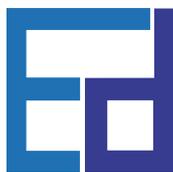


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ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

企展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1808)

SUPPLEMENTARY INFORMATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 AND THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2016

This announcement is made at the request of the Stock Exchange.

Reference is made to the interim report of Enterprise Development Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the six months ended 30 June 2016 (the “**Interim Report**”) and the annual report of the Company for its financial year ended 31 December 2015 (the “**Annual Report**”) posted on the respective websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 20 September 2016 and 22 April 2016 respectively. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Interim Report and the Annual Report.

The Company would like to provide shareholders of the Company (the “**Shareholders**”) and the market with additional information in addition to those as disclosed in (i) note 10 headed “INTERESTS IN AN ASSOCIATE”; (ii) note 11 headed “AVAILABLE-FOR-SALE SECURITIES”; and (iii) note 13 headed “TRADING SECURITIES” under the section “Notes To The Unaudited Interim Financial Report” of the Interim Report.

INTERESTS IN AN ASSOCIATE

At 30 June 2016, as disclosed in note 10 under the section headed “Notes To The Unaudited Interim Financial Report” of the Interim Report, the Group’s interests in an associate which amounted to approximately RMB63,027,000 represented the Group’s 28% equity interests in All Treasure International Industrial Limited (“**All Treasure**”), an indirect associate company of the Company, where completion of such acquisition took place on 9 May 2016. As at 31 December 2015, the Group did not have any interests in an associate.

All Treasure is an investment holding company and its group is principally engaged in the businesses of (i) making and editing song library into karaoke music and managing and licensing copyrights thereof in the People’s Republic of China (the “**PRC**”); and (ii) provision of information system service and karaoke content management service, in respect of karaoke music products in the PRC, to karaoke venues in the PRC. The Group’s share of loss of All Treasure for the six months ended 30 June 2016 was approximately RMB1,910,000.

In view of the growing demand for entertainment activities in the PRC, where karaoke plays an important role in the entertainment market in the PRC, it shall drive the demand for services of All Treasure. As such, the Directors consider that the prospect of All Treasure will be promising.

AVAILABLE-FOR-SALE SECURITIES

The available-for-sale securities are measured at cost less impairment at the end of the reporting period/year and the movement is as follows:

| | 30 June 2016 | 31 December 2015 |
|---------------------------------|-------------------------|-----------------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| At beginning of the period/year | 52,689 | 49,788 |
| Impairment loss recognised | (40,382) | – |
| Exchange adjustment | 468 | 2,901 |
| | <u>12,775</u> | <u>52,689</u> |

For the six months ended 30 June 2016, the Group reviewed the management accounts of Joint Global Limited (“**JG**”) as at 30 June 2016 and noted that JG has incurred significant loss due to the diminution of the value of its investment portfolio. After considering the unaudited net asset value as at 30 June 2016 and other factors, the Group considered that the possibility to fully recover the asset value of JG to be remote. The Group made a full impairment of its interests in JG, which represented the entire impairment loss recognized by the Group for its available-for-securities for the six months ended 30 June 2016.

Details of the unlisted equity securities represent the investments in private entities as at 30 June 2016 and 31 December 2015 respectively are as follows:

| Name | Place of incorporation | Particulars of equity interest held | Acquisition cost HK\$'000 | Percentage of equity interest attributable to the Group as at 30 June 2016 | Carrying value as at 30 June 2016 RMB'000 | Carrying value as at 31 December 2015 RMB'000 |
|----------------------------------|------------------------------|-------------------------------------|------------------------------|--|--|--|
| Joint Global Limited (Note 1) | Republic of Marshall Islands | Ordinary Shares | 48,000 | 2.76% | – | 40,195 |
| Smart Role Limited (Note 2) | British Virgin Islands | Ordinary Shares | 14,920 | 2% | 12,775 | 12,494 |
| Total | | | 62,920 | | 12,775 | 52,689 |

Notes:

- (1) As at 31 December 2014, the Company through its wholly-owned subsidiary, Lofty Swan Investments Limited (“**Lofty Swan**”), held 8,000,000 ordinary shares in HEC Capital Limited (“**HEC**”), a company incorporated in the Cayman Islands. Such 8,000,000 ordinary shares representing approximately 0.79% of the total issued share capital of HEC as at 31 December 2014.

On 15 September 2015, Lofty Swan entered into an agreement (the “**Agreement**”) with some of the then shareholders of HEC (the “**HEC Shareholders**”) and JG. Pursuant to the Agreement, Lofty Swan agreed to transfer 8,000,000 shares in HEC (“**HEC Shares**”) (representing approximately 0.77% of the entire issued share capital of HEC at the material time) to JG. The transfer of the HEC Shares was conducted on a 1:1 basis by way of allotment and issue of 8,000,000 shares in JG to Lofty Swan. No other proceeds and/or consideration was involved.

Completion of the Agreement took place on 2 October 2015. Immediately upon completion of the Agreement, Lofty Swan (i) ceased to hold the HEC Shares directly and (ii) held 8,000,000 shares in JG, representing approximately 2.84% direct interests of the entire issued share capital of JG in the material time. Lofty Swan indirectly held 0.77% beneficial interests in HEC given that HEC is directly owned as to approximately 26.96% by JG immediately upon completion of the Agreement.

JG was a company formed solely to hold shares in HEC and such other activities wholly incidental thereto unless otherwise unanimously agreed in writing by the HEC Shareholders and Lofty Swan (or any holder of share(s) in Joint Global who became party to the Agreement). Immediately prior to and after completion of the Agreement, Lofty Swan’s percentage of underlying beneficial interests in HEC remained the same at 0.77%.

As at 31 December 2015, principal assets of JG was its interests in shares in HEC. During the six months ended 30 June 2016, JG disposed its entire shareholding in HEC. As at 30 June 2016, JG’s principal assets mainly represented a 5-year promissory note of HK\$131 million.

No dividend was received during the year ended 31 December 2015 and six months ended 30 June 2016, other than on 25 April 2016, JG distributed all the convertible notes due December 2018 at 5% interest per annum of Up Energy Development Group Limited (Stock Code: 307) it held in a total principal amount of HK\$230 million to JG's shareholders in proportion to their respective shareholding and Lofty Swan's share was convertible notes with principal amount of HK\$6,353,591. It is noted from the latest unaudited financial statements of JG that (i) the net assets of JG as at 30 June 2016 and 31 December 2015 were approximately HK\$132 million and HK\$2,130 million respectively; and (ii) an accumulated loss of approximately HK\$1,978 million was recorded as at 30 June 2016 (as compare to retained profit of approximately HK\$81 million as at 31 December 2015) which lead to the decrease in net asset value of JG. The Board considered that the possibility to fully recover the asset value of JG to be remote and the Group has recognized a full impairment of approximately RMB40 million (equivalent to approximately HK\$48 million) against the carrying amount of JG as at 30 June 2016.

- (2) The Group held 2 ordinary shares in Smart Role Limited ("**Smart Role**"), representing approximately 2% of the issued share capital of Smart Role as at 30 June 2016 and 31 December 2015.

Smart Role and its subsidiary are principally engaged in investment holding which holds certain forest rights certificates, through its wholly-owned subsidiary, in the PRC. Such wholly-owned subsidiary held 15 forest rights certificates with various validity period (i.e. upto the period from 20 November 2053 to 1 January 2054) for operating and forestry management of the forest lands covering an area of approximately 54,000 Chinese Mu. These forest lands are located in Nanjiang County, Bazhong City, Sichuan Province of the PRC.

No dividend was received during the year ended 31 December 2015 and the six months ended 30 June 2016. Pursuant to the unaudited management accounts of Smart Role, it incurred an unaudited consolidated net loss of approximately HK\$0.8 million for the six months ended 30 June 2016 and approximately HK\$2.7 million for the year ended 31 December 2015.

The revenue of Smart Role will be derived from its biological assets. Biological assets predominately consist of various standing trees in natural and plantation forests that are attached to the forestlands. The forest establishment and maintenance expenses are charged to profit or loss in the period in which they are incurred.

Smart Role is at the preliminary stage of the investment for the forest operation and management where establishment and maintenance expenses had to be incurred. After considering the demand for wood and timber products, it is expected that Smart Role will generate profit in the coming years.

TRADING SECURITIES

As disclosed in note 13 under the section headed “Notes To The Unaudited Interim Financial Report” of the Interim Report, the Group held listed equity securities with a total market value of approximately RMB122,308,000 and RMB118,031,000 (the “**Investments**”) as at 30 June 2016 and 31 December 2015 respectively. In addition to the information disclosed in the Interim Report, the Company would like to provide shareholders of the Company (the “**Shareholders**”) and the market with additional information in relation to the Investments as at 30 June 2016 and 31 December 2015 below:

As at 30 June 2016

| Stock Code | Name of investee company | Number of shares held | Proportion of the nominal value of issued ordinary shares held by the Group | Investment cost (Note 1) RMB'000 | Market value as at 30 June 2016 (Note 1) RMB'000 | Percentage to the Group's net assets as at 30 June 2016 | Unrealised gain/(loss) on change in fair value for the six months ended 30 June 2016 (Note 1) RMB'000 |
|--------------|---|-----------------------|---|--|--|---|---|
| 412 | China Innovative Finance Group Limited (Note 2) | 157,000,000 | 0.8% | 67,212 | 107,539 | 22.54% | (3,963) |
| 802 | RCG Holdings Limited (Note 3) | 21,000,000 | 1.4% | 5,565 | 9,889 | 2.07% | 4,947 |
| 1130 | China Environmental Resources Group Limited (Note 4) | 10,000,000 | 0.6% | 2,269 | 4,880 | 1.02% | 2,709 |
| Total | | | | 75,046 | 122,308 | 25.63% | 3,693 |

As at 31 December 2015

| Stock Code | Name of investee company | Number of shares held | Proportion of the nominal value of issued ordinary shares held by the Group | Investment cost (Note 1) RMB'000 | Market value as at 31 December 2015 (Note 1) RMB'000 | Percentage to the Group's net assets as at 31 December 2015 | Unrealised gain/(loss) on change in fair value for the year ended 31 December 2015 (Note 1) RMB'000 |
|--------------|---|-----------------------|---|--|--|---|---|
| 412 | China Innovative Finance Group Limited (Note 2) | 160,000,000 | 0.8% | 66,992 | 111,206 | 21.24% | 58,385 |
| 802 | RCG Holdings Limited (Note 3) | 21,000,000 | 1.4% | 5,443 | 4,748 | 0.91% | (666) |
| 1130 | China Environmental Resources Group Limited (Note 4) | 10,000,000 | 0.7% | 2,219 | 2,077 | 0.40% | (136) |
| Total | | | | 74,654 | 118,031 | 22.55% | 57,583 |

Notes:

- (1) The investment costs, market value as at 30 June 2016 and 31 December 2015 and unrealized gain/(loss) of the Investments in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) China Innovative Finance Group Limited (“**CIF**”) is principally engaged in investments in securities, money lending and financial leasing. The Group disposed 3,000,000 shares of CIF during the six months ended 30 June 2016 and recognized a realized gain of approximately RMB301,000. No dividend was received during each of the six months ended 30 June 2016 and year ended 31 December 2015. According to the latest published audited financial statements of CIF, it had net asset value of approximately HK\$3,159,355,000 as at 31 March 2016 (31 March 2015: HK\$1,421,073,000). CIF recorded revenue of approximately HK\$96,992,000 and a net profit of approximately HK\$71,696,000 for the year ended 31 March 2016 which demonstrated a turnaround performance from a net loss of approximately HK\$128,727,000 for the year ended 31 March 2015.
- (3) RCG Holdings Limited (“**RCG**”) is principally engaged in businesses of biometric and RFID products, solution services, internet and mobile’s application and related accessories and commodities trading. There was no movement in the number of shares held by the Group during the six months ended 30 June 2016. No dividend was received during each of the six months ended 30 June 2016 and year ended 31 December 2015. According to the latest published unaudited financial statements of RCG, it had net asset value of approximately HK\$625,963,000 as at 30 June 2016 (31 December 2015: HK\$692,233,000). RCG recorded revenue of approximately HK\$20,211,000 and net loss of approximately HK\$73,589,000 for the six months ended 30 June 2016. RCG recorded revenue of approximately HK\$34,044,000 and net profit of approximately HK\$152,172,000 for the year ended 31 December 2015.

- (4) China Environmental Resources Group Limited (“CER”) is principally engaged in distribution of plantation products, environmental system and plantation materials and the provision of green technology services. There was no movement in the number of shares held by the Group during the six months ended 30 June 2016. No dividend was received during each of the six months ended 30 June 2016 and year ended 31 December 2015. According to the latest published audited financial statements of CER, it had net asset value of approximately HK\$817,367,000 as at 30 June 2016 (30 June 2015: HK\$776,034,000). CER recorded revenue of approximately HK\$13,365,000, representing an increase of approximately 3.9 times as compared with year ended 30 June 2015. The net loss recorded by CER for year ended 30 June 2016 increased to approximately HK\$106,886,000 from approximately HK\$68,901,000 for year ended 30 June 2015.

Future prospects of the Investments

CIF

Among the Investments, the market value of the Group’s investment in CIF accounted for approximately 88% of the Investments. According to the Monthly Statistical Bulletin (August 2016 – Issue No. 264) published by Hong Kong Monetary Authority, the total loans and advances of all authorised institutions amounted to approximately HK\$6,456.8 billion as at the end of 2013 and approximately HK\$7,276.3 billion as at the end of 2014, representing an increase of approximately 12.7%, and it further increased by approximately 3.5% to approximately HK\$7,534.5 billion as at the end of 2015. The increasing trend of total loans and advances indicates a rising demand in the money lending market in Hong Kong. As such, it is expected that the future prospect in the money lending market in Hong Kong will be optimistic and will provide more market opportunities to CIF.

RCG

With regards to the future prospects of RCG based on published information, the Directors noted the revenue for internet and mobile’s application and related accessories of RCG for the six months ended 30 June 2016 was approximately HK\$20.1 million, representing an increase of approximately 58.6% as compared to corresponding period in 2015. As disclosed in the 2016 interim report of RCG, the Directors noted that RCG’s strategic direction for its business segments included diversifying into Near-Field Communication market for RCG’s trading of security and biometric products business. The board of directors of RCG considered that there will be a growing popularity of mobile marketing together with the surge in demand of various mobile applications. In this connection, according to the 2016 interim report of RCG, it is stated that RCG intends to strengthen its internet and mobile’s application and related accessories business by developing new commercial application platform for mobile phone and horizontal expanding the information technology business. RCG will also redefine the business models in the segment of commodities trading activities (which has no contribution to the total revenue for the six months ended 30 June 2016) and reallocate its resources to other business segments. Therefore, the Directors are optimistic towards the future development of RCG.

CER

With regards to the future prospects of CER, based on published information, the Directors are confident that CER may improve its performance in the long run. As disclosed in the 2016 Annual Report of CER, it has commenced its business in different aspects including (i) the rental of car parking spaces which may generate stable and continuous income and cash flow and (ii) the motor trading business recorded an income of approximately HKD9,679,000 which contributed approximately 72.4% of the total revenue of CER for the year ended 30 June 2016.

General

As at 30 June 2016 and 31 December 2015, all trading securities represented listed securities in Hong Kong. The performance of the trading securities may be affected by the degree of volatility in the Hong Kong stock market and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the trading securities, the Board will closely monitor the performance of respective trading securities and the changes of market condition(s). The Group would adjust its portfolio of investments as the Board considers appropriate.

The Board confirms that the above clarification does not affect other information contained in the Interim Report and the Annual Report and the content of the Interim Report and the Annual Report remains correct and unchanged.

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

Hong Kong, 30 November 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lam Kai Tai (Chairman), Mr. Kwok Ho On Anthony 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.