
| Customer A ¹ | N/A ² | 16,191 |
| Customer B ¹ | N/A ² | 7,094 |
| Customer C ¹ | 142,124 | N/A ³ |
| Customer D ¹ | <u>164,956</u> | <u>N/A³</u> |

¹ Revenue from software and hardware business segment in PRC

² The corresponding revenue did not contribute over 10% of the total revenue of the Group

³ The corresponding revenue did not contribute any revenue to the Group

4. OTHER INCOME, GAINS AND LOSSES, NET

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Interest income from bank deposits | 497 | 165 |
| Dividend income | 383 | 71 |
| Exchange losses, net | (834) | (495) |
| Fair value gain on financial assets at FVTPL: | | |
| – Realised gain on disposal of financial assets at FVTPL | 99,138 | 23,854 |
| – Unrealised gain on financial assets at FVTPL | 4,991 | 330 |
| Others | 11 | 157 |
| | <u>104,186</u> | <u>24,082</u> |

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| (a) Finance costs | | |
| Interest on interest-bearing borrowings | 9,079 | 766 |
| Interest on lease liabilities | 107 | 152 |
| | <u>9,186</u> | <u>918</u> |
| (b) Staff costs | | |
| Salaries, wages and other benefits | 29,574 | 22,592 |
| Contributions to defined contribution retirement schemes | 2,728 | 2,590 |
| | <u>32,302</u> | <u>25,182</u> |
| (c) Other items | | |
| Auditors' remuneration | 737 | 668 |
| Amortisation of intangible assets | 797 | 427 |
| Depreciation of property, plant and equipment | 636 | 489 |
| Depreciation of right-of-use assets | 2,552 | 1,979 |
| Research and development expenditure | – | 205 |
| Leases expenses of other premises under short term leases | 739 | 422 |
| Written-off on property, plant and equipment | 3 | – |
| | <u>3</u> | <u>–</u> |

6. INCOME TAX EXPENSES/(CREDIT)

Income tax expenses/(credit) in the consolidated statement of profit or loss represents:

| | 2024 | 2023 |
|--|-----------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Current tax – the PRC | | |
| Provision for the year | 1,727 | – |
| Over-provision in respect of prior years | <u>–</u> | <u>(397)</u> |
| | <u>1,727</u> | <u>(397)</u> |

7. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 December 2024 (2023: Nil), nor has any dividend been proposed since the end of the reporting period.

8. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2024 is based on the profit attributable to ordinary equity shareholders of the Company of approximately RMB72,737,000 (2023: RMB5,550,000) and the weighted average of 226,490,234 (2023: 168,968,574) ordinary shares in issue during the year.

The computation of dilutive earnings per share does not assure the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares both 2024 and 2023.

9. FINANCIAL ASSETS AT FVTPL

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Equity securities listed in Hong Kong | 375 | 2,020 |
| Equity securities listed in the United States | <u>129,216</u> | <u>28,058</u> |
| | <u>129,591</u> | <u>30,078</u> |

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 year ended 31 December 2024, a fair value gain on listed equity securities of RMB104,129,000 (2023: RMB24,184,000) was recognised in profit or loss.

10. TRADE AND OTHER RECEIVABLES

| | <i>Note</i> | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|-------------|------------------------|------------------------|
| Trade receivables, net of loss allowance | <i>(a)</i> | <u>18,929</u> | <u>9,888</u> |
| Loan receivables from third parties | | – | 11,902 |
| Less: loss allowance of loan receivables | | <u>–</u> | <u>(9,902)</u> |
| Loan receivables, net of loss allowance | | <u>–</u> | <u>2,000</u> |
| Prepayments made to suppliers, net of impairment | | 159,019 | 23,146 |
| Deposits and other receivables, net of loss allowance | | <u>4,595</u> | <u>24,428</u> |
| | | <u>163,614</u> | <u>47,574</u> |
| | | <u>182,543</u> | <u>59,462</u> |

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 debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

| | 2024 | 2023 |
|-------------------------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 month | 17,829 | 6,590 |
| Over 1 month but less than 3 months | 282 | 2,118 |
| Over 3 months but less than 1 year | 231 | 261 |
| Over 1 year but less than 2 years | 587 | 919 |
| | <u>18,929</u> | <u>9,888</u> |

Trade receivables are generally due within 90 (2023: 90) days from the date of billing.

11. TRADE AND OTHER PAYABLES

| | 2024 | 2023 |
|---|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Trade payables | 25,897 | 1,196 |
| Non-trade payables and accrued expenses | 19,235 | 8,721 |
| Other tax payables | 247 | 711 |
| | <u>45,379</u> | <u>10,628</u> |

The credit period of trade payables is normally within 90 (2023: 90) days. As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

| | 2024 | 2023 |
|-----------------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 month or on demand | 17,671 | 243 |
| Over 1 month to 3 months | – | 235 |
| Over 3 months to 6 months | 130 | 600 |
| Over 6 months to 1 year | 7,988 | – |
| Over 1 year | 108 | 118 |
| | <u>25,897</u> | <u>1,196</u> |

12. SHARE CAPITAL

| | 2024 | | 2023 | |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | Number of shares | Amount HK\$ | Number of shares | Amount HK\$ |
| Authorised: | | | | |
| Ordinary shares of HK\$0.1 each | | | | |
| At 1 January and 31 December | <u>10,000,000,000</u> | <u>1,000,000,000</u> | <u>10,000,000,000</u> | <u>1,000,000,000</u> |
| Issued and fully paid: | | | | |
| Ordinary shares of HK\$0.1 each | | | | |
| At 1 January | 204,078,185 | 20,407,818 | 81,631,274 | 8,163,127 |
| Issue of rights shares (<i>note (i)</i>) | – | – | 122,446,911 | 12,244,691 |
| Issue of placing shares (<i>note (ii)</i>) | <u>40,810,000</u> | <u>4,081,000</u> | – | – |
| At 31 December | <u>244,888,185</u> | <u>24,488,818</u> | <u>204,078,185</u> | <u>20,407,818</u> |
| | | RMB equivalent | | RMB equivalent |
| | | <u>21,535,274</u> | | <u>17,752,024</u> |

Notes:

- (i) 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.
- (ii) On 13 June 2024, the Company allotted 40,810,000 ordinary shares of HK\$0.1 each in the capital by way of placing at a placing price HK\$2.09 per share. The Company raised approximately RMB78,193,000 (equivalent to approximately HK\$84,347,000) (net of expenses).

13. COMPARATIVE FIGURES

Certain comparative figures are reclassified to conform current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

For the year ended 31 December 2024, the Group recorded the revenue of approximately RMB408,585,000 (2023: RMB60,646,000), of which revenue mainly comprised (i) software maintenance and other services amounted to approximately RMB36,777,000 (2023: RMB36,251,000); and (ii) sale of software license, hardware products and other products amounted to approximately RMB371,808,000 (2023: RMB24,395,000). The increase in overall revenue for the software and hardware business rose 579% year on year to RMB407,756,000, which was mainly attributable to the continuous development of the Group's existing business, and the increase in sales of server products and computing power server products, 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 year ended 31 December 2024, the Group recorded a gross profit of approximately RMB46,014,000 (2023: RMB26,045,000). For the alignment with the revenue growth, cost of sales increased significantly by 948% to approximately RMB362,571,000 (2023: RMB34,601,000) as compared to 2023. The gross profit ratio for the software and hardware business of the Group during the year was approximately 11% while that of 2023 was approximately 43%. 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.

Distribution Expenses

For the year ended 31 December 2024, distribution expenses were approximately RMB21,921,000 (2023: RMB15,918,000). The increase in distribution expenses was mainly due to the increase in staff costs and selling expenses of the software and hardware business in the PRC during the year.

General and Administrative Expenses

For the year ended 31 December 2024, general and administrative expenses were approximately RMB41,868,000 (2023: RMB22,573,000). The increase in general and administrative expenses was attributable to the increase in staff costs, professional fee, travelling expenses, office expenses and transactions cost on trading of listed equity securities.

Finance Costs

For the year ended 31 December 2024, finance costs were approximately RMB9,186,000 (2023: RMB918,000). The increase in finance costs was due to the increase in interest expenses on interest-bearing borrowings during the year.

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 year ended 31 December 2024, fair value gain on financial assets at fair value through profit or loss of approximately RMB4,991,000 (2023: RMB330,000) was recognised in profit or loss, and recorded net gain on disposal of financial assets at fair value through profit or loss of approximately RMB99,138,000 (2023: RMB23,854,000).

Income Tax

Income tax expense of the Group for the year ended 31 December 2024 amounted to approximately RMB1,727,000 (2023: income tax credit of RMB397,000). The income tax expense is based on the respective corporate income tax applicable to the subsidiaries located in the PRC. The income tax credit is the reversal of over-provision of income tax in the PRC in respect of prior years recognised in the year ended 31 December 2023.

Profit for the Year

As a result, the Group recorded a profit for the year ended 31 December 2024 of approximately RMB73,561,000 (2023: RMB3,801,000).

Liquidity and Financial Resources

The Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2024, the Group maintained cash and cash equivalents amounted to approximately RMB160,575,000 (2023: RMB177,805,000). As at 31 December 2024, the Group's current ratio was approximately 3.75 times (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 31 December 2024 and 31 December 2023 are not applicable, since the Group had cash in excess of interest-bearing borrowings.

As at 31 December 2024, the Group's borrowings from bank, a former fellow subsidiary and a third-party amounted to approximately RMB32,252,000 (2023: RMB19,816,000) with fixed interest rate ranging from 2.7% to 10% per annum (2023: 3.6% to 10% per annum), amongst which RMB24,698,000 were repayable within one year. Approximately RMB20,000,000 (2023: RMB8,000,000) of the loan amount was denominated in RMB and the remaining amount of approximately RMB12,252,000 were denominated in HK\$ (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 31 December 2024 and 2023, the Group had no pledge of assets 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 of the Company (the “**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 year. As at 31 December 2024, the cash and cash equivalents of the Group are mainly held in United States dollars, Renminbi and Hong Kong dollars.

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 of Hong Kong Limited (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 31 December 2024, the net proceeds from the Placing was utilised as intended as to approximately RMB16,090,000 (equivalent to HK\$17,356,000) for general working capital of the Group, among which approximately RMB1,449,000 (equivalent to HK\$1,563,000) is for professional fee, approximately RMB1,137,000 (equivalent to HK\$1,226,000) is for rental expenses, approximately RMB10,986,000 (equivalent to HK\$11,851,000) is for staff costs and the remaining RMB2,518,000 (equivalent to HK\$2,716,000) is for general administrative expenses.

The remaining unutilised net proceeds from the Placing of approximately RMB62,103,000 (equivalent to HK\$66,991,000) will be used according to the intended usage in which (i) approximately RMB54,734,000 (equivalent to HK\$59,042,000) for the investment in artificial intelligence data center; and (ii) approximately RMB7,369,000 (equivalent to HK\$7,949,000) 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 2025.

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 "**Rights Shares**") on the basis of three (3) Rights Shares for every two (2) 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 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: | <u>102.653</u> | <u>4.408</u> | <u>98.245</u> | <u>98.245</u> |

As at 31 December 2024, the net proceeds from the Rights Issue was utilised as intended as to (i) approximately RMB44,864,000 (equivalent to HK\$50,802,000) for the general working capital of the Group in the Industrial Park Software Project, among which approximately RMB29,458,000 (equivalent to HK\$33,358,000) in the hardware facilities, network facilities, database facilities and application facilities; approximately RMB4,990,000 (equivalent to HK\$5,650,000) in the staff cost; approximately RMB4,639,000 (equivalent to HK\$5,253,000) in the sale and marketing; and approximately RMB5,777 000 (equivalent to HK\$6,541,000) 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 RMB30,126,000 (equivalent to HK\$34,100,000) for general working capital of the Group, among which approximately RMB4,398,000 (equivalent to HK\$5,029,000) is for professional fee, approximately RMB2,429,000 (equivalent to HK\$2,754,000) is for rental expenses, approximately RMB18,725,000 (equivalent to HK\$21,141,000) is for staff costs and the remaining RMB4,574,000 (equivalent to HK\$5,176,000) is for general administrative expenses.

The remaining unutilised net proceeds from the Rights Issue of approximately RMB15,663,000 (equivalent to HK\$17,751,000) will be used according to the intended usage for the general working capital of the Group in the Industrial Park Software Project, which are expected to be utilized on or before 30 June 2025.

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.

Significant Investment

The Group did not make any significant investment as at 31 December 2024 (2023: Nil).

Material Acquisition and Disposal of Subsidiaries or Associates or Future Plans for Material Investments and Capital Assets

In December 2024, Beijing Orient LegendMaker Software Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, invested 15% equity interests in 北京龍騰海達科技發展有限公司 (“北京龍騰”). The principal activity of 北京龍騰 is provision of integrated business software solutions. The Group has invested in 北京龍騰 to expand market penetration in PRC's enterprise sector, leveraging its expertise in cloud-based platforms and AI-driven tools to enhance operational efficiency for their customers. The Directors considered the Group can exercise significant influence over 北京龍騰 through voting rights and therefore treated as an associate and applied equity method to account for the investment.

Save as disclosed above and those disclosed in the section headed “Material Acquisition and Disposal of Listed Securities” below, the Group did not make any material acquisition or disposal of subsidiaries, associates or joint ventures for the year ended 31 December 2024, nor the Group did not have plans for material investments and capital assets as at 31 December 2024.

Subscription of the SPC

On 20 November 2024, Smart Billion Enterprises Corporation, a direct wholly-owned subsidiary of the Company, submitted the subscription application to Harmonia GenAI Ecosystem SPC (the “**SPC**”), a subsidiary of the Company, for two segregated portfolios at a subscription amount of US\$1 million and US\$4 million respectively (the “**Subscription**”). As a segregated portfolio company, the SPC invests in AI and intelligent computing business.

The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, the Subscription had not yet completed and no subscription monies had been paid. Due to the market changes and project delay, the Group is considering not to proceed further.

For details, please refer to the Company’s announcements dated 30 August 2024 and 20 November 2024.

Material Acquisition and Disposal of Listed Securities

During the period from 1 June 2023 to 4 March 2025, the Group acquired and disposed several listed securities which are listed on NASDAQ or New York Stock Exchange.

These acquisitions and/or disposals of listed securities constituted various discloseable transactions, major transactions or very substantial disposal of the Company under Chapter 14 of the Listing Rules.

The Company proposes to put forward ordinary resolutions at an extraordinary general meeting to be convened and held (the “**EGM**”) for the Shareholders to consider and, if thought fit, approve the ratification of the acquisitions and disposals of listed securities.

In addition, the Company wishes to seek for (i) a specific mandate to authorize and empower the Board to carry out acquisition(s) of listed securities in specific investment targets during the year of 2025, (ii) a specific mandate to authorize and empower the Board to carry out disposal(s) of the listed securities in specific investment targets during the year of 2025; and (iii) a specific mandate to authorize and empower the Board to carry out acquisition(s) of cryptocurrency for a period of 12 months from the date on which the relevant ordinary resolutions are duly passed by the Shareholders at the EGM.

For details, please refer to the Company's announcements dated 10 January 2024, 12 January 2024, 24 January 2024, 7 February 2024, 14 February 2024, 28 January 2025, 7 February 2025, 25 February 2025, 6 March 2025 and 13 March 2025.

Events after the Reporting Period

Other than the acquisitions and disposals of listed securities and proposal for seeking specific mandates from Shareholders as disclosed above, there was no other material events after the reporting period.

Employees and Remuneration Policies

As at 31 December 2024, the Group employed 130 (2023: 128) full time employees. The staff costs amounted to approximately RMB32,302,000 for the year ended 31 December 2024 (2023: RMB25,182,000). 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 31 December 2024, the Group had no significant contingent liability (2023: Nil).

Final Dividend

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

BUSINESS REVIEW

The Group recorded a revenue of approximately RMB408,585,000 for the year ended 31 December 2024 (2023: RMB60,646,000), representing an increase of approximately 574%. During the year of 2024, the software and hardware business was benefited from the all-round improvement in management to significant growth of in the year of 2024 compared to the year of 2023. The significant increase in overall revenue for the software and hardware 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 year ended 31 December 2024, the Group recorded consolidated net profit attributable to equity shareholders of the Company of approximately RMB72,737,000 as compared to approximately RMB5,550,000 for the year ended 31 December 2023. The Group's increase in profit for the year ended 31 December 2024 was mainly driven by the increase in revenue of its software and hardware business and increase in net gain on disposal of financial assets at fair value through profit or loss.

OUTLOOK AND FUTURE BUSINESS STRATEGIES

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, 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).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) in 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 year ended 31 December 2024.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. The work performed by HLB in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by HLB on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 20 June 2025, the register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025, both days inclusive, during the period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 13 June 2025.

AUDIT COMMITTEE

The Company established the audit committee of the Company (the "**Audit Committee**") on 18 December 2006 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, Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2024.

By Order of the Board
Enterprise Development Holdings Limited
Yu Hui
Executive Director and Chief Executive Officer

Hong Kong, 21 March 2025

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