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ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

PLACING OF NEW SHARES UNDER EXISTING GENERAL MANDATE

PLACING AGENT



天順證券投資有限公司
SKYWAY SECURITIES INVESTMENT LIMITED

On 5 September 2014, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed with the Company to place 293,477,920 Placing Shares on a fully underwritten basis to not less than six Placees who are Independent Third Parties at the Placing Price of HK\$0.238 per Placing Share.

The Placing Shares will be allotted and issued under the Existing General Mandate granted to the Directors at the annual general meeting of the Company held on 16 May 2014. As at the date of this Announcement, no Shares have been allotted and issued pursuant to the General Mandate. The 293,477,920 Placing Shares to be allotted and issued represent 20.0% of the existing issued share capital of the Company as at the date of this Announcement and approximately 16.67% of the enlarged issued share capital of the Company immediately following the Placing. Since the Placing Shares will be allotted and issued under the Existing General Mandate, no further Shareholders' approval is required.

The Completion of the Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof. If the foregoing conditions are not fulfilled on or prior to 30 September 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

The gross proceeds and net proceeds from the Placing will be approximately HK\$69.85 million and approximately HK\$67.25 million, respectively, which will be used for general working capital of the Group (including trading of securities).

Subscription Rights

Pursuant to the Placing Agreement, the Company intends to carry out the Proposed Refreshment of the Existing General Mandate after the Completion but prior to the next annual general meeting of the Company and thereafter utilizing the New General Mandate to conduct a private placing of Shares to selected investors (the “New Placing”).

Pursuant to the Placing Agreement, the Company also agrees and undertakes to the Placing Agent that upon the issuance of the Placing Shares to the Placees procured by the Placing Agent thereunder, each of those Placees shall be granted the Subscription Rights for himself or his nominee(s) to subscribe placing shares in the New Placing up to but not more than the same percentage of number of the Placing Shares subscribed by him under the Placing over the aggregate number of Placing Shares issued and allotted under the Placing. All Subscription Rights shall be exercised on or before the expiry of the placing period stipulated in the New Placing or the same shall be deemed to have lapsed and of no effect.

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

THE PLACING AGREEMENT

Date

5 September 2014 (after trading hours)

Parties

Issuer: The Company

The Placing Agent: Skyway Securities Investment Limited

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

The Placing

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed, during the period from the execution of the Placing Agreement to 5:00 p.m. on the 10th Business Day after the date of the Placing Agreement (or such other date as agreed by the Placing Agent and the Company), to procure the Placees to subscribe for 293,477,920 Placing Shares at HK\$0.238 per Placing Share, representing 20.0% of the issued share capital of the Company as at the date of this Announcement, and approximately 16.67% of the issued share capital as enlarged by the issue of the Placing Shares. The Placing is fully underwritten by the Placing Agent. The aggregate nominal value of the Placing Shares will be HK\$2,934,779.20.

The Placees

The Placing Shares will be placed to not less than six Placees whom will be individuals, institutional or professional investors, and who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent has agreed to use all reasonable endeavours to ensure that none of the Placees and their ultimate beneficial owners shall become a Substantial Shareholder upon taking up the Placing Shares.

Placing Price

The Placing Price of HK\$0.238 per Placing Share represents:

- (i) a discount of approximately 17.93% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on 5 September 2014, being the date of the Placing Agreement; and
- (ii) a discount of approximately 17.36% to the average closing price of HK\$0.288 per Share as quoted on the Stock Exchange for the last five trading days up to and including 5 September 2014, being the last trading day immediately prior to the date of the Placing Agreement.

The Placing Price of HK\$0.238 per Placing Share was determined on arm's length basis between the Company and the Placing Agent based on current market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price of the Placing Shares is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The Placing Shares are not subject to any lock-up or other disposal restriction under the terms of the Placing Agreement.

Ranking of the Placing Shares

The Placing Shares will be issued fully paid up and ranking *pari passu* in all respects among themselves and with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Completion Date and will be issued free and clear of all liens, encumbrances or other third party rights.

Conditions of the Placing

The Completion of Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof.

If the foregoing conditions are not fulfilled on or prior to 30 September 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breach of the Placing Agreement).

Existing General Mandate

293,477,920 Placing Shares will be allotted and issued under the Existing General Mandate. Under the Existing General Mandate, the Directors are allowed to allot and issue up to 293,477,920 Shares. As at the date of this Announcement, no Share has been allotted and issued pursuant to the Existing General Mandate. Accordingly, the issue of the Placing Shares is not subject to any further approval by the Shareholders.

Completion of the Placing

Completion of the Placing will take place not later than the second business day after the date on which the conditions in respect of the Placing under the Placing Agreement are fulfilled or such other date as the Company and the Placing Agent may agree.

Subscription Rights

Pursuant to the Placing Agreement, the Company intends to carry out the Proposed Refreshment of the Existing General Mandate after the Completion but prior to the next annual general meeting of the Company and thereafter utilizing the New General Mandate to conduct a private placing of Shares to selected investors (the “New Placing”).

Pursuant to the Placing Agreement, the Company also agrees and undertakes to the Placing Agent that upon the issuance of the Placing Shares to the Placees procured by the Placing Agent thereunder, each of those Placees shall be granted the Subscription Rights for himself or his nominee(s) to subscribe placing shares in the New Placing up to but not more than the same percentage of number of the Placing Shares subscribed by him under the Placing over the aggregate number of Placing Shares issued and allotted under the Placing. All Subscription Rights shall be exercised on or before the expiry of the placing period stipulated in the New Placing or the same shall be deemed to have lapsed and of no effect.

In the event that the Proposed Refreshment of the Existing General Mandate is not successful prior to the next annual general meeting of the Company for whatsoever reasons, the Subscription Rights shall be deemed to have lapsed and of no effect and the Company shall not be liable for any damages, compensation or liabilities to the holder(s) thereof.

Commission

The Placing Agent will be entitled to a commission of 3% of the amount equivalent to the Placing Price multiplied by the total number of the Placing Shares.

Termination

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

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

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

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

APPLICATION FOR LISTING

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this Announcement and immediately after the Completion of the Placing is as follows (assuming there will not be any change in the issued share capital of the Company from the date of the Placing Agreement to the Completion Date save for the allotment and issue of the Placing Shares):

Name of Shareholders	As at the date of this Announcement		Immediately after Completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Affluent Start Holdings Investment Limited (Note 1)	604,355,000	41.19%	604,355,000	34.32%
Superbowl Development Limited (Note 2)	200,000,000	13.63%	200,000,000	11.36%
Placees (Note 3)	–	0.00%	293,477,920	16.67%
Existing public shareholders	663,034,600	45.18%	663,034,600	37.65%
	<u>1,467,389,600</u>	<u>100.00%</u>	<u>1,760,867,520</u>	<u>100.00%</u>

Notes:

1. Affluent Start Holdings Investment Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King Pak Fu.
2. Superbowl Development Limited is wholly and beneficially owned by Mr. Chen Jianjun.
3. Pursuant to the Placing Agreement, the Placing Agent shall also use all reasonable endeavours to ensure and shall obtain confirmation to that effect that none of the Placees and their ultimate beneficial owners shall become a Substantial Shareholder immediately after taking up the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in the provision of integrated business software solutions and trading of listed securities.

Upon the full placement of the 293,477,920 Placing Shares, the gross proceeds raised from the Placing will be approximately HK\$69.85 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$67.25 million, representing a net price of HK\$0.229 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group (including trading of securities).

The Directors consider that the Placing represents a good opportunity to raise additional funds to meet the Company's funding needs. Accordingly, the Directors consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activity in the past twelve months immediately preceding the date of the Announcement.

GENERAL

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“Announcement”	this announcement of the Company in relation to the Placing
“associate(s)”	with the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“Company”	Enterprise Development Holdings Limited (stock code: 1808), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	not later than the second business day after the date on which the condition of the Placing has been satisfied or such other date as the Company and the Placing Agent may agree
“Directors”	directors of the Company
“Existing General Mandate”	the general mandate to allot, issue and deal with the Shares granted to the Directors pursuant to the resolutions passed at the annual general meeting of the Company on 16 May 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party (Parties)”	third party (parties) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Independent Shareholders”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate which, if approved, would authorise the Directors to exercise the power of the Company to allot, issue and otherwise deal with the Shares up to 20% of the Company’s issued share capital as at the date of the Refreshment EGM
“Placee(s)”	any individual(s), institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the private placing of the Placing Shares under the Existing General Mandate procured by the Placing Agent to selected investors on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Skyway Securities Investment Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Placing Agreement”	the agreement in relation to the Placing entered into between the Company and the Placing Agent on 5 September 2014 (after trading hours)
“Placing Price”	HK\$0.238 per Placing Share
“Placing Share(s)”	293,477,920 new Shares to be placed under the Placing
“Proposed Refreshment of Existing General Mandate”	the proposed refreshment of the Existing General Mandate and the grant of the New General Mandate subject to the approval of the Independent Shareholders at the Refreshment EGM
“Refreshment EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders approving, among other things, the Proposed Refreshment of the Existing General Mandate
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Rights”	the subscription rights granted by the Company to each of the subscribers of Placing Shares pursuant to the Placing Agreement, pursuant to which the holder thereof is entitled to subscribe or nominate its nominee to subscribe for the placing shares to be allotted and issued pursuant to the New General Mandate up to the same percentage of the Placing Shares such holder has subscribed for under the Placing over the aggregate number of Placing Shares issued and allotted under the Placing
“subsidiaries”	with the meaning ascribed thereto under the Listing Rules
“Substantial Shareholder(s)”	with the meaning ascribed thereto under the Listing Rules
“%”	per cent.

By order of the Board
Enterprise Development Holdings Limited
Jia Bowei
Chairman

Hong Kong, 5 September 2014

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