ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
企展控股有限公司

(Incorporated in the Cayman Islands with limited liabilty)
(Stock Code: 1808)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Enterprise Development Holdings Limited (formerly known as "Tai-I International Holdings Limited") (the "Company") announces the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 together with comparative figures for the corresponding period in 2010. The unaudited interim financial report has not been audited but has been reviewed by the Company's Audit Committee.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011
(Expressed in Renminbi Yuan)

		Six months ended 30 June	
		2011	2010
	Note	***RMB'000***	*RMB'000*
			(Restated)
Continuing operations			
Turnover	*4*	**65,861**	–
Cost of sales		**(48,097)**	–
Gross profit		**17,764**	–
Other revenue		**17**	–
Other net loss	*5*	**(598)**	(104)
Distribution expenses		**(5,361)**	–
General and administrative expenses		**(8,375)**	(2,550)
Other operating expenses		**(14)**	(8)
Profit/(loss) before operations		**3,433**	(2,662)
Finance costs	*6(i)*	**(43)**	–
Profit/(loss) before taxation	*6*	**3,390**	(2,662)
Income tax expenses	*7*	**(1,578)**	–
Profit/(loss) from continuing operations		**1,812**	(2,662)

		Six months ended 30 June	
		2011	2010
	Note	***RMB'000***	*RMB'000*
			(Restated)
Discontinued operations			
(Loss)/profit from discontinued operations (net of income tax)	*8*	**(8,243)**	50,188
(Loss)/profit for the period		**(6,431)**	47,526
Other comprehensive income for the period (after tax)			
Exchange difference on translation of overseas operations		**163**	499
Cash flow hedge: net movement in the hedging reserve		**17,884**	8,046
Total comprehensive income for the period attributable to equity holders of the Company		**11,616**	56,071
Basic and diluted (loss)/earnings per share (RMB)			
– from continuing and discontinued operations	*10*	**(0.0085)**	0.0797
– from continuing operations	*10*	**0.0024**	(0.0045)
– from discontinued operations	*10*	**(0.0109)**	0.0842

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

(Expressed in Renminbi Yuan)

	Note	**30 June 2011** *RMB'000*	31 December 2010 *RMB'000*
Non-current assets			
Property, plant and equipment		**1,461**	1,640
Intangible assets		**9,818**	11,954
Goodwill		**19,541**	19,541
Deferred tax assets		**168**	168
		30,988	33,303
Current assets			
Inventories		**3,239**	3,321
Trade and other receivables	*11*	**50,511**	37,287
Derivative financial instruments		**5,929**	6,430
Cash and cash equivalents		**21,812**	10,675
Assets classified as held for distribution	*8*	**–**	3,223,865
		81,491	3,281,578
Current liabilities			
Trade and other payables	*12*	**18,149**	7,968
Income tax payables		**1,402**	2,850
Promissory note		**77,376**	–
Liabilities classified as held for distribution	*8*	**–**	2,517,214
		96,927	2,528,032
Net current (liabilities)/assets		**(15,436)**	753,546
Total assets less current liabilities		**15,552**	786,849
Non-current liabilities			
Promissory note		**–**	77,287
		–	77,287
NET ASSETS		**15,552**	709,562
Capital and reserves			
Share capital		**7,740**	5,962
Reserves		**7,812**	703,600
Total equity		**15,552**	709,562

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan)

1. BASIS OF PREPARATION

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

Following the completion of the Group Restructuring, the Company proposed to distribute all of its Tai-I Bermuda's shares to the shareholders of the Company on a pro rata basis ("Distribution In Specie"). Completion of Distribution In Specie was subject to an approval by independent shareholders of the Company.

Pursuant to the resolution passed by the independent shareholders in the extraordinary general meeting held on 8 February 2011, the Distribution In Specie and the Agreement were approved. On 11 February 2011, the Distribution In Specie and the Agreement 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".

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", issued by the International Accounting Standards Board ("IASB").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

2. 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. Of these, the following developments are relevant to the Group's consolidated interim financial statements:

- IAS 24 (revised 2009), Related party disclosures
- Improvements to IFRSs (2010)
- IFRIC 19 Extinguishing financial liabilities with equity instruments

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

IFRIC 19 has not yet had a material impact on the Group's consolidated 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 remaining developments related primarily to clarification of certain disclosure requirements applicable to the Group's consolidated financial statements. These developments have had no material impact on the contents of this interim financial report.

3. 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.

(a) 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 six months ended 30 June 2011 is set out below.

	Software business		Bare copper wires (Discontinued)		Magnet wires (Discontinued)		Total	
	Six months ended 30 June		From 1 January 2011 to 11 February	Six months ended 30 June	From 1 January 2011 to 11 February	Six months ended 30 June	Six months ended 30 June	
	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	**65,861**	–	**522,904**	2,514,616	**277,355**	981,010	**866,120**	3,495,626
Inter-segment revenue	**–**	–	**204,165**	873,024	**–**	–	**204,165**	873,024
Reportable segment revenue	**65,861**	–	**727,069**	3,387,640	**277,355**	981,010	**1,070,285**	4,368,650
Reportable segment profit (adjusted profit before taxation)	**6,928**	–	**(13,945)**	15,861	**4,520**	34,727	**(2,497)**	50,588

	Software business		Bare copper wires (Discontinued)		Magnet wires (Discontinued)		Total	
	30 June 2011	31 December 2010	**30 June 2011**	31 December 2010	**30 June 2011**	31 December 2010	**30 June 2011**	31 December 2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**79,040**	64,338	**–**	2,378,787	**–**	1,222,487	**79,040**	3,665,612
Additions to non-current segment assets during the period	**211**	15,975	**–**	1,871	**–**	8,675	**211**	26,521
Reportable segment liabilities	**19,101**	9,745	**–**	2,334,999	**–**	836,183	**19,101**	3,180,927

The Group's operations are mostly located in the PRC. During the period, 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.

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

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Reportable segment revenue	**1,070,285**	4,368,650
Elimination of inter-segment revenue	**(204,165)**	(873,024)
Discontinued operations	**(800,259)**	(3,495,626)
Total	**65,861**	–
Profit/(loss) before taxation		
Reportable segment (loss)/profit before taxation	**(2,497)**	50,588
Elimination of inter-segment loss	**2,144**	350
Reportable segment (loss)/profit derived from the Group's external customers	**(353)**	50,938
Share of profit of associate	**75**	194
Unallocated head office and corporate expenses	**(3,631)**	(3,166)
Loss/(profit) from discontinued operations	**7,299**	(50,628)
Total	**3,390**	(2,662)

	30 June 2011 RMB'000	31 December 2010 RMB'000
Assets		
Reportable segment assets	**79,040**	3,665,612
Elimination of inter-segment receivables	**–**	(653,968)
	79,040	3,011,644
Interests in associates	**–**	19,166
Deferred tax assets	**168**	20,586
Unallocated head office and corporate assets	**33,271**	263,485
Total	**112,479**	3,314,881
Liabilities		
Reportable segment liabilities	**19,101**	3,180,927
Elimination of inter-segment payables	**–**	(653,968)
	19,101	2,526,959
Unallocated head office and corporate liabilities	**77,826**	78,360
Total	**96,927**	2,605,319

4. 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 period is as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Software maintenance and other services	**64,419**	–
Sale of software products and others	**1,442**	–
	65,861	–

Discontinued operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Sales of bare copper wires	**522,166**	2,507,189
Sales of magnet wires	**277,355**	981,010
Processing services	**738**	7,427
	800,259	3,495,626

5. OTHER NET LOSS

Continuing operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Net loss on derivative financial instruments	**(501)**	–
Change in fair value of promissory note	**(89)**	–
Net exchange loss	**(8)**	(104)
	(598)	(104)

Discontinued operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Net exchange gain	**1,297**	341
(Loss)/gain on sales of scrap materials	**(314)**	764
Loss on disposal of property, plant and equipment	**–**	(12)
Net gain on derivative financial instruments	**518**	1,209
	1,501	2,302

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

(i) Finance costs

Continuing operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Interest expenses	**43**	–

Discontinued operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Interest expenses	**9,883**	26,677
Letter of credit charges	**1,141**	3,325
	11,024	30,002

(ii) Staff costs

	Continuing operations		Discontinued operations	
	Six months ended 30 June			
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)
Salaries, wages and other benefits	**5,532**	313	**3,942**	22,735
Contributions to defined contribution retirement schemes	**903**	–	**398**	1,247
	6,435	313	**4,340**	23,982

(iii) Other items

Continuing operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories	**756**	–
Depreciation	**385**	13
Amortisation of intangible assets	**2,136**	–
Operating lease charges in respect of properties	**1,469**	65

Discontinued operations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories	**791,922**	3,296,866
Depreciation	**2,369**	14,436
Amortisation of lease prepayments	**320**	419
Operating lease charges in respect of properties	**49**	304

7. INCOME TAX EXPENSES

	Continuing operations		Discontinued operations	
	Six months ended 30 June			
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)
Current tax-PRC				
Provision for the period	**1,578**	–	**1,655**	6,655
Deferred tax				
Origination and reversal of temporary differences	**–**	–	**(711)**	(6,215)
	1,578	–	**944**	440

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 period.

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.

Beijing Orient LegendMaker Software Development Co., Ltd. ("Beijing OLM") and Chengdu Orient LegendMaker Information Industry Co., Ltd. ("Chengdu OLM") are entitled to a preferential income tax rate of 15% for 2011 and 2010 as they were awarded high-tech status by the respective tax authorities.

These tax rates were used to calculate the Group's deferred tax assets and liabilities as at 30 June 2011.

8. DISCONTINUED OPERATIONS

Following the approval by the shareholders of the Company in an extraordinary general meeting on 8 February 2011, the Agreement and Distribution In Specie have been completed on 11 February 2011. The results of the Tai-I Bermuda Group which constitute discontinued operations during the period from 1 January 2011 to 11 February 2011 are set out below:

	Note	**From 1 January 2011 to 11 February 2011** *RMB'000*	Six months ended 30 June 2010 *RMB'000*
Turnover	4	**800,259**	3,495,626
Cost of sales		**(791,922)**	(3,377,853)
Gross profit		**8,337**	117,773
Other revenue		**1,184**	5,916
Other net income	5	**1,501**	2,302
Distribution expenses		**(2,321)**	(19,369)
General and administrative expenses		**(3,010)**	(22,080)
Other operating expenses		**(2,041)**	(4,106)
Profit before operations		**3,650**	80,436
Finance costs	6(i)	**(11,024)**	(30,002)
Share of profit of associate		**75**	194
(Loss)/profit before taxation		**(7,299)**	50,628
Income tax expenses	7	**(944)**	(440)
(Loss)/profit for the period		**(8,243)**	50,188
Other comprehensive income for the period (after tax)			
Exchange difference on translation of overseas operations		**331**	814
Cash flow hedge: net movement in the hedging reserve		**17,884**	8,046
Total comprehensive income for the period		**9,972**	59,048

Analysis of the net cash flows from the Tai-I Bermuda Group during the period from 1 January 2011 to 11 February 2011 are set out below:

	From 1 January 2011 to 11 February 2011 *RMB'000*	Six months ended 30 June 2010 *RMB'000*
Operating activities	**(278,696)**	(34,094)
Investing activities	**(230,500)**	(183,698)
Financing activities	**519,029**	206,994
Net cash inflow/(outflow)	**9,833**	(10,798)

	From 1 January 2011 to 11 February 2011 *RMB'000*
Net outflow of cash and cash equivalents in respect of Distribution in Specie	**(221,918)**

The Company distributed its equity interest in the Tai-I Bermuda to its shareholders and the net assets of the Tai-I Bermuda Group at the date of distribution on 11 February 2011 are set out below:

	11 February 2011 *RMB'000*	31 December 2010 *RMB'000*
Property, plant and equipment	**406,016**	408,258
Lease prepayments	**30,439**	30,509
Interest in an associate	**18,826**	19,166
Deferred tax assets	**20,099**	20,418
Inventories	**341,956**	242,839
Trade and other receivables	**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	**3,463,177**	3,223,865
Bank loans	**(1,601,158)**	(1,541,933)
Trade and other payables	**(1,128,786)**	(947,979)
Derivative financial instruments	**(21,645)**	(33,663)
Income tax recoverable	**4,706**	6,361
Liabilities classified as held for distribution	**(2,746,883)**	(2,517,214)
Net assets distributed	**716,294**	706,651

9. DIVIDENDS

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Distribution In Specie *	**716,294**	–
	716,294	–

* Pursuant to the approval by the 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 share 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 596,246,806 Tai-I Bermuda's shares were distributed by the Company pursuant to the Distribution In Specie.

10. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2011 is based on the loss attributable to equity holders of the Company of RMB6,431,000 (six months ended 30 June 2010: a gain of RMB47,526,000) and the weighted average of 758,588,939 (six months ended 30 June 2010: 596,158,000) shares in issue during the period, calculated as follows:

(i) (Loss)/profit attributable to equity shareholders of the Company

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Profit/(loss) for the period from continuing operations	**1,812**	(2,662)
(Loss)/profit for the period from discontinued operations	**(8,243)**	50,188
(Loss)/profit for the period attributable to equity holders of the Company	**(6,431)**	47,526

(ii) **Weighted average number of shares**

	Six months ended 30 June	
	2011	2010
	Number of shares	*Number of shares*
Ordinary shares issued at 1 January	**596,158,000**	596,158,000
Effect of subscription of new shares	**162,430,939**	–
Weighted average number of shares at 30 June	**758,588,939**	596,158,000

There were no dilutive potential ordinary shares in issue as at 30 June 2011 (30 June 2010: Nil).

11. TRADE AND OTHER RECEIVABLES

			31 December 2010	
		30 June 2011	Continuing operations	Assets held for distribution
		RMB'000	*RMB'000*	*RMB'000*
Trade receivables	(i)	**22,358**	17,229	682,152
Bills receivable	(i)	**–**	–	360,269
		22,358	17,229	1,042,421
Deposits and prepayments made to suppliers	(ii)	**24,398**	16,090	344,723
Other receivables		**3,755**	3,968	60,922
Deposits for derivative financial instruments		**–**	–	50,683
		50,511	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 reporting date:

		31 December 2010	
		Continuing	Assets held for
	30 June 2011	operations	distribution
Invoice date	***RMB'000***	*RMB'000*	*RMB'000*
Within 1 month	**13,517**	9,756	512,776
Over 1 month but less than 3 months	**7,625**	4,400	409,164
Over 3 months but less than 1 year	**640**	1,982	117,132
Over 1 year but less than 2 years	**113**	486	814
Over 2 years	**463**	605	28,101
	22,358	17,229	1,067,987
Less: Impairment losses for doubtful debts	**–**	–	(25,566)
	22,358	17,229	1,042,421

(ii) The Group is required to make certain prepayment according to the agreement entered into with the Group's largest supplier, Oracle (China) Software System Co., Ltd. ("Oracle"). As at 30 June 2011, prepayments made to Oracle amounted to approximately RMB23,882,000. These prepayments are unsecured, interest free and will be used to offset against future purchases from Oracle.

12. TRADE AND OTHER PAYABLES

			31 December 2010	
			Continuing	Assets held for
		30 June 2011	operations	distribution
		RMB'000	*RMB'000*	*RMB'000*
Trade creditors	(i)	**1,354**	4,670	718,032
Bills payable	(i)	**–**	–	154,610
		1,354	4,670	872,642
Non-trade payables and accrued expenses		**1,881**	1,988	63,024
Other borrowings	(ii)	**15,000**	–	–
Other taxes (recoverable)/payable		**(86)**	1,310	12,313
		18,149	7,968	947,979

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

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

		31 December 2010	
	30 June 2011	Continuing operations	Assets held for distribution
	RMB'000	*RMB'000*	*RMB'000*
Due within 3 months or on demand	**1,354**	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
	1,354	4,670	872,642

(ii) Other borrowings represent an advance from Beijing Start Technology Development Co., Ltd. amounting to RMB15,000,000. The amount is unsecured, interest free and has no fixed terms of prepayment. The amount has been fully repaid in July 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Following the completion of the Agreement and Distribution In Specie (as set out in note 1 of the unaudited consolidated interim financial report) on 11 February 2011, the Group's principal activities being 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

During the period, the Group recorded a turnover of RMB65,861,000, of which turnover from software maintenance and other services amounted to RMB64,419,000, and turnover from sale of software products and others amounted to RMB1,442,000.

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 (six months ended 30 June 2010: RMB3,495,626,000). Revenue of bare copper wires, magnet wires and processing services was recorded at RMB522,166,000, RMB277,355,000 and RMB738,000 respectively (six months ended 30 June 2010: RMB2,507,189,000, RMB981,010,000 and RMB7,427,000 respectively).

Gross profit

Software Business

During the period, the Group recorded a gross profit of RMB17,764,000.

Copper Wires Business

For the period from 1 January 2011 to 11 February 2011, the Group recorded a gross profit of RMB8,337,000 (six months ended 30 June 2010: RMB117,773,000).

Other net loss/income

Software Business

During the period, other net loss was approximately RMB598,000 which was mainly attributable to net loss on derivative financial instrument of RMB501,000, change in fair value of promissory note of RMB89,000 and net exchange loss of RMB8,000.

Copper Wires Business

For the period from 1 January 2011 to 11 February 2011, other net income was approximately RMB1,501,000 (which was included in the loss from discontinued operations), which was mainly attributable to net foreign gain of RMB1,297,000 (net gain on exchange for the six months ended 30 June 2010: RMB341,000), loss on sales of scrap materials of RMB314,000 (gain for the six months ended 30 June 2010: RMB764,000) and net gain on derivative financial instruments of approximately RMB518,000 (net gain for the six months ended 30 June 2010: RMB1,209,000).

Finance costs

Software Business

During the period, interest expenses were approximately RMB43,000.

Copper Wires Business

Finance costs which included in the loss from discontinued operations for the period from 1 January 2011 to 11 February 2011 were approximately RMB11,024,000 (six months ended 30 June 2010: RMB30,002,000). The finance costs from the Copper Wires Business were mainly arising from interest expenses and letters of credit charges of RMB9,883,000 and RMB1,141,000 respectively (six months ended 30 June 2010: RMB26,677,000 and RMB3,325,000 respectively).

Loss for the period

During the period, the Group recorded a loss for the period of approximately RMB6,431,000 (2010: profit of RMB47,526,000), where profit from continuing operations amounted to approximately RMB1,812,000, and loss from discontinued operations amounted to approximately RMB8,243,000.

Liquidity and Financial Resources

The Group's working capital is funded by the cash generated from operating activities. As at 30 June 2011, the Group maintained cash and cash equivalents amounted to RMB21,812,000 (31 December 2010: RMB10,675,000). As at 30 June 2011, the Group's current ratio was 84.07% (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 -19.39% (31 December 2010: 16.61%).

The Group incurred a net loss of RMB6,431,000 during the six months ended 30 June 2011 and, as of that date, the Group's total current liabilities exceeded its total current assets by RMB15,436,000. To improve the Company's liquidity, the Board is considering certain fund raising activities and diversifying its business activities.

Foreign Exchange

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

Pledge of Assets

As of 30 June 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 has adopted a prudent treasury policy. The current ratio (calculated as current assets divided by current liabilities) as at 30 June 2011 was 84.07% (31 December 2010: 129.81%) and the quick ratio (calculated as balance of current assets less inventories – divided by current liabilities multiplied by 100%) was 80.73% (31 December 2010: 129.68%). The Group continued to monitor stringent debt collection policy so as to minimise the risks of sales on credit and to ensure that funds are timely collected.

The Company has issued 210,000,000 shares at a consideration of HK$0.06 per share on 11 February 2011 pursuant to the agreement dated 8 November 2010 entered into amongst the Company, Tai-I International (BVI) Limited, Mr. Hsu Shou-Hsin, Affluent Start Holdings Investment Limited and Mr. King Pak Fu. The Company raised a net proceed of approximately HK$12.37 million for general working capital of the Group. Details of which has been set out in the circular of the Company dated 18 January 2011.

Material Acquisition and Disposal of Subsidiaries or Associated Companies

Save for the Distribution in Specie as set out in note 8 of the unaudited consolidated interim financial report, the Group has not made any material acquisition or disposal of subsidiaries or associated companies during the period.

Employees and Remuneration Policies

As at 30 June 2011, the Group employed 90 full time employees. 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.

Contingent Liabilities

As at 31 June 2011, there was no significant contingent liability (31 December 2010: Nil).

INTERIM DIVIDEND

The Directors resolved not to declare an interim dividend for the six months ended 30 June 2011 (for the six months ended 30 June 2010: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

BUSINESS REVIEW

The Group recorded a turnover of RMB65,861,000 for the six months ended 30 June 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 provided customized development of applications as a value-added service to customers, and sold self-developed firewall and other software products.

OUTLOOK

Following the completion of Distribution In Specie on 11 February 2011, we will focus on our Software Business, the Group is a renowned professional integrated business software solutions provider in the PRC. We have a large client base in the PRC who use Oracle's databases and an experienced technical team which can provide prompt and effective services.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding Directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2011.

CORPORATE GOVERNANCE PRACTICES

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 six months ended 30 June 2011, the Company was in compliance with the code provisions set out in the CG Code except for deviations from code provision 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. The Company does not have a CEO and Mr. King Pak Fu currently performs these two roles. The Board believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises 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 six months ended 30 June 2011.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Lam Ting Lok (as chairman), Ms. Hu Gin Ing and Mr. Zhang Xiaoman. The unaudited interim results of the Group for the six months ended 30 June 2011 have been reviewed by the Audit Committee of the Company.

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

Hong Kong, 30 August 2011

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. King Pak Fu (Chairman), Mr. Tsang To and Mr. Lo Kai Bong, and three independent non-executive Directors, namely Mr. Lam Ting Lok, Ms. Hu Gin Ing and Mr. Zhang Xiaoman.