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**ENTERPRISE DEVELOPMENT HOLDINGS LIMITED**  
**企展控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1808)**

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**UNAUDITED INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors”) of Enterprise Development 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 2015 together with comparative figures for the corresponding period in 2014. The unaudited interim financial report has not been audited but has been reviewed by the Company’s audit committee (the “Audit Committee”).

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2015*

*(Expressed in Renminbi)*

		<b>Six months ended 30 June</b>	
		<b>2015</b>	<b>2014</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Turnover</b>	4	<b>338,692</b>	170,521
Cost of sales		<b>(111,320)</b>	(117,286)
<b>Gross profit</b>		<b>227,372</b>	53,235
Other revenue		<b>116</b>	35
Other net gains		<b>2</b>	3
Distribution expenses		<b>(13,280)</b>	(8,889)
General and administrative expenses		<b>(34,678)</b>	(19,352)
Other operating expenses		<b>(42)</b>	(19)
Loss on early redemption of promissory notes	11	<b>(3,340)</b>	–
<b>Profit from operations</b>		<b>176,150</b>	25,013
Finance costs	5(i)	<b>(2,244)</b>	(332)

		<b>Six months ended 30 June</b>	
		<b>2015</b>	<b>2014</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit before taxation</b>	5	<b>173,906</b>	24,681
Income tax	6	<u>(2,411)</u>	<u>(1,666)</u>
<b>Profit for the period</b>		<b><u>171,495</u></b>	<b><u>23,015</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>168,895</b>	20,617
Non-controlling interests		<u>2,600</u>	<u>2,398</u>
<b>Profit for the period</b>		<b><u>171,495</u></b>	<b><u>23,015</u></b>
<b>Earnings per share (RMB)</b>	7		
Basic		<b><u>0.076</u></b>	<b><u>0.014</u></b>
Diluted		<b><u>0.076</u></b>	<b><u>0.014</u></b>

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2015*

*(Expressed in Renminbi)*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>171,495</b>	<b>23,015</b>
<b>Other comprehensive income for the period (after tax)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of financial statements of overseas operations	<u>3,257</u>	<u>266</u>
<b>Total comprehensive income for the period</b>	<b><u>174,752</u></b>	<b><u>23,281</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<u>172,146</u>	<u>20,882</u>
Non-controlling interests	<u>2,606</u>	<u>2,399</u>
<b>Total comprehensive income for the period</b>	<b><u>174,752</u></b>	<b><u>23,281</u></b>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

(Expressed in Renminbi)

		At 30 June 2015 (Unaudited) RMB'000	At 31 December 2014 (Audited) RMB'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		3,108	1,819
Intangible assets		2,815	2,815
Goodwill		166,748	19,541
Available-for-sale securities		50,311	49,788
Pledged bank deposits		2,997	734
Deferred tax assets		346	346
		<u>226,325</u>	<u>75,043</u>
<b>Current assets</b>			
Inventories		1,241	1,239
Trade and other receivables	8	218,276	192,434
Amounts due from non-controlling interests		279	393
Trading securities		275,855	70,136
Cash and cash equivalents		21,111	57,501
		<u>516,762</u>	<u>321,703</u>
<b>Total assets</b>		<u>743,087</u>	<u>396,746</u>
<b>Current liabilities</b>			
Trade and other payables	9	56,438	51,230
Obligation under finance lease		149	–
Borrowings	10	12,766	11,321
Income tax payables		5,975	4,279
		<u>75,328</u>	<u>66,830</u>
<b>Net current assets</b>		<u>441,434</u>	<u>254,873</u>
<b>Total assets less current liabilities</b>		<u><u>667,759</u></u>	<u><u>329,916</u></u>

		At <b>30 June 2015</b> <i>(Unaudited)</i> <b>RMB'000</b>	At 31 December 2014 <i>(Audited)</i> <b>RMB'000</b>
	<i>Notes</i>		
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>24,410</b>	18,194
Reserves		<b>529,100</b>	239,567
		<hr/>	<hr/>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>553,510</b>	257,761
<b>Non-controlling interests</b>		<b>74,761</b>	72,155
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>628,271</b>	329,916
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>63</b>	–
Obligation under finance lease		<b>115</b>	–
Promissory notes	<i>11</i>	<b>39,310</b>	–
		<hr/>	<hr/>
		<b>39,488</b>	–
		<hr/>	<hr/>
		<b>667,759</b>	329,916
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE UNAUDITED INTERIM RESULTS

(Expressed in Renminbi)

### 1. BASIS OF PREPARATION

This unaudited interim results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 26 August 2015.

The unaudited interim results have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 2.

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

This unaudited interim results contain 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 2014 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”).

The unaudited interim results set out in this announcement do not constitute the Group’s financial statements for the six months ended 30 June 2015 but are extracted from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company’s principal place of business in Hong Kong. The auditors have expressed an unqualified opinion on those financial statements in their report dated 23 March 2015.

### 2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs 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:

- Amendments to IAS 19, *Defined Benefit Plans: Employees Contributions*
- Amendments to IFRS, *Annual Improvements to IFRS 2010–2012 Cycle*
- Amendments to IFRS, *Annual Improvements to IFRS 2011–2013 Cycle*

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

### 3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are mainly organised by business lines. In a manner consistent with the way in which information is reported internally to the Board for the 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.

- Software business: Provision of integrated business software solutions in the People's Republic of China (the "PRC") and Hong Kong.
- Trading and investment business: Trading securities listed on the Stock Exchange.
- Mobile marketing business: Provision of mobile marketing projects, consultation, creative and technological services, mobile advertising services and creation of mobile games in the PRC and Hong Kong.

The Group had a new segment – mobile marketing business during the six months ended 30 June 2015 upon the completion of the acquisition of Gravitas Group Limited on 14 May 2015.

#### (a) Segment results, assets and liabilities

For the purpose of assessing performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade creditors and accruals attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments, or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "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 directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit before taxation, the Board is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations.

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current period (six months ended 30 June 2014: Nil).

Information regarding the Group's reportable segments as provided to the Board for the purpose of resources allocation and assessment of segment performance for the period is set out below.

	Software business		Trading and investment business		Mobile marketing business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	141,663	140,703	18,857	946	3,005	-	163,525	141,649
Investment income and net gains	-	-	175,167	28,872	-	-	175,167	28,872
<b>Reportable segment revenue</b>	<b>141,663</b>	<b>140,703</b>	<b>194,024</b>	<b>29,818</b>	<b>3,005</b>	<b>-</b>	<b>338,692</b>	<b>170,521</b>
<b>Reportable segment profit (adjusted profit before taxation)</b>	<b>8,909</b>	<b>7,531</b>	<b>193,523</b>	<b>29,789</b>	<b>110</b>	<b>-</b>	<b>202,542</b>	<b>37,320</b>
Interest income from bank deposits	49	35	-	-	-	-	49	35
Interest expenses	366	332	-	-	25	-	391	332
Depreciation and amortisation for the period	490	1,548	-	-	133	-	623	1,548

  

	Software business		Trading and investment business		Mobile marketing business		Total	
	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 30 June	At 30 June	At 31 December
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Reportable segment assets</b>	<b>240,712</b>	<b>234,097</b>	<b>275,902</b>	<b>51,962</b>	<b>163,941</b>	<b>-</b>	<b>680,555</b>	<b>286,059</b>
Additions to non-current segment assets during the period/year	115	438	-	-	1,146	-	1,261	438
<b>Reportable segment liabilities</b>	<b>55,944</b>	<b>65,915</b>	<b>-</b>	<b>-</b>	<b>5,593</b>	<b>-</b>	<b>61,537</b>	<b>65,915</b>



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

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>		
Reportable segment revenue	<u>338,692</u>	<u>170,521</u>
<b>Profit before taxation</b>		
Reportable segment profit	202,542	37,320
Unallocated head office and corporate expenses	<u>(28,636)</u>	<u>(12,639)</u>
<b>Consolidated profit before taxation</b>	<u>173,906</u>	<u>24,681</u>
	At	At
	30 June	31 December
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>		
Reportable segment assets	680,555	304,583
Deferred tax assets	346	346
Unallocated head office and corporate assets	<u>62,186</u>	<u>91,817</u>
<b>Consolidated total assets</b>	<u>743,087</u>	<u>396,746</u>
<b>Liabilities</b>		
Reportable segment liabilities	61,537	56,043
Unallocated head office and corporate liabilities	<u>53,279</u>	<u>10,787</u>
<b>Consolidated total liabilities</b>	<u>114,816</u>	<u>66,830</u>

(c) **Geographic information**

The following table sets out information about the geographical location of (i) the Group's reportable segment revenue; and (ii) the Group's property, plant and equipment, intangible assets and goodwill ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of goodwill and intangible assets.

	<b>Reportable segment revenue</b>		<b>Specified non-current assets</b>	
	<b>Six months ended 30 June</b>		<b>At 30 June</b>	<b>At 31 December</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
PRC	<b>146,373</b>	140,703	<b>23,476</b>	23,851
Hong Kong	<b>192,319</b>	29,818	<b>149,195</b>	324
	<b>338,692</b>	<b>170,521</b>	<b>172,671</b>	<b>24,175</b>

**4. TURNOVER**

The principal activities of the Group are the provision of integrated business software solutions, trading of listed securities and mobile marketing services.

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

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Software maintenance and other services	<b>138,341</b>	138,383
Sales of software products and others	<b>3,322</b>	2,320
Net realised and unrealised gains on trading securities	<b>194,024</b>	29,818
Mobile marketing services	<b>3,005</b>	–
	<b>338,692</b>	<b>170,521</b>

## 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

### (i) Finance costs

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on borrowings wholly repayable within five years	389	332
Finance lease	2	–
Imputed interest expenses on promissory notes	1,825	–
Bank overdraft	28	–
	<u>2,244</u>	<u>332</u>

### (ii) Staff costs

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	21,099	12,030
Contributions to defined contribution retirement schemes	1,793	926
	<u>22,892</u>	<u>12,956</u>

Salaries, wages and benefits of approximately RMB1,361,000 (six months ended 30 June 2014: Nil) has been expensed in cost of sales for six months ended 30 June 2015.

### (iii) Other items

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	2,456	2,483
Depreciation of property, plant and equipment	672	771
Amortisation of intangible assets	–	908
Operating lease charges in respect of properties	2,609	2,604
Net loss on disposal of property, plant and equipment	–	41
	<u>–</u>	<u>41</u>

## 6. INCOME TAX

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC	<u>2,411</u>	<u>1,666</u>

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

No provision for Hong Kong Profits Tax has been made for the period 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. The statutory income tax rate of its PRC subsidiaries is 25%.

Beijing Orient LegendMaker Software Development Co., Ltd. is entitled to a preferential income tax rate of 15% for 2015 and 2014 as it was awarded high-technology status by the tax authority.

These tax rates were used to calculate the Group's deferred tax assets and liabilities as at 30 June 2015 and 2014.

## 7. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2015 is based on the profit attributable to ordinary equity shareholders of the Company of approximately RMB168,895,000 (six months ended 30 June 2014: RMB20,617,000) and the weighted average of 2,229,879,000 ordinary shares (six months ended 30 June 2014: 1,467,389,600 shares) in issue during the interim period.

There were no dilutive potential ordinary shares in issue as at 30 June 2015 (as at 30 June 2014: Nil).

## 8. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	At	At
		30 June	31 December
		2015	2014
		<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	(i)	73,148	84,054
Prepayments made to suppliers	(ii)	119,907	86,357
Deposits and other receivables		<u>25,221</u>	<u>22,023</u>
		<u>218,276</u>	<u>192,434</u>

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

Notes:

- (i) As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Within 1 month	48,092	52,936
Over 1 month but less than 3 months	8,193	13,357
Over 3 months but less than 1 year	15,543	16,914
Over 1 year but less than 2 years	1,149	712
Over 2 years	171	135
	<u>73,148</u>	<u>84,054</u>

- (ii) These prepayments are unsecured, interest free and will be used to offset against future purchases from suppliers.
- (iii) There was no provision for impairment losses in respect of trade receivables from third party customers as at 30 June 2015 (as at 31 December 2014: Nil).

## 9. TRADE AND OTHER PAYABLES

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Trade creditors	10,970	34,632
Non-trade payables and accrued expenses	45,234	13,732
Other taxes payable	234	2,866
	<u>56,438</u>	<u>51,230</u>

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

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Due within 1 month or on demand	2,044	797
Due after 1 month but within 3 months	8,501	33,487
Due after 3 months but within 6 months	90	90
Due after 6 months but within 1 year	–	246
Due after 1 year but within 2 years	100	–
Over 2 years	235	12
	<u>10,970</u>	<u>34,632</u>

## 10. BORROWINGS

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
<b>Borrowings:</b>		
Unsecured borrowing	1,335	1,321
Secured bank loans	10,000	10,000
Unsecured and guaranteed bank loans	1,431	–
	<u>12,766</u>	<u>11,321</u>

At 30 June 2015, the secured bank loans bear interest at 6.8% (as at 31 December 2014: 7%) per annum and secured by corporate guarantee of a PRC subsidiary. The unsecured borrowing bears interest at 5% (as at 31 December 2014: 5%) per annum. The unsecured and guaranteed bank loans bear weighted average effective interest of 6% (as at 31 December 2014: Nil) per annum and guaranteed by a director of a subsidiary. All borrowings are repayable within one year or on demand.

## 11. PROMISSORY NOTES

	<i>RMB'000</i>
At date of issue	120,693
Repayment during the period	(89,029)
Interest charged	1,825
Loss on early redemption of promissory notes	3,340
Exchange adjustment	2,481
	<u>39,310</u>
Carrying amount of promissory notes at 30 June 2015 (Unaudited)	<u>39,310</u>

## 12. SHARE CAPITAL

	Notes	30 June 2015		31 December 2014	
		Number of shares	Amount HK\$	Number of shares	Amount HK\$
<b>Authorised:</b>					
Ordinary shares of HK\$0.01 each at 30 June 2015/31 December 2014		<u>3,000,000,000</u>	<u>30,000,000</u>	<u>3,000,000,000</u>	<u>30,000,000</u>
<b>Issued and fully paid:</b>					
At 1 January		2,110,867,520	21,108,675	1,467,389,600	14,673,896
Issue of placing shares	(i)	483,700,000	4,837,000	293,477,920	2,934,779
Issue of consideration shares for the acquisition of Gravitas Group Limited	(ii)	307,692,307	3,076,923	–	–
Issue of subscription shares		–	–	350,000,000	3,500,000
At 30 June 2015/31 December 2014		<u>2,902,259,827</u>	<u>29,022,598</u>	<u>2,110,867,520</u>	<u>21,108,675</u>
			<i>RMB equivalent</i>		<i>RMB equivalent</i>
			<u>24,410,131</u>		<u>18,193,831</u>

### (i) Issue of placing shares

Pursuant to a placing agreement dated on 28 May 2015, a total of 483,700,000 ordinary shares of HK\$0.01 each were issued at the placing price of HK\$0.25 per placing share (the “Placing”). The Placing has resulted in an increase in the share capital and share premium account by HK\$4,837,000 (equivalent to approximately RMB3,804,000) and HK\$116,088,000 (equivalent to approximately RMB91,303,000) respectively.

### (ii) Issue of consideration shares

Pursuant to an acquisition agreement dated on 16 February 2015, the Group has agreed to acquire 20% of interest in Gravitas Group Limited from Mr. Chu Wai Kit for a total of 307,692,307 ordinary shares of HK\$0.01 each were issued at the issue price of HK\$0.13 per share upon the completion of the acquisition. The issue has resulted in an increase in the share capital and share premium account by approximately HK\$3,076,000 (equivalent to approximately RMB2,412,000) and approximately HK\$36,923,000 (equivalent to approximately RMB28,944,000) respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### *Turnover*

For the six months ended 30 June 2015, the Group recorded a turnover of approximately RMB338,692,000 (six months ended 30 June 2014: RMB170,521,000), of which turnover from (i) software maintenance and other services amounted to approximately RMB138,341,000 (six months ended 30 June 2014: RMB138,383,000); (ii) sale of software products and others amounted to approximately RMB3,322,000 (six months ended 30 June 2014: RMB2,320,000); (iii) fair value gains of approximately RMB194,024,000 on held for trading investments (six months ended 30 June 2014: RMB29,818,000); and (iv) mobile marketing services amounted to approximately RMB3,005,000 (six months ended 30 June 2014: Nil).

#### *Gross Profit*

For the six months ended 30 June 2015, the Group recorded a gross profit of approximately RMB227,372,000 (six months ended 30 June 2014: RMB53,235,000). The gross profit ratio for the software business of the Group during the period was approximately 23% while that of the corresponding period in 2014 was approximately 17%. The increase in gross profit ratio was mainly due to the increase of gross profit margin for returning profitability back to previous levels.

#### *Other Net Gains*

For the six months ended 30 June 2015, other net gains was approximately RMB2,000 (six months ended 30 June 2014: RMB3,000).

#### *Finance Costs*

For the six months ended 30 June 2015, finance costs was approximately RMB2,244,000 (six months ended 30 June 2014: RMB332,000).

#### *General and Administrative Expenses*

For the six months ended 30 June 2015, the general and administrative expenses of the Group were approximately RMB34,678,000, representing an increase of approximately 79%, as compared to approximately RMB19,352,000 of the corresponding period in 2014. The increase was mainly due to the substantial increase of staff costs, directors' remuneration, business travelling and entertainment.

#### *Profit for the Period*

For the six months ended 30 June 2015, the Group recorded a profit for the period of approximately RMB171,495,000 (six months ended 30 June 2014: RMB23,015,000).



## ***Liquidity and Financial Resources***

The Group's working capital is funded by the cash generated from operating and financing activities. As at 30 June 2015, the Group maintained cash and cash equivalents amounted to approximately RMB21,111,000 (31 December 2014: RMB57,501,000). As at 30 June 2015, the Group's current ratio was approximately 6.86 times (31 December 2014: 4.81 times); and the Group's net gearing ratio at 30 June 2015 was 4.97% (31 December 2014: Nil) (net debt is calculated as total borrowings less cash and cash equivalents).

## ***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 at 30 June 2015, except for the bank deposits were pledged to secure trade finance facilities to the Group, the Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings (31 December 2014: Nil).

## **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 borrowings, 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 period.

On 14 May 2015, (i) 307,692,307 new ordinary shares at the issue price of HK\$0.13 per share were issued and allotted to Mr. Chu Wai Kit; and (ii) a promissory note in the principal amount of HK\$160,000,000 was issued to Gloss Rise Limited upon completion of the acquisition agreement dated 16 February 2015 entered into among the Company, Mr. Chu Wai Kit and Gloss Rise Limited in relation to the acquisition of the entire issued share capital of Gravitas Group Limited from Mr. Chu Wai Kit (to the extent of 20%) and Gloss Rise Limited (to the extent of 80%). Part of the promissory note in the principal amount of HK\$110,000,000 was repaid on 17 June 2015.

On 28 May 2015, the Company entered into a placing agreement with China Rise Securities Asset Management Company Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed to procure not less than six placees who are independent third parties to subscribe for up to 483,700,000 ordinary shares ("Placing Shares") at the placing price of HK\$0.250 per Placing Share (the "Placing"). The Placing was completed on 17 June 2015 and an aggregate of 483,700,000 Placing Shares were successfully placed to not less than six placees. The net price per Placing Share was approximately HK\$0.242. The Placing provided a good opportunity to raise additional funds to meet the Company's funding needs. The net proceeds from the Placing has been used as to (i) approximately HK\$110,600,000 for early redemption of promissory note together with accrued interest thereupon; and (ii) the remaining balance of approximately HK\$6,600,000 is intended to be used for general working capital of the Group (including trading of securities).

### ***Significant Investments***

On 8 October 2014, the Company and HEC Capital Limited (“HEC”) entered into a subscription agreement, pursuant to which HEC has conditionally agreed to issue, and the Company has conditionally agreed to subscribe for, or procure its nominee to subscribe for, 8,000,000 new ordinary shares of HEC at the subscription price of approximately HK\$6.00 per ordinary share of HEC for an aggregate consideration of HK\$48 million, which has been satisfied by cash payment by the Company to HEC. The subscription shares represent approximately 0.79% of the issued share capital of HEC as enlarged by the subscription. The transaction was completed on 9 October 2014.

Save as disclosed above, the Group has not made any other significant investment for the six months ended 30 June 2015.

### ***Material Acquisition and Disposal of Subsidiaries or Associated Companies***

On 16 February 2015, the Company, Apex Center Limited (the “Purchaser”), a direct wholly-owned subsidiary of the Company, Gloss Rise Limited (the “Vendor 1”), Mr. Chu Wai Kit (the “Vendor 2”) and Gravitas Group Limited (the “Target Company”) entered into an acquisition agreement, pursuant to which the Purchaser has conditionally agreed to acquire and, the Vendor 1 and the Vendor 2 have conditionally agreed to sell the total of 5,000 ordinary shares of US\$1.00 each in the Target Company (“Sale Shares”) at consideration of HK\$200,000,000, which will be satisfied as to (i) HK\$160,000,000 by the issue of the promissory notes in the principal amount of HK\$160,000,000 by the Company to the Vendor 1 for the 4,000 Sale Shares; and (ii) HK\$40,000,000 by the issue of 307,692,307 new ordinary shares at the issue price of HK\$0.13 per share by the Company to the Vendor 2 for the 1,000 Sale Shares. The Target Company and its subsidiaries are principally engaged in mobile marketing business. The transaction was completed on 14 May 2015.

Save as disclosed above, the Group has not made any material acquisition or disposal of subsidiaries or associated companies for the six months ended 30 June 2015.

### ***Employees and Remuneration Policies***

As at 30 June 2015, the Group employed 172 (30 June 2014: 134) 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 to the employees in the PRC. In addition, the Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong.

### ***Contingent Liabilities***

As at 30 June 2015, there was no significant contingent liability (30 June 2014: Nil).

## **BUSINESS REVIEW**

The Group recorded a turnover of approximately RMB338,692,000 for the six months ended 30 June 2015 (30 June 2014: RMB170,521,000) due to the increase in the unrealised gain on trading securities.

## **OUTLOOK**

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 and develop services.

Apart from our existing Software Business, the Group acquired a mobile marketing business (the "Acquisition") on 14 May 2015. The Directors consider the Acquisition is in line with the Group's business diversification strategy and represents an attractive investment opportunity for the Group to further expand and diversify its business portfolio and tap into the mobile marketing industry with growth potential so as to generate diversified income and additional cashflow.

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can bring return to the shareholders of the Company.

The securities market was very volatile in July and August 2015. The Group's trading securities are measured at fair value, which are based on their current bid prices in the securities market. The volatility of the securities market may have adverse effect to the performance of the Group after the six months ended 30 June 2015.

## **INTERIM DIVIDEND**

The Directors resolved not to declare an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: 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 2015.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the six months ended 30 June 2015.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has all along committed to fulfilling its responsibilities to its shareholders by ensuring that the proper processes for supervision and management of the Group's business are duly operated and reviewed and that good corporate governance practices and procedures are established throughout the six months ended 30 June 2015.

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. During the six months ended 30 June 2015, the Company was in compliance with all code provisions set out in the CG Code except for the deviations from code provisions A.4.1 and D.1.4, which are explained below.

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term and subject to re-election. The term of appointment of Ms. Hu Gin Ing, an independent non-executive Director, expired in year 2013 and thereafter she is not appointed for a specific term, but she is subject to retirement by rotation at least once in every three years in accordance with the articles of association of the Company (the “Articles”).

Code provision D.1.4 of the CG Code requires that, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Lam Kai Tai and Mr. Wong Ho Sing, executive Directors of the Company, and Ms. Hu Gin Ing, an independent non-executive Director. However, Mr. Lam Kai Tai and Mr. Wong Ho Sing are subject to retirement and re-election at the next following annual general meeting of the Company after their appointment and thereafter, together with Ms. Hu Gin Ing, subject to retirement by rotation at least once in every three years in accordance with the Articles. In addition, the Directors have followed the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-Executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Save as those mentioned above and in the opinion of the Directors, the Company has met all the relevant code provisions set out in the CG Code throughout the six months ended 30 June 2015.

#### **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yau Yan Ming Raymond (as chairman), Ms. Hu Gin Ing and Mr. Liu Kam Lung. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The unaudited interim results of the Group for the six months ended 30 June 2015 have been reviewed by the Audit Committee.

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

Hong Kong, 26 August 2015

*As at 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.*