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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 2011

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Enterprise Development Holdings Limited (the "Company") announces the consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011 together with comparative figures for the year ended 31 December 2010 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2011
(Expressed in Renminbi Yuan)

	Notes	**2011** *RMB'000*	2010 *RMB'000*
Continuing operations			
Turnover	*2*	**128,788**	39,522
Cost of sales		**(95,185)**	(26,386)
Gross profit		**33,603**	13,136
Other revenue	*3*	**27**	—
Other net income/(loss)	*4*	**15,458**	(1,354)
Distribution expenses		**(11,790)**	(1,989)
General and administrative expenses		**(18,245)**	(9,117)
Other operating expenses		**(75)**	(17)
Profit before taxation	*5*	**18,978**	659
Income tax expenses	*6(i)*	**(2,841)**	(944)
Profit/(loss) from continuing operations		**16,137**	(285)

	Notes	2011	2010
		RMB'000	*RMB'000*
Discontinued operations			
(Loss)/profit from discontinued operations (net of income tax)	*7*	**(5,214)**	77,498
Profit for the year		**10,923**	77,213
Attributable to:			
Equity holders of the Company		**10,923**	77,213
Profit for the year		**10,923**	77,213
Basic and diluted earnings/(losses) per share (RMB)			
— from continuing and discontinued operations	*10*	**0.01**	0.13
— from continuing operations	*10*	**0.0206**	(0.0005)
— from discontinued operations	*10*	**(0.01)**	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

(Expressed in Renminbi Yuan)

	2011	2010
	RMB'000	*RMB'000*
Profit for the year	**10,923**	77,213
Other comprehensive income for the year (after tax)		
Exchange difference on translation of financial statements of overseas operations	**71**	1,680
Cash flow hedge: net movement in the hedging reserve	**17,884**	(1,633)
Total comprehensive income for the year	**28,878**	77,260
Attributable to:		
Equity holders of the Company	**28,878**	77,260
Total comprehensive income for the year	**28,878**	77,260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2011
(Expressed in Renminbi Yuan)

	Notes	**2011** **RMB'000**	2010 RMB'000
Non-current assets			
Property, plant and equipment		**3,284**	1,640
Intangible assets		**8,349**	11,954
Goodwill	*11*	**19,541**	19,541
Deferred tax assets		**346**	168
		31,520	33,303
Current assets			
Inventories		**3,122**	3,321
Trade and other receivables	*13*	**48,128**	37,287
Derivative financial instruments		**4,263**	6,430
Cash and cash equivalents		**10,338**	10,675
Assets classified as held for distribution	*8*	**—**	3,223,865
		65,851	3,281,578
Current liabilities			
Trade and other payables	*14*	**5,975**	7,968
Income tax payables	*6(iii)*	**1,953**	2,850
Liabilities classified as held for distribution	*8*	**—**	2,517,214
		7,928	2,528,032
Net current assets		**57,923**	753,546
Total assets less current liabilities		**89,443**	786,849
Non-current liabilities			
Promissory note	*15*	**59,658**	77,287
		59,658	77,287
NET ASSETS		**29,785**	709,562
CAPITAL AND RESERVES			
Share capital	*16*	**7,740**	5,962
Reserves		**22,045**	703,600
TOTAL EQUITY		**29,785**	709,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan)

1. Significant accounting policies

Enterprise Development Holdings Limited (previously known as "Tai-I International Holdings Limited") ("the Company") is a company incorporated in the Cayman Islands as an exempted company with limited liability on 20 April 2006 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 11 January 2007.

On 8 November 2010, the Company's holding company (Tai-I International (BVI) Limited ("Tai-I BVI")), Affluent Start Holdings Investment Limited ("Affluent Start"), Mr. Hsu Shou-Hsin, Mr. King Pak Fu and the Company entered into a share transfer and the subscription agreement (the "Agreement"), pursuant to which Affluent Start agreed to acquire 195,487,000 shares of the Company from Tai-I BVI, representing approximately 32.79% of the then issued share capital of the Company, and subscribe for 210,000,000 new shares at a cash consideration of HK$0.06 per share of the Company, representing approximately 35.23% of the then issued share capital of the Company and approximately 26.05% of the issued share capital of the Company as enlarged by the subscription of new shares. Completion of the Agreement was subject to the completion of a proposal to restructure the Company and its subsidiaries ("the Group") (the "Group Restructuring").

Pursuant to the Group Restructuring completed on 23 December 2010, the Company transferred its entire interests in Tai-I Copper (BVI) Limited and United Development International Limited (being the companies through which the Company held its entire interests in the bare copper wires and magnet wires business) to Tai-I International Bermuda Co., Ltd. ("Tai-I Bermuda"), a wholly-owned subsidiary of the Company which was incorporated in Bermuda on 9 November 2010, and the Company transferred the intercompany balance due to Tai-I Copper (BVI) Limited to Tai-I Bermuda for a consideration of HK$1.00 with the consent of Tai-I Copper (BVI) Limited.

As a result of the completion of the Group Restructuring, the Company's principal activities were (i) a software business providing integrated business software solutions in the PRC; and (ii) Tai-I Bermuda and its subsidiaries continued to carry on the copper wires business being the manufacture and sale being the bare copper wires and magnet wires in the PRC.

Following the completion of the Group Restructuring and the Agreement, the Company distributed all of its Tai-I Bermuda's shares to the shareholders of the Company on a pro rata basis ("Distribution In Specie") on 11 February 2011.

The Agreement and Distribution In Specie were approved by a resolution passed by the independent shareholders of the Company in the extraordinary general meeting held on 8 February 2011. On 11 February 2011, the Agreement and Distribution In Specie were completed. As a result, Affluent Start held 405,487,000 shares of the Company and became the holding company of the Company and the shareholders of the Company received the shares of Tai-I Bermuda on the basis of one share of Tai-I Bermuda for one share of the Company held.

Details of the Group Restructuring, the Agreement and Distribution In Specie are set out in a circular of the Company dated 18 January 2011.

Pursuant to the special resolution passed on 16 May 2011, the Company changed its name from "Tai-I International Holdings Limited" to "Enterprise Development Holdings Limited".

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collectively term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for the derivative financial instruments and non-derivative financial instruments at fair value through profit or loss which are stated at their fair value as explained in the accounting policies set out below.

Non-current assets and disposal groups held for sale or distribution are stated at the lower of carrying amount and fair value less cost to sell or distribute.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IAS 24 (revised 2009), *Related party disclosures*
- Improvements to IFRSs (2010)
- IFRIC 19, *Extinguishing financial liabilities with equity instruments*
- Amendments to IFRIC 14, IAS 19 — *The limit on a defined benefit asset, minimum funding requirements and their interaction — Prepayments of a minimum funding requirement*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amendments to IFRIC 14 have had no material impact on the Group's financial statements as they were consistent with policies already adopted by the Group. IFRIC 19 has not yet had a material impact on the Group's financial statements as these changes will first be effective as and when the Group enters a relevant transaction (for example, a debt for equity swap).

The impacts of other developments are discussed below:

- *IAS 24 (revised 2009)* revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous period. IAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

- *Improvements to IFRSs (2010)* omnibus standard introduces a number of amendments to the disclosure requirements in IFRS 7, *Financial instruments: Disclosures.* The disclosures about the Group's financial instruments have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

2. Turnover and segment reporting

(a) Turnover

The principal activities of the Group are the provision of integrated business software solutions, manufacturing and sale of bare copper wires and magnet wires and provision of processing services in the PRC.

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

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Software maintenance and other services	**124,965**	36,694
Sale of software products and others	**3,823**	2,828
	128,788	39,522

Discontinued operations

	From 1 January 2011 to 11 February 2011	2010
	RMB'000	*RMB'000*
Sales of bare copper wires	**522,166**	5,264,132
Sales of magnet wires	**277,355**	1,977,354
Processing services	**738**	14,593
	800,259	7,256,079

(b) Segment reporting

The Group manages its business 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 purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Continuing operations:

- Software business: Provision of integrated business software solutions in the PRC.

Discontinued operations:

- Bare copper wires: The manufacturing and sale of bare copper wires and provision of processing services of copper wires.

- Magnet wires: The manufacturing and sale of magnet wires.

(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 interest in associate, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments and bank 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 is the “adjusted profit before taxation”. To arrive at adjusted profit before taxation, the Group’s earnings are adjusted for items not specifically attributed to individual segments, such as share of profits less losses of an associate, directors’ and auditors’ remuneration and other head office or corporate administration costs. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Analysis of the Group’s turnover and results as well as analysis of the Group’s carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 90% of the sales are generated from the PRC market.

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 year ended 31 December 2011 is set out below.

	Software business		Bare copper wires (Discontinued)		Magnet wires (Discontinued)		Total	
			From 1 January 2011 to 11 February		From 1 January 2011 to 11 February			
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**128,788**	39,522	**522,904**	5,278,726	**277,355**	1,977,353	**929,047**	7,295,601
Inter-segment revenue	**—**	—	**204,165**	1,749,533	**—**	—	**204,165**	1,749,533
Reportable segment revenue	**128,788**	39,522	**727,069**	7,028,259	**277,355**	1,977,353	**1,133,212**	9,045,134
Reportable segment profit/ (loss) (adjusted profit/ (loss) before taxation)	**12,038**	5,639	**(13,012)**	25,129	**6,276**	56,060	**5,302**	86,828
Interest income from bank deposits	**27**	17	**732**	9,327	**55**	715	**814**	10,059
Interest expense	**—**	—	**5,771**	30,471	**4,112**	26,411	**9,883**	56,882
Depreciation and amortisation for the year	**4,537**	2,378	**—**	11,032	**—**	19,691	**4,537**	33,101
Reportable segment assets	**70,684**	64,338	**—**	2,378,787	**—**	1,222,487	**70,684**	3,665,612
Additions to non-current segment assets during the year/period	**2,581**	15,975	**371**	1,871	**6**	8,675	**2,958**	26,521
Reportable segment liabilities	**7,072**	9,745	**—**	2,334,999	**—**	836,183	**7,072**	3,180,927

The Group's operations are mostly located in the PRC. During the year, a substantial proportion of the Group's products from discontinued operations were sold to its customers for further processing and eventual export to overseas countries.

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

	2011	2010
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**1,133,212**	9,045,134
Elimination of inter-segment revenue	**(204,165)**	(1,749,533)
Discontinued operations	**(800,259)**	(7,256,079)
Total	**128,788**	39,522
Profit before taxation		
Reportable segment profit before taxation	**5,302**	86,828
Elimination of inter-segment loss	**2,144**	2,508
Reportable segment profit derived from the Group's external customers	**7,446**	89,336
Share of profit of associate	**—**	416
Unallocated head office and corporate income/(expenses)	**7,262**	(4,980)
Loss/(profit) from discontinued operations	**4,270**	(84,113)
Total	**18,978**	659
Assets		
Reportable segment assets	**70,684**	3,665,612
Elimination of inter-segment receivables	**—**	(653,968)
	70,684	3,011,644
Interests in associates	**—**	19,166
Deferred tax assets	**346**	20,586
Unallocated head office and corporate assets	**26,341**	263,485
Total	**97,371**	3,314,881
Liabilities		
Reportable segment liabilities	**7,072**	3,180,927
Elimination of inter-segment payables	**—**	(653,968)
	7,072	2,526,959
Unallocated head office and corporate liabilities	**60,514**	78,360
Total	**67,586**	2,605,319

3. **Other revenue**

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Interest income	**27**	—
	27	—

Discontinued operations

	From 1 January 2011 to 11 February 2011	2010
	RMB'000	*RMB'000*
Interest income	**1,170**	10,865
Government grants	**—**	3,233
Others	**14**	603
	1,184	14,701

4. **Other net income/(loss)**

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Net loss on derivative financial instruments	**(2,167)**	(1,101)
Change in fair value of promissory note	**17,629**	(150)
Net exchange gain/(loss)	**(4)**	(120)
Others	**—**	17
	15,458	(1,354)

Discontinued operations

	From 1 January 2011 to 11 February 2011	2010
	RMB'000	*RMB'000*
Net exchange gain	**1,712**	29
(Loss)/gain on sales of scrap materials	**(314)**	1,019
Loss on disposal of property, plant and equipment	**—**	(349)
Net gain/(loss) on derivative financial instruments	**518**	(5,882)
	1,916	(5,183)

5. Profit before taxation

Profit before taxation is arrived at after charging:

(i) Finance costs

Discontinued operations

	From 1 January 2011 to 11 February 2011	2010
	RMB'000	*RMB'000*
Interest expenses	**9,883**	56,882
Letter of credit charges	**1,141**	6,846
	11,024	63,728

(ii) Staff costs

	Continuing operations		Discontinued operations	
			From 1 January 2011 to 11 February	
	2011	2010	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	**12,931**	2,894	**3,942**	53,917
Contributions to defined contribution retirement schemes	**533**	62	**398**	3,058
	13,464	2,956	**4,340**	56,975

(iii) Other items

Continuing operations

	2011	2010
	RMB'000	*RMB'000*
Cost of inventories	**2,323**	1,632
Auditors' remuneration — audit services	**1,200**	1,163
Depreciation	**932**	587
Amortisation of intangible assets	**3,605**	1,803
Impairment losses for stock	**1,183**	1,123
Operating lease charges in respect of properties	**3,092**	1,112

Discontinued operations

	From 1 January 2011 to 11 February 2011	2010
	RMB'000	*RMB'000*
Cost of inventories	**789,299**	7,044,272
Auditors' remuneration — audit services	**—**	3,184
Depreciation	**—**	29,887
Amortisation of lease prepayments	**—**	837
Impairment losses for doubtful debts	**—**	9,447
Operating lease charges in respect of properties	**49**	1,815

6. Income tax expenses

(i) Income tax expenses in the consolidated income statement represents:

	Continuing operations		**Discontinued operations**	
			From 1 January 2011 to 11 February	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Current tax — PRC				
Provision for the year	**(3,019)**	(1,112)	**(1,655)**	(2,860)
Deferred tax				
Origination and reversal of temporary differences	**178**	168	**711**	(3,755)
	(2,841)	(944)	**(944)**	(6,615)

Pursuant to the rules and regulations of the Cayman Islands, Bermuda and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands, Bermuda and the British Virgin Islands.

No provision for Hong Kong profits tax has been made for the year as the Group does not have assessable profits subject to Hong Kong Profits Tax during the year.

The provision for 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. ("Beijing OLM") is entitled to a preferential income tax rate of 15% for 2011 and 2010 as it was awarded high-technology status by the tax authority.

According to the Corporate Income Tax Law of the PRC and Circular Guoshuifa [2007] No. 39 "Notice on Corporate Income Tax Rate for the Transitional Period", the income tax rates applicable to Tai-I Jiang Corp (Guangzhou) Co., Ltd. ("Tai-I Jiang Corp"), and Tai-I Copper (Guangzhou) Co., Ltd. ("Tai-I Copper") are increasing from 15% to 25% over a five year transitional period, being 20% for 2009, 22% for 2010, 24% for 2011 and 25% from 2012.

These tax rates were used to calculate the Group's deferred tax assets and liabilities as at 31 December 2011.

(ii) Reconciliation between income tax credit and accounting profit/(loss) at applicable tax rates:

	Continuing operations		**Discontinued operations**	
			From 1 January 2011 to 11 February	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Profit/(Loss) before taxation	**18,978**	659	**(4,270)**	84,113
Notional tax on profit/(loss) before tax, calculated at rate applicable to the Group's profit/(loss) in the tax jurisdiction concerned (Continuing operations: 2011 and 2010: 25%; Discontinued operations:2011: 24%, 2010: 22%)	**(4,745)**	(165)	**1,025**	(18,505)
Effect of tax on profit/(loss) in holding companies	**1,734**	(929)	**(2,170)**	560
Effect of share of profit of associate	**—**	—	**—**	92
Effect of non-deductible expenses	**(152)**	(412)	**(13)**	(1,043)
Effect of additional deduction for qualified expenses	**—**	—	**—**	2,502
Effect of change in tax rate	**—**	—	**214**	477
Effect of tax concessions	**322**	562	**—**	—
Recognition of previously unrecognised tax losses	**—**	—	**—**	9,302
	(2,841)	(944)	**(944)**	(6,615)

(iii) Taxation in the consolidated statement of financial position represents:

	2011		2010	
	Continuing operations	**Liabilities held for distribution** *(note 8)*	Continuing operations	Liabilities held for distribution *(note 8)*
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
At 1 January	**2,850**	**(6,361)**	—	(1,284)
Provision for income tax for the year	**3,019**	**1,655**	1,112	2,860
Acquisition of subsidiaries	**—**	**—**	1,867	—
Amounts paid	**(3,916)**	**—**	(129)	(7,937)
Distribution In Specie	**—**	**4,706**	—	—
At 31 December	**1,953**	**—**	2,850	(6,361)

7. Discontinued operations

As described in note 1, the Distribution In Specie was completed on 11 February 2011. The results of the Tai-I Bermuda and its subsidiaries which constitute discontinued operations during the period from 1 January 2011 to 11 February 2011 are set out below:

Results of discontinued operations

	Notes	**From 1 January 2011 to 11 February 2011**	2010
		RMB'000	*RMB'000*
Turnover	*2*	**800,259**	7,256,079
Cost of sales		**(789,299)**	(7,044,272)
Gross profit		**10,960**	211,807
Other revenue	*3*	**1,184**	14,701
Other net income/(loss)	*4*	**1,916**	(5,183)
Distribution expenses		**(2,321)**	(23,724)
General and administrative expenses		**(2,944)**	(42,190)
Other operating expenses		**(2,041)**	(7,986)
Profit before operations		**6,754**	147,425
Finance costs	*5(i)*	**(11,024)**	(63,728)
Share of profit of associate		**—**	416
(Loss)/profit before taxation		**(4,270)**	84,113
Income tax expenses	*6(i)*	**(944)**	(6,615)
(Loss)/profit for the period/year		**(5,214)**	77,498

Cash flows from/(used in) discontinued operations

	From 1 January 2011 to 11February 2011 *RMB'000*	2010 *RMB'000*
Net cash used in operating activities	**(278,696)**	(503,524)
Net cash (used in)/from investing activities	**(230,500)**	37,056
Net cash from financing activities	**519,029**	397,401
Net cash flows for the period/year	**9,833**	(69,067)

	2011 *RMB'000*
Net outflow of cash and cash equivalents in respect of Distribution in Specie	**(221,918)**

8. Assets/(liabilities) held for distribution to owners

The Company distributed its equity interest in Tai-I Bermuda to its shareholders and the net assets of the Tai-I Bermuda and its subsidiaries at the date of distribution on 11 February 2011 are set out below. As at 31 December 2010, Tai-I Bermuda and its subsidiaries were presented as a disposal group held for distribution and comprised the following assets and liabilities:

	Notes	**11 February 2011** *RMB'000*	31 December 2010 *RMB'000*
Property, plant and equipment		**408,635**	408,258
Lease prepayments		**30,509**	30,509
Interest in an associate		**19,166**	19,166
Deferred tax assets		**20,099**	20,418
Inventories		**341,956**	242,839
Trade and other receivables	*13*	**1,844,831**	1,498,749
Derivative financial instruments		**25,542**	23,233
Pledged deposits		**105,904**	550,289
Time deposits		**447,646**	218,319
Cash and cash equivalents		**221,918**	212,085
Assets classified as held for distribution		**3,466,206**	3,223,865
Bank loans		**(1,601,158)**	(1,541,933)
Trade and other payables	*14*	**(1,128,786)**	(947,979)
Derivative financial instruments		**(21,645)**	(33,663)
Income tax recoverable	*6(iii)*	**4,706**	6,361
Liabilities classified as held for distribution	*9*	**(2,746,883)**	(2,517,214)
Net assets distributed		**719,323**	
Cumulative income/(expenses) recognised in other comprehensive income		**17,621**	(265)

9. Dividends

	2011	2010
	RMB'000	*RMB'000*
Distribution In Specie *(note 8)*	**719,323**	—
	719,323	—

Pursuant to the approval by the independent shareholders of the Company at the extraordinary general meeting held on 8 February 2011, a non-cash special dividend satisfied by way of the Distribution In Specie was effected. Tai-I Bermuda's shares were distributed by the Company in the proportion of one Tai-I Bermuda's shares for every ordinary share in the Company held by the shareholders recorded on the register of members of the Company as at the close of business on 8 February 2011. An aggregate of 596,158,000 Tai-I Bermuda's shares were distributed by the Company pursuant to the Distribution In Specie.

10. Basic and diluted earnings/(losses) per share

The calculation of basic and diluted earnings/(losses) per share for the year ended 31 December 2011 is based on the gain attributable to equity holders of the Company of RMB10,923,000 (2010: a gain of RMB77,213,000) and the weighted average of RMB782,568,959 (2010: RMB596,158,000) shares in issue during the year, calculated as follows:

(i) Profit/(loss) attributable to equity shareholders of the Company

	2011	2010
	RMB'000	*RMB'000*
Profit/(loss) for the year from continuing operations	**16,137**	(285)
(Loss)/profit for the year from discontinued operations	**(5,214)**	77,498
Profit for the year attributable to equity holders of the Company	**10,923**	77,213

(ii) Weighted average number of shares

	2011	2010
	Number of shares	*Number of shares*
Ordinary shares issued at 1 January	**596,158,000**	596,158,000
Effect of new shares issued	**186,410,959**	—
Weighted average number of shares at 31 December	**782,568,959**	596,158,000

There were no dilutive potential ordinary shares in issue as at 31 December 2011 (2010: Nil).

11. Acquisition of subsidiaries and goodwill

On 7 June 2010, Winsino Investments Limited ("Winsino"), a wholly-owned subsidiary of the Company, Advance Mode Limited and Mr. Lo Kai Bong entered into an agreement, pursuant to which Winsino agreed to acquire the entire issued share capital of Liang Hui Holdings Limited ("Liang Hui") and the shareholder loan of RMB60,000,000 advanced by Advance Mode Limited to Liang Hui (the "Acquisition"). Upon the completion of the Acquisition on 10 September 2010, Liang Hui and its subsidiaries ("Liang Hui Group") have become wholly-owned subsidiaries of the Company, which are principally engaged in the provision of integrated business software solutions in the PRC.

Details of the Acquisition are set out in a circular of the Company dated 28 June 2010. Mr. Lo Kai Bong was appointed as an executive director of the Company on 30 March 2011 and resigned as executive director on 13 February 2012.

The Acquisition has been accounted for under the purchase method. Liang Hui Group contributed profit before taxation of RMB5,639,000 to the Group for the period from the acquisition date to 31 December 2010. The Company allocated the purchase price to identifiable assets acquired and liabilities assumed based on their estimated fair values. Management determined the fair values of the identifiable assets acquired and liabilities assumed based on valuations performed by an independent appraiser. Goodwill of approximately RMB19,541,000 was recognised in respect of the Acquisition. The following table summarises the aggregate purchase price allocation of the fair value of the identifiable assets acquired and liabilities assumed in respect of the Acquisition at the Acquisition date (10 September 2010):

	Identifiable assets acquired and liabilities assumed *RMB'000*
Property, plant and equipment	1,698
Intangible assets *(i)*	13,757
Inventories	3,870
Trade and other receivables	46,328
Derivative financial instruments *(iii)*	7,531
Cash and cash equivalents	7,771
Trade and other payables	(21,492)
Income tax payables	(1,867)
	57,596
Goodwill	19,541
Satisfied by: Promissory note *(ii)*	77,137
Net inflow of cash and cash equivalents in respect of the Acquisition	7,771

(i) Intangible assets arising from the Acquisition mainly represented 1) the brand name of Orient LegendMaker registered in the PRC recognised as trademarks amounting to approximately RMB2,815,000 with an infinite estimated useful life; 2) customer relationships recognised amounting to approximately RMB7,262,000 with an estimated useful life of 4 years; 3) outstanding customer contracts amounting to RMB3,015,000 to be amortised on a revenue-based method; and 4) firewall patents amounting to approximately RMB665,000 with remaining useful life of 1.5 years.

(ii) The consideration for the Acquisition was satisfied by the issuance of an 18 months promissory note with a principal amount of HK$96,000,000. The amount of the promissory note was initially recorded at its fair value on the Acquisition date.

(iii) Derivative financial instruments arising from the Acquisition represented the estimated fair value of a put option granted by Advance Mode Limited to the Company on the Acquisition date. Upon exercise of the put option, the Company was entitled to transfer to Advance Mode Limited all acquired shares and shareholder loans at any time on or before the expiry of 18 months from the Acquisition date, and the promissory note issued (note 15) shall be returned to the Company for cancellation.

12. Interest in an associate

	2011 ***RMB'000***	2010 *RMB'000*
Share of net assets	—	19,166
Goodwill arising on acquisition	—	10,370
	—	29,536
Less: Impairment of goodwill	—	(10,370)
	—	19,166
Reclassification to assets held for distribution *(note 8)*	—	(19,166)
At 31 December	—	—

The interest in an associate represents an investment of JCC-Taiyi Special Electric Material Co., Ltd. ("JCC-Taiyi"), an entity established in the PRC. The principal activities of JCC-Taiyi are the manufacturing and sales of bare copper wires and magnet wires. The Group, through its wholly owned subsidiary within discontinued operations, United Development, held 30% equity interest in JCC-Taiyi as at 11 February 2011.

The following illustrates the summarised financial information of the associate for the year ended 31 December 2010 based on the management accounts which have been adjusted to ensure consistency in accounting policies adopted by the Group:

	Assets	Liabilities	Revenue	Profit after tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
100 percent	459,715	(395,830)	630,385	1,387
The Group's effective interest	137,915	(118,749)	189,116	416

13. Trade and other receivables

		2011	2010	
			Continuing operations	Assets held for distribution *(note 10)*
		RMB'000	*RMB'000*	*RMB'000*
Trade receivables	*(i)*	**20,419**	17,229	682,152
Bills receivable	*(i)*	**—**	—	360,269
		20,419	17,229	1,042,421
Deposits and prepayments made to suppliers	*(ii)*	**24,551**	16,090	344,723
Other receivables		**3,158**	3,968	60,922
Deposits for derivative financial instruments		**—**	—	50,683
		48,128	37,287	1,498,749

All of the trade and other receivables are expected to be recovered within one year.

(i) Included in trade and other receivables are trade receivables and bills receivable with the following ageing analysis as of the end of each reporting period:

	2011	2010	
		Continuing operations	Assets held for distribution
Invoice date	***RMB'000***	*RMB'000*	*RMB'000*
Within 1 month	**7,088**	9,756	512,776
Over 1 month but less than 3 months	**9,915**	4,400	409,164
Over 3 months but less than 1 year	**3,166**	1,982	117,132
Over 1 year but less than 2 years	**164**	486	814
Over 2 years	**86**	605	28,101
	20,419	17,229	1,067,987
Less: Impairment losses for doubtful debts	**—**	—	(25,566)
	20,419	17,229	1,042,421

The movement in the allowance for doubtful debts during the year is as follows:

	2011		2010	
	Continuing operations	**Assets held for distribution**	Continuing operations	Assets held for distribution
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
At 1 January	—	**25,566**	—	37,254
Impairment loss recognised during the year/period	—	—	—	12,498
Reversed due to recovery during the year/period	—	—	—	(3,051)
Written-off during the year/period	—	—	—	(21,135)
Released upon Distribution In Specie	—	**(25,566)**	—	—
	—	—	—	25,566

(ii) The Group is required to make certain prepayments according to the agreement entered into with the Group's largest supplier, Oracle (China) Software System Co., Ltd. ("Oracle"). As at 31 December 2011, prepayments made to Oracle amounted to approximately RMB24,322,000 (2010: RMB15,912,000). These prepayments are unsecured, interest free and will be used to offset against future purchases from Oracle.

14. Trade and other payables

		2011	2010	
			Continuing operations	Assets held for distribution *(note 10)*
		RMB'000	*RMB'000*	*RMB'000*
Trade creditors	*(i)*	**2,170**	4,670	718,032
Bills payable	*(ii)*	**—**	—	154,610
		2,170	4,670	872,642
Non-trade payables and accrued expenses		**3,061**	1,988	63,024
Other taxes/payable		**744**	1,310	12,313
		5,975	7,968	947,979

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

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of reporting date:

	2011	2010	
		Continuing operations	Liabilities held for distribution
	RMB'000	*RMB'000*	*RMB'000*
Due within 3 months or on demand	**2,170**	4,670	812,154
Due after 3 months but within 6 months	**—**	—	59,910
Due after 6 months but within 1 year	**—**	—	38
Due after 1 year but within 2 years	**—**	—	105
Due after 2 years	**—**	—	435
	2,170	4,670	872,642

(i) As at 31 December 2010, certain letters of credit issued for the settlement of trade creditors were secured by pledged deposits. As at 31 December 2010, outstanding letters of credit included in trade creditors amounted to RMB299,446,000.

(ii) Certain bills payable outstanding as at 31 December 2010 were secured by the Group's machinery, equipment and tools with carrying amounts of RMB144,320,000.

15. Promissory note

In connection with the acquisition of Liang Hui and its subsidiaries on 10 September 2010, Winsino issued a non-transferrable, interest-free promissory note with a principal amount of HK$96,000,000 to Advance Mode Limited, which is wholly owned by Mr. Lo Kai Bong. The promissory note is payable upon the expiry of a period of 18 months from the date of issuance unless the put option described in note 11 (iii) is exercised by Winsino in which event, the promissory note shall be returned to Winsino for cancellation.

On 31 December 2011, Advance Mode Limited and Winsino entered into an agreement, pursuant to which the maturity date of the promissory note was extended for a period of 24 months from 10 March 2012. No interest shall be payable on all or any portion of the promissory note outstanding at any time during the period.

In the financial statements for the year ended 31 December 2011, the promissory note has been designated by the Company as being at fair value through profit or loss on its initial recognition. The estimate of the fair value of the promissory note was measured by using the discounted cash flow model based on the estimated future cash flows of the promissory note and the applicable discount rate. The estimated future cash flows were determined based on the contracted terms of the promissory note while the discount rate used as of 31 December 2011 of 12.88% (2010: 9.22%) was estimated with reference to published rates of comparable businesses.

The fair value of the promissory note on the date of its issue on 10 September 2010 was approximately RMB77,137,000 and its fair value as at 31 December 2011 was approximately RMB59,658,000 (2010: RMB77,287,000). An unrealised gain of RMB17,629,000 arising from the changes in fair value of the promissory note is recognised in the profit or loss for the year ended 31 December 2011 (2010: a loss of RMB150,000).

16. Share capital

		2011		2010	
	Note	**Number of shares**	**Amount** ***HK$***	Number of shares	Amount *HK$*
Authorised:					
Ordinary shares of HK$0.01 each		**1,000,000,000**	**10,000,000**	1,000,000,000	10,000,000
Issued and fully paid:					
At 1 January		**596,158,000**	**5,961,580**	596,158,000	5,961,580
Shares issued	*(i)*	**210,000,000**	**2,100,000**	—	—
At 31 December		**806,158,000**	**8,061,580**	596,158,000	5,961,580
			RMB equivalent		*RMB equivalent*
			7,739,650		5,961,580

(i) Shares issued

Following the completion of the Agreement on 11 February 2011, the Company issued 210,000,000 new shares at HK$0.06 each to Affluent Start. The subscription has resulted in an increase in the share capital and share premium account by HK$2,100,000 (equivalent RMB1,778,070) and HK$10,500,000 (equivalent RMB8,890,350) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

As a result of the acquisition of Liang Hui Group on 10 September 2010, the Group have the following three reportable segments:

- Software Business: Provision of integrated business software solutions in the PRC.
- Bare Copper Wires: The manufacturing and sale of bore copper wires and provision of processing services of copper wires.
- Magnet Wires: The manufacturing and sale of magnet wires.

Following the completion of the Agreement and Distribution In Specie on 11 February 2011, the Group's principal activities were (i) a software business providing integrated business software solutions in the PRC as continuing operations ("Software Business"); and (ii) the business of manufacture and sale of bare copper wires and magnet wires in the PRC as discontinued operations ("Copper Wires Business").

Turnover

Software Business

For the year ended 31 December 2011, the Group recorded a turnover of RMB128,788,000 (period from 11 September 2010 to 31 December 2010: RMB39,522,000), of which turnover from software maintenance and other services amounted to RMB124,965,000 (period from 11 September 2010 to 31 December 2010: RMB36,694,000), and turnover from sale of software products and others amounted to RMB3,823,000 (period from 11 September 2010 to 31 December 2010: RMB2,828,000).

Copper Wires Business

For the period from 1 January 2011 to 11 February 2011, the revenue of the Group amounted to approximately RMB800,259,000 (for the year ended 31 December 2010: RMB7,256,079,000). Revenue of bare copper wires, magnet wires and processing services recorded at RMB522,166,000, RMB277,355,000 and RMB738,000 respectively (for the year ended 31 December 2010: RMB5,264,132,000, RMB1,977,354,000 and RMB14,593,000 respectively).

Gross profit

Software Business

For the year ended 31 December 2011, the Group recorded a gross profit of RMB33,603,000 (period from 11 September 2010 to 31 December 2010: RMB13,136,000).

Copper Wires Business

For the period from 1 January 2011 to 11 February 2011, the Group recorded a gross profit of RMB10,960,000 (for the year ended 31 December 2010: RMB211,807,000).

Other net income/(loss)

Software Business

For the year ended 31 December 2011, other net income of the Group was approximately RMB15,458,000 (2010: net loss of RMB1,354,000) which was mainly attributable to net loss on derivative financial instrument of RMB2,167,000 (period from 11 September 2010 to 31 December 2010: RMB1,101,000), gain arising from change in fair value of promissory note of RMB17,629,000 (period from 11 September 2010 to 31 December 2010: loss of RMB150,000) and net exchange loss of RMB4,000 (2010: RMB120,000).

Copper Wires Business

For the period from 1 January 2011 to 11 February 2011, other net income of the Group was approximately RMB1,916,000, which was mainly attributable to net foreign gain of RMB1,712,000 (for the year ended 31 December 2010: RMB29,000), loss on sales of scrap materials of RMB314,000 (income for the year ended 31 December 2010: a gain of RMB1,019,000) and net gain on derivative financial instruments of approximately RMB518,000 (net loss for the year ended 31 December 2010: RMB5,882,000).

Finance costs

Copper Wires Business

Finance costs of the Group for the period from 1 January 2011 to 11 February 2011 was approximately RMB11,024,000 (for the year ended 31 December 2010: RMB63,728,000). The finance costs were mainly arising from interest expenses and letters of credit charges of RMB9,883,000 and RMB1,141,000 respectively (for the year ended 31 December 2010: RMB56,882,000 and RMB6,846,000 respectively).

Profit for the year

For the year ended 31 December 2011, the Group recorded a profit for the year of approximately RMB10,923,000 (2010: RMB77,213,000), where profit from continuing operations amounted to approximately RMB16,137,000, and loss from discontinued operations amounted to approximately RMB5,214,000.

Final Dividend

The Board did not recommend a final dividend for the year ended 31 December 2011 (2010: Nil).

Return on Shareholder's Equity

For the year ended 31 December 2011, the Group achieved a profit for the year of RMB10,923,000 (2010: RMB77,213,000) and a return on shareholders' equity of 36.67% (2010: 10.88%), shareholders/ return on shareholders' equity increased by 25.79 basic point from last year.

Liquidity and Financial Resources

The Group's working capital is funded by the cash generated by operating activities and proceeds from the issuing of new shares. As at 31 December 2011, the Group maintained cash and cash equivalent amounted to RMB10,338,000 (31 December 2010: RMB10,675,000). As at 31 December 2011, the Group current ratio was 830.61% (31 December 2010: 129.81%), and the Group's net gearing ratio (balance of total borrowings less cash and cash equivalent, time deposits and pledged deposits divided by total assets and multiplied by 100%) was 50.65% (31 December 2010: 16.61%).

Foreign Exchange

The Group's turnover is mainly denominated in Renminbi and no related hedge is required for the time being.

Pledge of Assets

As of 31 December 2011, 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 the promissory note, and equity attributable to owners of the Company, comprising issued share capital, share premium, retained earnings 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.

Material Acquisition and Disposal of Subsidiaries or Associated Companies

Save for the completion of the Distribution In Specie of the shares of Tai-I Bermuda, a former wholly-owned subsidiary of the Company holds the bare copper wire and magnet wire business, by the Company to its shareholders on 11 February 2011 where Tai-I Bermuda and its subsidiaires ceased to be a member of the Group, the Group has not made any material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2011.

Capital Expenditure

The Group's capital expenditures were mainly for the acquisition of properties, plant and equipment. The following table shows the Group's capital expenditures for the year ended 31 December 2011 and 2010:

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Building	—	10
Machinery, equipment and tools	**466**	5,700
Dies and moulds	—	2,114
Motor vehicles and other fixed assets	**2,115**	853
Construction in progress	—	2,389
	2,581	11,066

Commitments

Capital commitments

The Group has no significant capital commitments as at 31 December 2011 and 2010.

Lease commitments

At 31 December 2011, the total future minimum lease payments under non-cancellable operating leases in respect of properties were payable as follows:

	2011	2010
	RMB'000	*RMB'000*
Less than one year	**3,296**	1,419
Between one and two years	**2,203**	826
Between two and three years	**168**	187
	5,667	2,432

The Group leased a number of properties under operating leases during the year. None of the leases includes contingent rentals.

Employees and Remuneration Policies

As at 31 December 2011, the Group employed 100 full time employees. The remuneration package of employees is determined by reference to their performance, experience, their positions, duties and responsibilities in the Group and the prevailing market conditions. The Group continued to provide its PRC employees 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.

Contingent Liabilities

As at 31 December 2011, the Group had no significant contingent liability (31 December 2010: Nil).

Business Review

Software Business

The Group recorded a turnover of RMB128,788,000 for the year ended 31 December 2011 due to the continuing growing business in the provision of upgrade and maintenance services for Oracle's database products distributed in the PRC. The Group also provides customized development of applications as a value-added service to customers, and sells self-developed firewall and other software products.

Outlook

Following the completion of Distribution In Specie on 11 February 2011, we focused on our Software Business. The Group is a renowned professional integrated business software solutions provider in the PRC with a large client base using Oracle's databases and an experienced technical team which provides prompt and effective services.

Apart from our existing Software Business, we are actively searching for other business opportunities so as to diversify our business to bring return to our shareholders.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the year ended 31 December 2011.

Corporate Governance Practice

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Listing Rules.

During the year ended 31 December 2011, the Company was in compliance with code provisions set out in the CG Code except for the deviations from code provisions A.2.1 which is explained below.

Code provision A.2.1 of the CG Code provides that the responsibilities between the chairman ("Chairman") and chief executive officer ("CEO") should be divided. Prior to the appointment of Mr. Jia Bowei as CEO on 16 March 2012, the Company did not have a CEO and Mr. King Pak Fu performed these two roles. The Board is of the view that the balance of power and authority was not impaired and was adequately ensured by the Board which comprised experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

Save as the aforesaid and in the opinion of the Directors, the Company has met the code provisions set out in the CG Code for the year ended 31 December 2011.

Audit Committee

The Company established 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 internal control system of the Group. The Audit Committee comprises three independent non-executive Directors of the Company, Mr. Lam Ting Lok (as chairman), Ms. Hu Gin Ing and Mr. Zhang Xiaoman.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2011.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board also announces that, in order to enhance the overall management of the Group, Mr. Jia Bowei, an executive Director of the Company, has been appointed as the CEO of the Company with effect from 16 March 2012.

Mr. Jia Bowei (賈伯煒), aged 45, was appointed as an executive Director of the Company on 23 November 2011. He has extensive experience in finance and management. He graduated from the monetary banking department of Xin Jiang Finance Institute and earned his post-graduate qualification in 2000. In 2003, he obtained a master's degree in business administration from Guanghua Management School of Peking University. Mr. Jia has 25 years of working experience. He worked as the general manager and a director for Suntime International Wine Co., Ltd. (a trading company whose shares are listed as A shares in the Shanghai Stock Exchange). Mr. Jia is also an executive director of Shanghai Industrial Urban Development Group Limited, a company listed on the Stock Exchange (stock code: 563).

By Order of the Board
Enterprise Development Holdings Limited
King Pak Fu
Chairman

Hong Kong, 16 March 2012

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. King Pak Fu (Chairman), Mr. Jia Bowei (Chief Executive Officer), Mr. Tsang To and Mr. Lam Kwan Sing, and three independent non-executive Directors, namely Mr. Lam Ting Lok, Ms. Hu Gin Ing and Mr. Zhang Xiaoman.