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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)

MAJOR TRANSACTION

DEEMED DISPOSAL OF EQUITY INTEREST IN EASY TALENT LIMITED

SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 5 November 2012, Easy Talent, an indirect wholly-owned subsidiary of the Company, and the Investor entered into the Subscription Agreement, pursuant to which, the Investor agreed to subscribe and Easy Talent agreed to allot and issue the Subscription Shares at the total Consideration of RMB50,000,000 (equivalent to approximately HK\$61,900,000).

DEEMED DISPOSAL

As at the date of this announcement, the Company was directly interested in the entire issued share capital of Winsino, which, in turn, was directly interested in the entire issued share capital of Easy Talent. Upon Completion, (a) the Investor will be interested in 40% of the issued share capital of Easy Talent as enlarged by the Subscription Shares; and (b) the Company's interest in Easy Talent will be diluted to 60%, representing a decrease of 40%. Accordingly, the Transaction constitutes a deemed disposal of 40% indirect interest in the issued share capital of Easy Talent by the Company pursuant to Rule 14.29 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are above 25% but less than 75%, the Transaction constitutes a major transaction of the Company. Accordingly, the Company is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, none of the Shareholders is interested in the Transaction and, accordingly, no Shareholder is required to abstain from voting at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other things, (a) details of the Transaction, (b) the financial information of the Group; and (c) a notice of EGM and other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 November 2012.

THE SUBSCRIPTION AGREEMENT

Date

5 November 2012

Parties

Easy Talent: Easy Talent Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company

The Investor: Smart Masterly Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of UEHK, and an indirect wholly-owned subsidiary of UEC

The Investor is an investment holding company. UEC is (a) a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange; and (b) an established and experienced information technology service provider which has been operating in the PRC since 2001. The UEC Group is engaged in the business of information technology strategic consultation, data management, system integration, software development, system management and providing related services to large and medium enterprises.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Investor and its ultimate beneficial substantial owners are third parties independent of the Company and its connected persons.

Subject Matter of the Transaction

The subject matter of the Transaction comprises the Subscription Shares, which, upon the allotment and issuance of the same, will represent 40% of the enlarged issued share capital of Easy Talent.

Further details of the Easy Talent Group are set out in the section headed "Information about the Easy Talent Group" below.

Consideration

The Consideration of RMB50,000,000 (equivalent to approximately HK\$61,900,000), representing RMB12,500,000 (equivalent to approximately HK\$15,475,000) for each Subscription Share, will be paid in full by the Investor in equivalent HK\$ upon Completion. The full amount of the Consideration received by the Group will be used to fund the Capital Increase.

The Consideration was arrived at after arm's length negotiations between the parties with reference to (a) the capital requirement of the PRC Group; (b) the audited consolidated net asset value of the PRC Group for the year ended 31 December 2011; and (c) the potential business prospect of the PRC Group. Based on the above, the Directors are of the view that the Consideration is fair and reasonable.

Conditions Precedent

Completion is subject to the following Conditions being fulfilled:

- (a) each of the Investor and Easy Talent has respectively obtained all necessary consent, authorisation, approval and permission (including all relevant board and/or shareholder's approval) for the Subscription Agreement and the Transaction;
- (b) each of the Investor and all of its affiliates (which include UEC and UEHK) has (i) complied with all disclosure requirements under the relevant rules of the Shenzhen Stock Exchange or other relevant government authorities (if any); and (ii) obtained all consent, authorisation, approval and permission (including all relevant board and/or shareholder's approval) for the Subscription Agreement and the Transaction; and
- (c) the Company has complied with all applicable disclosure, Shareholders' approval and other requirements under the Listing Rules regarding the Subscription Agreement and the Transaction.

If any of the Conditions has not been fulfilled on or before the Long Stop Date, any party may terminate the Subscription Agreement and no party shall have any claim against any other party except in respect of any rights and liabilities which have accrued before such termination.

Completion

Completion shall take place within 3 days following the fulfilment of the last Condition or any other date as the parties agree in writing.

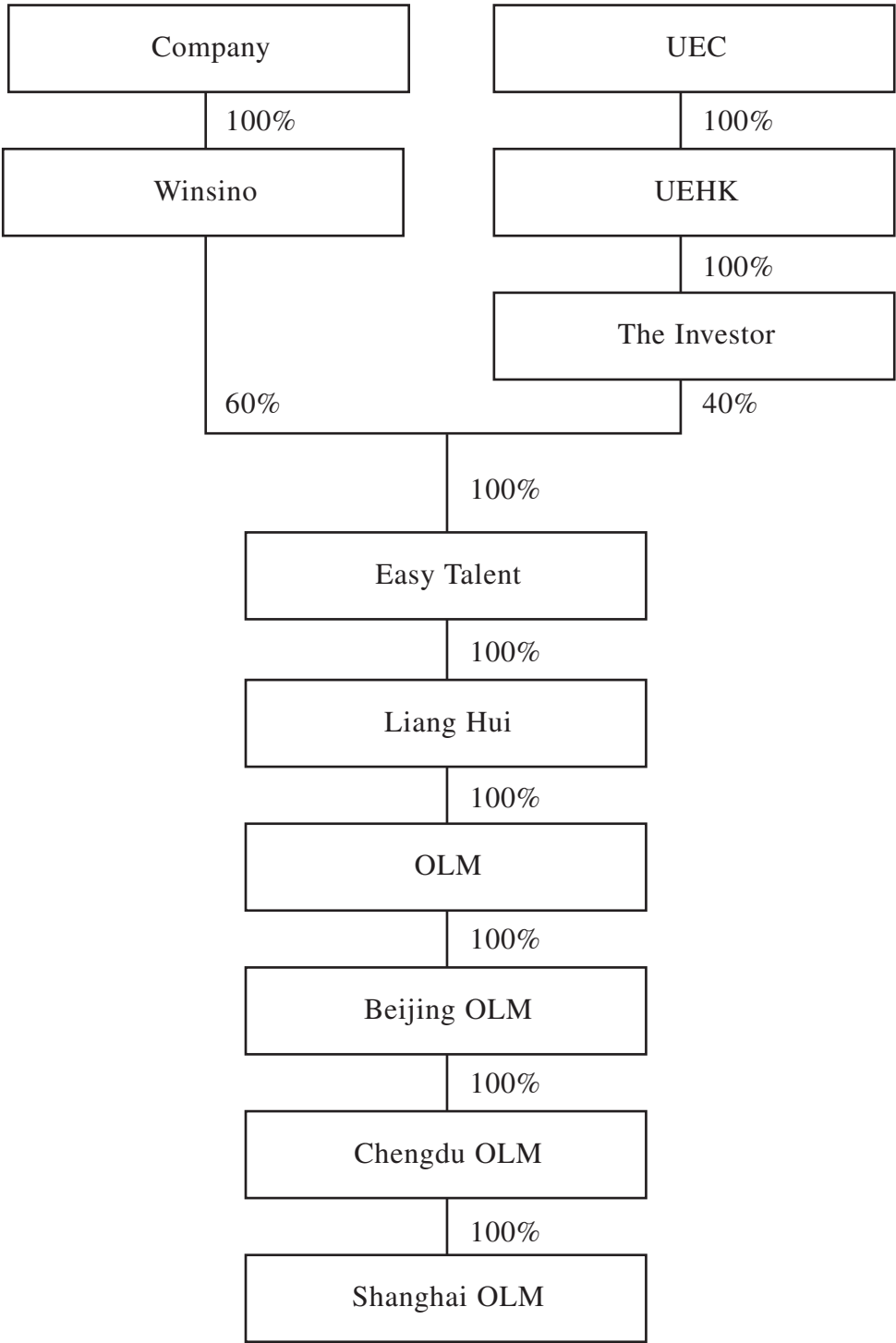
Upon Completion, the Investor will become the legal and beneficial owner of the Subscription Shares and Easy Talent will continue to be an indirect subsidiary of the Company. Accordingly, the financial results of Easy Talent will continue to be consolidated into the financial statements of the Group.

The following charts demonstrate the shareholding structure of the Easy Talent Group (a) as at the date of this announcement; and (b) immediately after Completion:

(a) As at the date of this announcement:



(b) Immediately after Completion:



INFORMATION ABOUT THE EASY TALENT GROUP

Easy Talent

Easy Talent is an investment holding company incorporated in the Cayman Islands with limited liability. Easy Talent is the legal and beneficial owner of the entire issued share capital of Liang Hui.

Liang Hui

Liang Hui is an investment holding company incorporated in the BVI with limited liability. Liang Hui is the legal and beneficial owner of the entire issued share capital of OLM.

OLM

OLM is an investment holding company incorporated in Hong Kong with limited liability. OLM is the owner of the entire equity interest in Beijing OLM.

The PRC Group

Beijing OLM is the owner of the entire equity interest in Chengdu OLM, which, in turn, is the owner of the entire equity interest in Shanghai OLM.

Each of Beijing OLM, Chengdu OLM and Shanghai OLM is a company incorporated in the PRC with limited liability. The PRC Group is principally engaged in the provision of upgrading and maintenance services for Oracle's database products distributed in the PRC. Such database products are mainly used to manage internal and external resources, including but not limited to, tangible assets, financial resources, materials, and human resources in order to facilitate the flow of information between all business functions inside the boundaries of the organisation. The PRC Group also provides customised development of applications as a value-added service to customers, and sells self-developed firewall and other software products.

SUMMARY OF FINANCIAL RESULTS OF THE EASY TALENT GROUP

Each of Easy Talent, Liang Hui and OLM is an investment holding company and does not have any active business operation. Since their respective date of incorporation, none of Easy Talent, Liang Hui and OLM has owned any material assets other than their respective shareholding interests and intra-group balances in the relevant Easy Talent Group Company.

Beijing OLM, Chengdu OLM and Shanghai OLM are the main operating subsidiaries of the Group. A summary of the audited financial information of Beijing OLM (with the financial information of Chengdu OLM and Shanghai OLM consolidated into it) for the year ended 31 December 2010 and the year ended 31 December 2011 is as follows:

	For the year ended	
	31 December 2010	31 December 2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	120,840	128,788
Profit before tax	13,657	12,679
Profit after tax	11,790	9,838
	As at	As at
	31 December 2010	31 December 2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Total assets	66,813	70,599
Total liabilities	13,377	7,325
Net assets	53,436	63,274

The financial information as summarised above has been prepared in accordance with the International Financial Reporting Standards.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Company is an investment holding company incorporated in the Cayman Islands and the Group is principally engaged in computer software business and related business in the PRC through the PRC Group.

The Directors have been exploring ways to improve the financial performance of the Group, including (a) diversifying the Group's business with an objective to broaden its income source, and (b) exploring financial resources to reinforce its capital base. In light of this, the Directors seized the opportunity to introduce the Investor to raise capital for the PRC Group. The capital raised will be used by the PRC Group to upgrade the quality of its existing software products, to research and produce new software programs and to further develop its business with a view to strengthening its competitiveness.

UEC is an established and experienced information technology service provider which has been operating in the PRC since 2001. The Transaction facilitates the synergy of skills and resources from the Group and UEC Group which will be essential for the advancement of the Group's existing business operations.

The Directors considered that the Transaction represents a good opportunity to raise capital for the future development of the PRC Group. Based on the above, the Directors considered that the Transaction is in the interest of the Company and the Shareholders taken as a whole. The terms of the Transaction are fair and reasonable and the Subscription Agreement was entered into on normal commercial terms.

DEEMED DISPOSAL

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FINANCIAL EFFECTS OF THE TRANSACTION ON THE COMPANY

The Company is not expected to record in its income statement any gain or loss arising from the Share Subscription. The exact financial effects of the Transaction as a result of the Share Subscription are subject to the review of the Company's auditors.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are above 25% but less than 75%, the Transaction constitutes a major transaction of the Company. Accordingly, the Company is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, none of the Shareholders is interested in the Transaction and, accordingly, no Shareholder is required to abstain from voting at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other things, (a) details of the Transaction, (b) the financial information of the Group; and (c) a notice of EGM and other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 November 2012.

DEFINITIONS

“Beijing OLM”	北京東方龍馬軟件發展有限公司 (Beijing Orient LegendMaker Software Development Co., Limited*), a company incorporated in the PRC with limited liability
“Board”	the board of Directors
“Business Days”	a day (excluding a Saturday) on which banks are generally open for a full range of business in Hong Kong
“BVI”	British Virgin Islands
“Capital Increase”	the increase of the registered capital of Beijing OLM from RMB60,000,000 (equivalent to approximately HK\$74,280,000) to RMB110,000,000 (equivalent to approximately HK\$136,180,000)
“Chengdu OLM”	成都東方龍馬信息產業有限公司 (Chengdu Orient LegendMaker Information Industry Co., Limited*), a company incorporated in the PRC with limited liability
“Company”	Enterprise Development Holdings Limited (企展控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code:1808)
“Completion”	the completion of the Transaction
“Condition”	a condition precedent for Completion
“Consideration”	the consideration for the Transaction in the aggregate amount of RMB50,000,000 (equivalent to approximately HK\$61,900,000)
“Directors”	directors of the Company
“Easy Talent”	Easy Talent Limited (智易有限公司), a company incorporated in the Cayman Islands with limited liability
“Easy Talent Group”	Easy Talent, Liang Hui, OLM, Beijing OLM, Chengdu OLM, and Shanghai OLM

“Easy Talent Group Company”	any member of the Easy Talent Group
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the Subscription Agreement and the Transaction
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Investor”	Smart Masterly Limited (穎藝有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of UEHK
“Liang Hui”	Liang Hui Holdings Limited (亮暉控股有限公司), a company incorporated in the BVI with limited liability
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2013 or such other date as the parties to the Subscription Agreement may agree in writing, by which all Conditions are fulfilled or otherwise waived, as the case may be
“OLM”	Oriental Legend Maker Technology Limited (東方龍馬科技有限公司), a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Taiwan, Hong Kong and Macau
“PRC Group”	Beijing OLM, Chengdu OLM, and Shanghai OLM
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai OLM”	上海東方龍馬軟件技術有限公司 (Shanghai Orient LegendMaker Technology Co., Limited*), a company incorporated in the PRC with limited liability
“Shareholders”	holders of Shares

“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Subscription”	the subscription by the Investor of the Subscription Shares pursuant to the Subscription Agreement
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange (深圳證券交易所)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 5 November 2012 and entered into between Easy Talent and the Investor in relation to, among other things, the subscription of the Subscription Shares by the Investor
“Subscription Shares”	4 ordinary shares of USD1.00 each in the share capital of Easy Talent, representing 40% of its enlarged issued share capital upon Completion
“Transaction”	the transaction contemplated under the Subscription Agreement
“UEC”	United Electronics Co., Ltd (北京榮之聯科技股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 2642)
“UEC Group”	UEC and its subsidiaries
“UEHK”	United Electronics (Hong Kong) Company Limited (榮之聯(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of UEC
“USD”	United States Dollars, the lawful currency of the United States of America
“Winsino”	Winsino Investments Limited, a company incorporated in the BVI with limited liability
“%”	per cent.

* denotes an English translation of a Chinese name and is for identification purposes only. If there is any inconsistency between the Chinese name and the English Translation, the Chinese version shall prevail.

For ease of reference, the exchange rates between United States dollars, Renminbi and Hong Kong dollars provided in this announcement are USD1.00=HK\$7.80 and RMB1=HK\$1.238 respectively. The provision of such exchange rates do not mean that Hong Kong dollars could be converted into United States dollars or Renminbi based on such exchange rates.

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

Hong Kong, 5 November 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 Giin Ing and Mr. Zhang Xiaoman.