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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



華晉證券資產管理有限公司
China Rise Securities Asset Management Co. Limited

THE PLACING

On 15 December 2015 after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, 580,450,000 Placing Shares at the Placing Price of HK\$0.098 per Placing Share.

The Placing Shares represent approximately 20.00% of the existing issued share capital of the Company of 2,902,259,827 Shares and approximately 16.67% of the issued share capital of the Company of 3,482,709,827 Shares as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 8.41% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on 15 December 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 19.67% to the average closing price per Share of HK\$0.122 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 December 2015, being the date immediately preceding the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The gross proceeds and net proceeds from the Placing will be approximately HK\$56.9 million and HK\$54.9 million respectively, which will be used for general working capital of the Group and for funding investment opportunities as may be identified from time to time.

THE PLACING AGREEMENT

Date

15 December 2015 (after trading hours)

Parties

- (a) The Placing Agent; and
- (b) The Company

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and not connected persons of the Company.

The Placing

The Placing Agent has conditionally agreed with the Company to place the Placing Shares to not fewer than six Placees on a best effort basis. The Company will issue a further announcement upon completion of the Placing.

Placees

The Placees (and their respective ultimate beneficial owners) are not connected person(s) of the Company and are third parties independent of and not connected with the Company and its connected persons. No Placees will become substantial Shareholders (as defined in the Listing Rules) as a result of the Placing.

Placing Shares

The Placing Shares of 580,450,000 new Shares represent approximately 20.00% of the existing issued share capital of the Company of 2,902,259,827 Shares and approximately 16.67% of the issued share capital of the Company of 3,482,709,827 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares will be HK\$5,804,500.

The Placing Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price represents (i) a discount of approximately 8.41% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on 15 December 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 19.67% to the average closing price per Share of HK\$0.122 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 December 2015, being the date immediately preceding the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$2.0 million, comprising placing commission, and other professional fees and expenses. Assuming that all the Placing Shares could be successfully placed out, the net price to the Company of each Placing Share is approximately HK\$0.095 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market price and liquidity of the Shares.

The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Commission

The Placing Agent will be entitled to a commission of 3% of the amount equivalent to the Placing Price multiplied by the number of Placing Shares actually placed. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size and the current market condition. The Directors are of the view that the placing commission payable under the Placing is fair and reasonable.

Condition Precedent of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

If the foregoing condition is not fulfilled on or prior to 5 January 2016 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations, warranties and undertakings as provided by the Company to the Placing Agent under the Placing Agreement; or

- (ii) any of the following events:
- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date thereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date.

Mandate to Issue the New Shares

The Placing Shares will be issued pursuant to the General Mandate which was granted at the EGM and under which a maximum of 580,451,965 Shares may be issued. As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate. Therefore, the Company is allowed to issue up to 580,451,965 Shares under the General Mandate. Accordingly, the Placing and the issue of Placing Shares are not subject to Shareholders' approval.

Reason for the Placing and Use of Net Proceeds

The Group is principally engaged in provision of integrated business software solutions, trading of listed securities, and mobile marketing.

The gross proceeds and net proceeds from the Placing will be approximately HK\$56.9 million and HK\$54.9 million respectively, which will be used for general working capital of the Group and for funding investment opportunities as may be identified from time to time.

The Directors have considered various fund raising methods and believe that under the prevailing market conditions, the Placing represents a good opportunity to raise additional funds as working capital of the Group. In addition, the Placing will broaden the Company's capital base and shareholders base without any interest burden. Moreover, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Directors consider that the Placing is in the interest of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholders	As at the date of this announcement		Immediately after the Placing	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Affluent Start Holdings Investment Limited (<i>Note 1</i>)	604,355,000	20.82	604,355,000	17.35
Other public Shareholders	2,297,904,827	79.18	2,297,904,827	65.98
Placees (<i>Note 2</i>)	—	—	580,450,000	16.67
Total	<u>2,902,259,827</u>	<u>100.00</u>	<u>3,482,709,827</u>	<u>100.00</u>

Notes:

1. Affluent Start Holdings Investment Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King Pak Fu.
2. The Placees will be treated as public Shareholders.
3. Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DETAILS OF PREVIOUS FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of net proceeds	Actual use of proceeds as at the date of this announcement
28 May 2015 and 17 June 2015	placing of 483,700,000 new shares of the Company at a price of HK\$0.25 per placing share	HK\$117.2 million	General working capital of the Group (including trading of securities)	(i) approximately HK\$110.6 million has been used for early redemption of promissory notes with principal amount of HK\$110.0 million and accrued interest; and (ii) the remaining balance of approximately HK\$6.6 million is maintained at bank for general working capital of the Group (including trading of securities)

Save for the fund raising activity disclosed above, the Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the completion of the Placing is subject to condition under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Enterprise Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares are listed on the main board of the Stock Exchange
“Completion Date”	no later than the second Business Day upon the fulfillment of the condition of the Placing (or such other date as the Company and the Placing Agent shall agree)
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	The extraordinary general meeting of the Company held on 6 August 2015
“General Mandate”	the mandate granted to the Directors by the Shareholders at the EGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to not fewer than six Placees on a best effort basis by the Placing Agent pursuant to the Placing Agreement

“Placing Agent”	China Rise Securities Asset Management Company Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 15 December 2015 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.098 per Placing Share
“Placing Shares”	580,450,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Enterprise Development Holdings Limited
Lam Kai Tai
Chairman

Hong Kong, 15 December 2015

As of the date of this announcement, the Board comprises four executive Directors, namely Mr. Lam Kai Tai (Chairman), Mr. Kwok Ho On Anthony, Mr. Wang Jun and Mr. Wong Ho Sing, and three independent non-executive Directors, namely Mr. Yau Yan Ming Raymond, Ms. Hu Gin Ing and Mr. Liu Kam Lung.