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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Enterprise Development Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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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 SPECIFIC MANDATE ON A BEST
EFFORT BASIS, PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL,
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing Agent



FREEMAN SECURITIES LIMITED

A notice convening an extraordinary general meeting of the Company (the “EGM”) to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 10 April 2012 at 3:00 p.m. is set out on pages 11 to 12 of this circular. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM should the Shareholders so wish.

19 March 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:–

“Announcement”	the announcement of the Company dated 27 February 2012 in relation to, inter alia, the Placing
“Associate(s)”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (excluding Saturdays and Sundays and public holidays) on which banks are generally 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 Specific Mandate Placing in accordance with the terms and conditions of the Placing Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 10 April 2012 at 3:00 p.m. for the purposes of considering and, if thought fit, approving the Specific Mandate and the Increase in Authorised Share Capital
“General Mandate Completion Date”	5 March 2012 being the date of completion of the placing of 161,231,000 Shares as announced by the Company on 5 March 2012
“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
“Increase in Authorised Share Capital”	proposed increase in the authorised share capital of the Company from the existing HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each to HK\$30,000,000 divided into 3,000,000,000 Shares of HK\$0.01 each by the creation of an additional 2,000,000,000 Shares of HK\$0.01 each
“Independent Third Parties”	third parties independent of the Company and its connected persons and their respective Associates

DEFINITIONS

“Last Trading Date”	27 February 2012, being the last trading day of the Shares before the release of the Announcement
“Latest Practicable Date”	14 March 2012, being the latest practical date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Specific Mandate Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing Agent”	Freeman Securities Limited, is a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement entered between the Company and the Placing Agent dated 27 February 2012
“Placing Price”	HK\$0.24 per Share
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue up to 500,000,000 Shares under the Specific Mandate Placing
“Specific Mandate Completion Date”	the second Business Day after the date on which all the conditions set out under the Placing Agreement in respect of the Specific Mandate Placing are satisfied (or such other date as the Company and the Placing Agent may agree)
“Specific Mandate Placing”	the placing of the Specific Mandate Placing Shares under the Specific Mandate

DEFINITIONS

“Specific Mandate Placing Period”	the period of commencing upon the date of the Placing Agreement and terminating at 4:30 p.m. on the 60th day after the date of the EGM or such other period agreed by the Placing Agent and the Company, unless the Specific Mandate Placing is terminated earlier pursuant to the terms of the Placing Agreement
“Specific Mandate Placing Shares”	up to 500,000,000 Shares to be placed under the Specific Mandate Placing
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“%”	per cent

LETTER FORM BOARD



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

Executive Directors:

Mr. King Pak Fu (*Chairman*)
Mr. Tsang To
Mr. Jia Bowei
Mr. Lam Kwan Sing

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Lam Ting Lok
Ms. Hu Gin Ing
Mr. Zhang Xiaoman

*Principal Place of Business
in Hong Kong:*

Room 1502, 15th Floor,
The Chinese Bank Building
61-65 Des Voeux Road Central
Hong Kong

19 March 2012

To the Shareholders

Dear Sir/Madam,

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
ON A BEST EFFORT BASIS, PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL,
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 27 February 2012, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company agreed to place, among other things, through the Placing Agent, up to 500,000,000 Specific Mandate Placing Shares, on a best effort basis, to not fewer than six Placees who and whose ultimate beneficial owners are to be Independent Third Parties at the Placing Price of HK\$0.24 per Share.

The purpose of this circular is to provide you with information relating to (i) the Specific Mandate Placing and the transactions contemplated thereunder and the Specific Mandate; and (ii) the Increase in Authorised Share Capital, and to give you notice of the EGM.

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THE PLACING UNDER SPECIFIC MANDATE ON A BEST EFFORT BASIS

The Placing Agreement

Date

27 February 2012 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place, among other things, up to 500,000,000 Specific Mandate Placing Shares on a best effort basis and will receive a placing commission of 3% on the gross proceeds of the actual number of the Specific Mandate Placing Shares being placed. The Directors are of the view that the placing commission of 3% accords with the market rate and is fair and reasonable.

Placees

The Placing Agent agreed to procure, on a best effort basis, not fewer than six Placees, being individuals, institutional or other professional investors, to subscribe for the Specific Mandate Placing Shares at the Placing Price within the Specific Mandate Placing Period. The Placing Agent agreed to use all reasonable endeavours to ensure that the Placees and their ultimate beneficial owners are Independent Third Parties. The Placing Agent has also agreed to use all reasonable endeavours to ensure and shall obtain confirmation to the effect that none of the Placees and their ultimate beneficial owners shall become substantial Shareholders (as defined in the Listing Rules) or a controlling Shareholder (as defined in the Listing Rules) of the Company after taking up the Specific Mandate Placing Shares.

Specific Mandate Placing Shares

The maximum aggregate number of 500,000,000 Specific Mandate Placing Shares represents (i) approximately 51.69% of the existing issued share capital of the Company of 967,389,600 Shares as at the Latest Practicable Date; and (ii) approximately 34.07% of the issued share capital of the Company of 1,467,389,600 Shares as enlarged by the Specific Mandate Placing. The maximum aggregate nominal value of the Specific Mandate Placing Shares will be HK\$5 million.

Ranking of the Specific Mandate Placing Shares

The Specific Mandate 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 Specific Mandate Completion Date and will be issued free and clear of all liens, encumbrances or third party rights.

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Placing Price

The Placing Price of HK\$0.24 represents:

- (i) a discount of approximately 17.24% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 15.79% to the average closing price of approximately HK\$0.285 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day.

The net placing price for the Specific Mandate Placing is approximately HK\$0.232 per Share.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent on the date of the Placing Agreement with reference to the then current market conditions and the then prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent to the Specific Mandate Placing

Completion of the Specific Mandate Placing is conditional upon fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Specific Mandate Placing Shares;
- (ii) the obligations of the Placing Agent under the Placing Agreement in respect of the Specific Mandate Placing not being terminated in accordance with the terms of the Placing Agreement;
- (iii) the passing of resolution by the Shareholders at the EGM to approve the Specific Mandate and the increase in the Company's authorised share capital to 3,000,000,000 Shares with par value of HK\$0.01 each; and
- (iv) the placing of all the 161,231,600 Shares under the general mandate granted to the Directors at the annual general meeting of the Company held on 16 May 2011 having been completed in full.

If the above conditions are not fulfilled on or prior to the 75th day from the date of the EGM (or such later date as may be agreed between the Company and the Placing Agent), the obligations of the parties under the Placing Agreement with respect to the Specific Mandate Placing, shall terminate, and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses in respect of the Specific Mandate Placing (save for any prior breaches of the Placing Agreement).

As at the Latest Practicable Date, the above condition precedent no. (iv) was fulfilled.

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Specific Mandate to issue the Specific Mandate Placing Shares

The Specific Mandate Placing Shares will be issued under the Specific Mandate to be sought at the EGM. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Specific Mandate Placing Shares to be issued pursuant to the Specific Mandate Placing.

Completion of the Specific Mandate Placing

The Completion of the Specific Mandate Placing will take place on the second Business Day after the date on which all the conditions in respect of the Specific Mandate Placing under the Placing Agreement are fulfilled or such other date as the Company and the Placing Agent shall agree.

As completion of the Specific Mandate Placing is subject to the satisfaction of a number of conditions precedent and the termination rights of the Placing Agent under the Placing Agreement in respect of the Specific Mandate Placing, the Specific Mandate Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Termination

The Placing Agreement may be terminated by the Placing Agent if at any time after 4:30 p.m. on the General Mandate Completion Date but before 4:30 p.m. on the Specific Mandate Completion Date, in the reasonable opinion of the Placing Agent that the success of the Specific Mandate Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties contained in the Placing Agreement; or
- (b) any of the following events:
 - (i) 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
 - (ii) 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
 - (iii) 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

LETTER FORM BOARD

- (iv) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands, the British Virgin Islands or the People's Republic of China 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
- (v) 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 in respect of the Specific Mandate Placing without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 4:30 p.m. on the Specific Mandate Completion Date. In the event that the Placing Agent terminates the obligations of the parties under the Placing Agreement in respect of the Specific Mandate Placing, all obligations of each of the parties under the Placing Agreement in respect of the Specific Mandate Placing 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 Specific Mandate Placing except for any breach arising prior to such termination.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date and immediately after the Completion of the Specific Mandate Placing is as follows:

Name of Shareholder	As at the Latest Practicable Date		Shareholding immediately after the Completion of the Specific Mandate Placing	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Affluent Start Holdings Investment Limited	604,355,000	62.47	604,355,000	41.19
Placees	–	–	500,000,000	34.07
Other Public Shareholders	363,034,600	37.53	363,034,600	24.74
Total	<u>967,389,600</u>	<u>100.00</u>	<u>1,467,389,600</u>	<u>100.00</u>

Note:

Affluent Start Holdings Investment Limited is wholly and beneficially owned by Mr. King Pak Fu, the Chairman and an executive Director of the Company.

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REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is mainly engaged in the software business providing integrated business software solutions in the PRC.

Assuming the 500,000,000 Specific Mandate Placing Shares are placed in full, the maximum gross proceeds to be raised from the Specific Mandate Placing will be HK\$120 million. After deducting the estimated expenses in relation to the Specific Mandate Placing, the maximum estimated net proceeds from the Specific Mandate Placing will be approximately HK\$115.8 million, representing a net price of HK\$0.232 per Share. Out of the net proceeds from the Specific Mandate Placing, approximately HK\$107 million will be used to reduce the indebtedness of the Group and the balance will be used to finance the Group's general working capital needs. The Directors consider that the Placing represents a good opportunity to raise additional funds so as to replenish the capital base of the Company and widen the Company's shareholder base. Proceeds from the Specific Mandate Placing will also reduce the gearing ratio of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of Announcement	Event	Net Proceeds (approx.)	Intended use of proceeds
27 February 2012	Placing of 161,231,600 new Shares under general mandate on a best effort basis	HK\$37 million	For the Group's general working capital.

INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the Specific Mandate Placing and to provide additional flexibility going forward, the Board proposes the Increase in Authorised Share Capital, which will involve the increase in the authorised share capital of the Company from HK\$10,000,000 comprising 1,000,000,000 Shares of HK\$0.01 each to HK\$30,000,000 comprising 3,000,000,000 Shares of HK\$0.01 each by the creation of an additional 2,000,000,000 Shares of HK\$0.01 each. The Increase in Authorised Share Capital is subject to and conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

Other than the Specific Mandate Placing, the Directors do not have any present intention to issue any part of the Increase in Authorised Share Capital.

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EGM

The EGM will be convened and held for the purposes of considering, and if thought fit, pass the relevant resolutions to approve (i) the Specific Mandate, and (ii) the Increase in Authorised Share Capital.

The notice of EGM is set out on pages 11 to 12 of this circular. A form of proxy is enclosed herewith for use at the EGM. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the EGM. The completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

Pursuant to Rule 13.39(4) of Listing Rules, the votes of the Shareholders at the EGM will be taken by way of poll. The Company will make a further announcement on the result of the EGM.

RECOMMENDATION

The Board is of the opinion that the issue and allotment of the Specific Mandate Placing Shares and the Increase in Authorised Share Capital are in the best interests of the Company and Shareholders as a whole and the Board recommends Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the notice to this circular.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Enterprise Development Limited (the “Company”) will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 10 April 2012 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:-**

- (a) the directors (the “Directors”) of the Company be and are hereby authorised to exercise the powers of the Company to allot and issue up to 500,000,000 Specific Mandate Placing Shares (as defined in the circular of the Company dated 19 March 2012), pursuant to the terms of the Placing Agreement (as defined in the circular of the Company dated 19 March 2012), such Specific Mandate Placing Shares shall rank pari passu in all respects among themselves and with the existing ordinary shares of the Company in issue at the date of the allotment of the Specific Mandate Placing Share, and the Directors, be and are hereby authorised to take such actions, do such things, agree to such amendments, variations or extension to the Placing Agreement and execute such further documents or deeds which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in this resolution; and
- (b) the authorised share capital of the Company be and is hereby increased from HK\$10,000,000 comprising 1,000,000,000 shares of HK\$0.01 each (“shares”) in the share capital of the Company to HK\$30,000,000 divided into 3,000,000,000 shares by the creation of additional 2,000,000,000 Shares of HK\$0.01 each.”

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

Dated 19 March 2012

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

Room 1502, 15th Floor
The Chinese Bank Building
61-65 Des Voeux Road Central
Hong Kong

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this notice, the Board comprises the following Directors:–

Executive Directors:

Mr. King Pak Fu (*Chairman*)
Mr. Tsang To
Mr. Jia Bowei
Mr. Lam Kwan Sing

Independent Non-executive Directors:

Mr. Lam Ting Lok
Ms. Hu Gin Ling
Mr. Zhang Xiaoman