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

If you have sold or transferred all your shares in **Rentian Technology Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale and transfer was effected for transmission to the purchaser(s) or the transferee(s).

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RENTIAN TECHNOLOGY HOLDINGS LIMITED

仁天科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00885)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE CONDITIONAL CASH OFFER BY



KINGSTON SECURITIES

FOR AND ON BEHALF OF

**LUCK SUCCESS DEVELOPMENT LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF
ENTERPRISE DEVELOPMENT HOLDINGS LIMITED**

**(OTHER THAN THOSE SHARES ALREADY OWNED BY OR TO BE ACQUIRED BY
LUCK SUCCESS DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);**

AND

(2) PROPOSED RE-ELECTION OF DIRECTOR;

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Offeror



KINGSTON CORPORATE FINANCE

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

ROYAL EXCALIBUR
CORPORATE FINANCE COMPANY LIMITED

皇家駿溢財務顧問有限公司

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Rentian Board is set out on pages 7 to 28 of this circular. A letter from the Independent Board Committee is set out on pages 29 to 30 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 77 of this circular.

A notice convening the EGM to be held at 14/F, Fairmott House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 13 April 2017 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to Rentian's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall deemed be revoked.

27 March 2017

* For identification purpose only

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DEFINITIONS

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

“Announcement”	the joint announcement dated 13 February 2017, jointly made by Rentian, the Offeror and Enterprise Development in relation to the Offer
“acting in concert”	has the meaning as ascribed thereto under the Takeovers Code
“Affluent Start”	Affluent Start Holdings Investment Limited, a company incorporated in the BVI and the issued share capital of which is wholly-owned by Mr. King, as at the Latest Practicable Date, Affluent Start is interested in 60,435,500 ED Shares, representing approximately 12.05% of the entire issued share capital of Enterprise Development
“Affluent Start Confirmation”	the written confirmation given by Affluent Start confirming that it will not accept the Offer in respect of the ED Shares held by it
“Articles”	the articles of association adopted by Rentian, and as amended from time to time by resolution of the Rentian Shareholders
“associates”	has the meaning ascribed thereto in the Listing Rules
“Better Joint Venture”	Better Joint Venture Limited, a company incorporated in the BVI and the issued share capital of which is wholly-owned by Mr. King, as at the Latest Practicable Date, Better Joint Venture is interested in 43,320,000 Rentian Shares, representing approximately 0.43% of the entire issued share capital of Rentian

DEFINITIONS

“Business Day(s)”	any day(s) (other than a Saturday, Sunday or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for ordinary banking business throughout their normal business hours
“BVI”	the British Virgin Islands
“Carnival Group”	Carnival Group International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00996), and the issued share capital of Carnival Group is owned as to approximately 63.37% indirectly by Mr. King and the remaining 36.63% by other public shareholders independent of and not connected with Mr. King and his associates, as at the Latest Practicable Date, Carnival Group is interested in 155,500,000 Rentian Shares, representing approximately 1.53% of the entire issued share capital of Rentian
“Closing Date”	the date to be determined by the Offeror, pursuant to the Takeovers Code, being the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Conditions”	the conditions to the Offer, as set out in the section headed “Conditions to the Offer” in the “Letter from the Rentian Board” of this circular
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“ED Board”	the board of the ED Directors
“ED Director(s)”	the director(s) of Enterprise Development
“ED Group”	Enterprise Development and its subsidiaries

DEFINITIONS

“ED Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of Enterprise Development
“ED Shareholder(s)”	holder(s) of the issued ED Share(s)
“EGM”	an extraordinary general meeting of Rentian to be convened and held to consider and, if thought fit, approve the Offer and the re-election of the Rentian Director
“Enlarged Group”	together, the Rentian Group and the ED Group, immediately after closing of the Offer
“Enterprise Development”	Enterprise Development Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 01808)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of Rentian, comprising all independent non-executive Rentian Directors, namely, Mr. Zhang Xiaoman, Mr. Chin Hon Siang and Mr. Huang Xin, established for the purpose of making a recommendation to the Independent Shareholders in relation to the Offer
“Independent Financial Adviser”	Royal Excalibur Corporate Finance Company Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer
“Independent Shareholders”	the Rentian Shareholders, other than Mr. King and his associate and those with material interest in the Offer
“IoT”	Internet-of-Things

DEFINITIONS

“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed to carry on business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in relation to the Offer.
“Kingston Securities”	Kingston Securities Limited, a corporation licensed to carry on business in Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror
“Last Trading Day”	9 February 2017, being the last trading day immediately prior to the release of the Announcement
“Latest Practicable Date”	21 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2017 or such other date as the Offeror may determine and agreed by the Executive for the satisfaction or waiver of the conditions to the closing of the Offer
“Mr. King”	Mr. King Pak Fu, the ultimate beneficial owner of Affluent Start, Mystery Idea and Better Joint Venture respectively, the substantial shareholder of Enterprise Development and the controlling shareholder of Rentian and Carnival Group respectively
“Mystery Idea”	Mystery Idea Limited, a company incorporated in the BVI and the issued share capital of which is wholly-owned by Mr. King, as at the Latest Practicable Date, Mystery Idea is interested in (i) 5,231,723,350 Rentian Shares, representing approximately 51.55% of the entire issued share capital of Rentian; and (ii) 4,000,000 ED Shares, representing approximately 0.80% of the entire issued share capital of Enterprise Development

DEFINITIONS

“Mystery Idea Confirmation”	the written confirmation given by Mystery Idea confirming that it will not accept the Offer in respect of the ED Shares held by it
“Offer”	a voluntary conditional cash offer to be made by Kingston Securities for and on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in this circular and in compliance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$1.00 per Offer Share
“Offer Share(s)”	any and all of the issued ED Share(s), other than those ED Shares already owned by or to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Luck Success Development Limited, a company incorporated in the BVI with the address of its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, a wholly-owned subsidiary of Rentian, as at the Latest Practicable Date, the Offeror is interested in 55,198,000 ED Shares, representing approximately 11.01% of the entire issued share capital of Enterprise Development
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rentian”	Rentian Technology Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 00885)
“Rentian Board”	the board of the Rentian Directors
“Rentian Director(s)”	the director(s) of Rentian

DEFINITIONS

“Rentian Group”	Rentian and its subsidiaries
“Rentian Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of Rentian
“Rentian Shareholder(s)”	holder(s) of the issued Rentian Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sino Wealthy”	Sino Wealthy Limited, a company incorporated in the BVI with the address of its registered office at Coastal Building, Wickham’s Cay II, P.O. Box 222, Road Town, Tortola, British Virgin Islands, a wholly-owned subsidiary of Rentian, as at the Latest Practicable Date, Sino Wealthy is interested in 17,182,000 ED Shares, representing approximately 3.42% of the entire issued share capital of Enterprise Development
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For the purposes of illustration only, amounts denominated in RMB in this circular have been translated into HK\$ at the rate of RMB1.00 = HK\$1.12. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

[#] *The English translation of Chinese names or words in this circular, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.*

LETTER FROM THE RENTIAN BOARD



RENTIAN TECHNOLOGY HOLDINGS LIMITED

仁天科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00885)

Executive Directors:

Ms. Yang Xiaoying (*Chief Executive Officer*)

Mr. Tsang To

Mr. Choi Chi Fai

Independent non-executive Directors:

Mr. Zhang Xiaoman

Mr. Chin Hon Siang

Mr. Huang Xin

Registered office:

P. O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suites 2001 & 2002

AIA Central

1 Connaught Road Central

Hong Kong

27 March 2017

To the Rentian Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE CONDITIONAL CASH OFFER BY**



KINGSTON SECURITIES

**FOR AND ON BEHALF OF
LUCK SUCCESS DEVELOPMENT LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF
ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR TO BE ACQUIRED BY
LUCK SUCCESS DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);**

AND

(2) PROPOSED RE-ELECTION OF DIRECTOR;

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement dated 13 February 2017 whereby the Offeror, Rentian and Enterprise Development jointly announced that Kingston Securities will, for and on behalf of the Offeror, make an Offer to acquire all of the ED Shares in the entire issued share capital of Enterprise Development (other than those ED Shares already owned by or to be acquired by the Offeror and parties acting in concert with it).

* For identification purpose only

LETTER FROM THE RENTIAN BOARD

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Offer; (ii) the financial information of the ED Group; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) details of the Rentian Director to be re-elected; and (vi) a notice of the EGM at which resolutions will be proposed to consider and, if thought fit, approve the Offer and the re-election of the Rentian Director.

(1) THE OFFER

Kingston Securities will, for and on behalf of the Offeror, make an Offer to acquire all of the ED Shares in the entire issued share capital of Enterprise Development (other than those ED Shares already owned by or to be acquired by the Offeror and parties acting in concert with it).

The Offer is subject to the fulfillment or waiver, as applicable, of the Conditions as set out in this circular.

Kingston Securities will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.00 in cash

The ED Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by Enterprise Development to the ED Shareholders who are qualified for such dividends or distributions.

As at the Latest Practicable Date, there are 501,508,982 ED Shares in issue, and the Offeror and parties acting in concert with it are, in aggregate, interested in 136,815,500 ED Shares, representing approximately 27.28% of the entire issued share capital of Enterprise Development, which comprises (i) 55,198,000 ED Shares beneficially owned by the Offeror, (ii) 17,182,000 ED Shares beneficially owned by Sino Wealthy, (iii) 60,435,500 ED Shares beneficially owned by Affluent Start, and (iv) 4,000,000 ED Shares beneficially owned by Mystery Idea. Save for the aforesaid, Enterprise Development has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

LETTER FROM THE RENTIAN BOARD

The Offeror may acquire additional ED Shares on the market at the acquisition price not exceeding the Offer Price. In the event that the Offeror acquire additional ED Shares where the Offeror and parties acting in concert with it hold 30% or more of the total issued share capital of Enterprise Development, such will trigger a mandatory conditional cash offer under the Takeovers Code. The Offeror and/or Rentian will further issue announcement(s) and composite document, if required, in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) containing the timetable of the mandatory conditional cash offer with be made by the Offeror and/or Rentian when necessary.

The Offer Price

The Offer Price of HK\$1.00 per Offer Share represents:

- (i) a premium of approximately 6.38% over the closing price of HK\$0.94 per ED Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.26% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.95 per ED Share;
- (iii) a premium of approximately 4.71% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.955 per ED Share;
- (iv) a premium of approximately 20.48% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.83 per ED Share;
- (v) a discount of approximately 6.54% to the unaudited consolidated net asset value per ED Share as at 30 June 2016 of approximately HK\$1.07 (which was calculated by dividing the sum of the unaudited consolidated net asset value of the ED Group as at 30 June 2016 (being the date to which the latest unaudited financial statements of Enterprise Development were made up) of approximately RMB477,098,000 (equivalent to approximately HK\$534,349,760) by 501,508,982 ED Shares in issue as at the Latest Practicable Date); and

LETTER FROM THE RENTIAN BOARD

- (vi) a discount of approximately 0.99% to the closing price of HK\$1.01 per ED Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Offer Price was determined after taking into account, amongst other things, the net asset value of the ED Group as shown in its interim results as at 30 June 2016, the proceeds of the placing completed in December 2016, the realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017.

While making the Offer, the Rentian Board considered that the approximately 6.38% premium of the Offer Price over the closing price of HK\$0.94 per ED Share on the Last Trading Day was very little that such premium has taken in account the control premium for the controlling stake of Enterprise Development. Hence, the Rentian Board considers that the terms of the Offer are fair and reasonable and in normal commercial terms and in the interests of Rentian and the Rentian Shareholders as a whole.

Further, the Rentian Board considered the potential synergy effect of having OLM Group (as defined below) as part of the Enlarged Group upon closing of the Offer, which would allow the Rentian Group to expand in the areas of internet applications for enterprises, basic software and industry application, Megadata and cloud computation, application of IoT and intelligence terminals, and maximise its contribution in the next generation of informatisation of enterprises in the PRC. For further details, please refer to the paragraph headed "Reason for Rentian to make the Offer" below.

Highest and Lowest ED Share Prices

During the six-month period immediately prior to the date of the Announcement, and up to the Latest Practicable Date, the highest closing price per ED Share as quoted on the Stock Exchange was HK\$1.13 on 20 February 2017 and the lowest closing price per ED Share as quoted on the Stock Exchange was HK\$0.265 on 22 August 2016.

Value of the Offer

As at the Latest Practicable Date, there are 501,508,982 ED Shares in issue. There are no outstanding warrants, options, derivatives or securities convertible into ED Shares and Enterprise Development has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into ED Shares as at the Latest Practicable Date.

LETTER FROM THE RENTIAN BOARD

Assuming that there is no change in the issued share capital of Enterprise Development and on the basis of the Offer Price at HK\$1.00 per Offer Share, the entire issued share capital of Enterprise Development would be valued at HK\$501,508,982. The maximum financial commitment of the Offeror for the Offer would be HK\$364,693,482, being the difference between the entire issued share capital of Enterprise Development less 136,815,500 ED Shares, representing approximately 27.28% of the entire issued share capital of Enterprise Development, already owned by the Offeror and parties acting in concert with it as at the Latest Practicable Date.

Financial resources available to the Offeror

The Offeror would finance the consideration payable under the Offer by borrowings.

On 8 February 2017, Kingston Securities as lender, the Offeror as borrower and Rentian as guarantor entered into the loan facility agreement, in relation to the loan facility of up to HK\$420,400,000 at an interest rate of 12% per annum and repayable within six months from the close of the Offer, for the purpose of financing the purchase price of (i) the acquisition of issued ED Shares by the Offeror on the Stock Exchange or off the Stock Exchange; and/or (ii) the acquisition all the issued ED Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to the Offer.

Kingston Corporate Finance, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration in respect of full acceptance of the Offer.

Save for (i) granting of general offer financing facility by Kingston Securities to the Offeror for the Offer; (ii) interest in 390 Rentian Shares at the Latest Practicable Date; (iii) making the Offer on behalf of the Offeror by Kingston Securities; and (iv) acting as the financial adviser to the Offeror in relation to the Offer by Kingston Corporate Finance, being an affiliate of Kingston Securities, to the best of knowledge of Rentian Directors, Kingston Securities is an independent third party to Rentian and its connected person.

LETTER FROM THE RENTIAN BOARD

The Rentian Directors have made enquiries with other financial institutions (other than the licensed banks in Hong Kong) to understand the prevailing terms for general offer financing in the market. To the best knowledge of the Rentian Directors, having considered the research results made by the advisers to the Company, the common range of interest rate per annum for general offer facility are ranging from 8% to 15%. The Rentian Directors were given to understand that interest rate of 12% per annum is within the reasonable range offered by most financial institutions (other than the licensed banks in Hong Kong). In view that the terms (including the interest rate) of the general offer financing of Kingston Securities are on normal and reasonable terms, the Rentian Board considers that financing the Offer by borrowing from Kingston Securities is fair and reasonable and in the interest to Rentian and the Rentian Shareholders as a whole.

Conditions to the Offer

The Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of ED Shares which, together with ED Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it together holding not less than 50% of the voting rights of Enterprise Development;
- (b) the ED Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading in the ED Shares as a result of the Offer and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the ED Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) the passing by the Independent Shareholders of a resolution to approve the Offer at the EGM in accordance with the Listing Rules;

LETTER FROM THE RENTIAN BOARD

- (d) no event occurring or having occurred which is an event of default or other event giving any lender to any member of the ED Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the ED Group is a party or by which it is bound and no lender to any member of the ED Group indicating on or prior to the date to be stated in the offer document regarding the Offer as the first closing date of the Offer (or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code) that it will exercise such rights to accelerate repayment or claim an event of default; and

- (e) since the date of the last audited consolidated financial statements of Enterprise Development, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of Enterprise Development or any other member of the ED Group.

The Offeror reserves the right to waive, in whole or in part, Condition (b). For the avoidance of doubt, Conditions (a), (c), (d) and (e) cannot be waived. It is the intention of the Offeror that the above conditions should be fulfilled or waived (as the case may be) on or before the Long Stop Date.

As at the Latest Practicable Date, none of the above Conditions has been fulfilled or waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror and Enterprise Development should not invoke Condition (d) so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke any such Conditions are of material significance to the Offeror in the context of the Offer.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

LETTER FROM THE RENTIAN BOARD

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Other arrangements

Save for the Affluent Start Confirmation and the Mystery Idea Confirmation, none of the Offeror and/or parties acting in concert with it has received any irrevocable commitment to accept the Offer or any irrevocable undertaking from any ED Shareholder not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any ED Shares held by he/she/it/them.

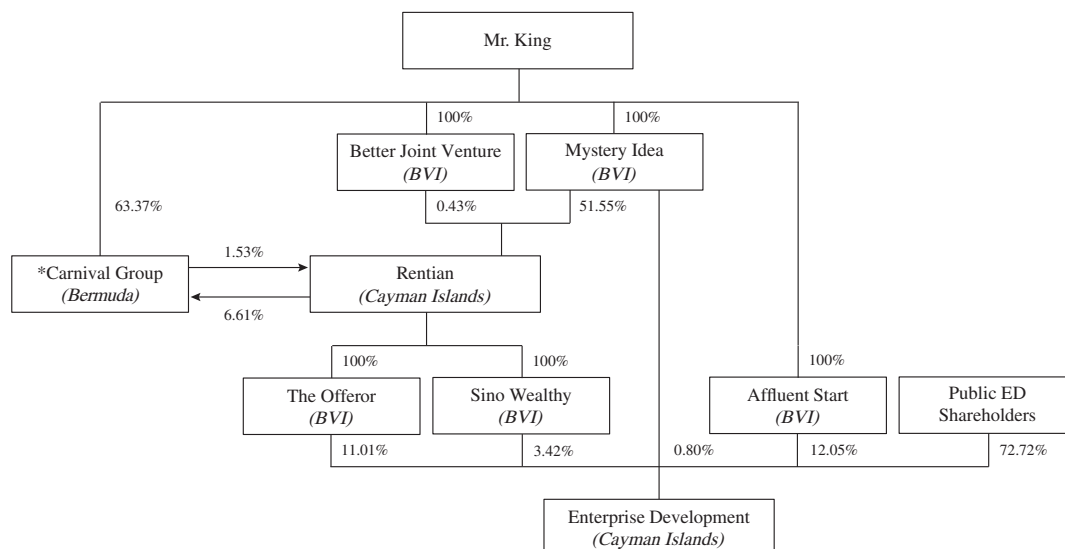
Shareholding structure of Enterprise Development

The following table sets out the shareholding structure of Enterprise Development as at the Latest Practicable Date:

ED Shareholder	Number of ED Shares	Approximately %
The Offeror and parties acting in concert with it		
The Offeror	55,198,000	11.01
Sino Wealthy	17,182,000	3.42
Affluent Start	60,435,500	12.05
Mystery Idea	4,000,000	0.80
	<hr/>	<hr/>
Sub-total	136,815,500	27.28
Other public ED Shareholders	364,693,482	72.72
	<hr/>	<hr/>
Total	<u>501,508,982</u>	<u>100.00</u>

LETTER FROM THE RENTIAN BOARD

The following is a simplified diagram showing the shareholding structure of Enterprise Development as at the Latest Practicable Date based on the public information available to the Rentian Directors:



* *Mr. King owns approximately 63.37% in Carnival Group through several of his investment vehicles.*

INFORMATION ON THE ED GROUP

Principal activities

Enterprise Development is an investment holding company. The ED Group is principally engaged in providing integrated business software solutions, trading of listed securities and mobile marketing.

LETTER FROM THE RENTIAN BOARD

Financial information

Set out below is a summary of the financial information of the ED Group extracted from (i) the annual report of Enterprise Development for the year ended 31 December 2015; and (ii) the interim report of Enterprise Development for the six months ended 30 June 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

	Six months ended 30 June 2016	Year ended 31 December 2015	Year ended 31 December 2014
	(unaudited)	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	224,661	419,706	333,385
(Loss)/Profit before taxation	(119,780)	16,392	21,722
(Loss)/Profit after taxation	(124,040)	13,351	17,979
		As at 30 June 2016	As at 31 December 2015
		(unaudited)	(audited)
		<i>RMB'000</i>	<i>RMB'000</i>
Total assets		632,978	676,033
Total liabilities		155,880	152,418
Net assets		477,098	523,615

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of Rentian whose issued shares are listed on the main board of the Stock Exchange. Rentian is an investment holding company, and through its subsidiaries and associated company, is principally engaged in (i) the provision of integrated smart IoT solutions to enterprise customers; (ii) Human-machine Interactive Devices business; (iii) securities investment; and (iv) money lending business.

LETTER FROM THE RENTIAN BOARD

INTENTION OF THE RENTIAN GROUP

On 9 May 2016, Rentian as purchaser entered into a non-legally binding memorandum of understanding with Advanced Investment Holdings Limited[#] (昂展投資諮詢有限公司) as vendor, a company owned as to 90% by Mr. King, in relation to its proposed acquisition (the “**Proposed Fujian Start Acquisition**”) of approximately 30% equity interest of Fujian Start Group Company Limited[#] (“**Fujian Start**”), 福建實達集團股份有限公司, the shares of which are listed on the Shanghai Stock Exchange in the PRC (600734.SH). Fujian Start is principally engaged in the research and development, design, production and sales of smart mobile telecommunication terminals and related core components. Fujian Start was the owner of the 17% equity interest in Fujian Start Computer Equipment Company Limited[#] (福建實達電腦設備有限公司) prior to the completion of the acquisition of the said interest by Rentian, please refer to the disclosure made on page I-5 of this circular. The Proposed Fujian Start Acquisition may be conducted by way of capital increase in the registered capital of Fujian Start’s controlling shareholder (or its wholly-owned subsidiary), subscription of new shares in Fujian Start, acquisition of the existing shares in Fujian Start, assets injection in Fujian Start or other manners as the parties may agree. The memorandum of understanding does not have any long stop date. As at the Latest Practicable Date, Rentian is still in negotiation with the vendor in respect of the Proposed Fujian Start Acquisition. If the Proposed Fujian Start Acquisition materialise, the financial results of Fujian Start will be consolidated to the results of the Rentian Group. For further details, please refer to the announcement of Rentian dated 9 May 2016.

As at the Latest Practicable Date, apart from the Proposed Fujian Start Acquisition, Rentian has kept on identifying and exploring new suitable projects and/or investments with good profit potential for acquisition so as to diversify the Rentian Group’s business and bring return to the Rentian Shareholders. Nonetheless, no legally binding agreement has been entered into in respect of any possible acquisition as at the Latest Practicable Date.

Save as disclosed, as at the Latest Practicable Date, the Rentian Board has no other intention, arrangement, agreement, understanding or negotiation on the injection of any new business to the Rentian Group.

LETTER FROM THE RENTIAN BOARD

INTENTIONS OF THE OFFEROR IN RELATION TO THE ED GROUP

The Offeror intends to continue the existing businesses of the ED Group. As at the Latest Practicable Date, the Offeror has no plans to inject any assets or businesses into the ED Group or to procure the ED Group to acquire or dispose of any assets.

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the ED Group in order to formulate a long-term strategy for the ED Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investments or business opportunities.

Subject to the result of the Offeror's review of Enterprise Development, the Offeror has no intention to terminate the employment of any employees of the ED Group or to make significant changes to any employment or to dispose of or re-allocate the ED Group's assets which are not in the ordinary and usual course of business of the ED Group. The Offeror has not yet determined the composition of the ED Board. Any changes to the ED Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

Maintaining the Listing Status of Enterprise Development

The Offeror has no intention to privatise the ED Group and intends to maintain the listing of the ED Shares on the Stock Exchange. The Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of Enterprise Development will continue to be held by the public at all times.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to Enterprise Development, being 25% of the issued ED Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the ED Shares; or
- (ii) there are insufficient ED Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the ED Shares.

LETTER FROM THE RENTIAN BOARD

REASON FOR RENTIAN TO MAKE THE OFFER

Rentian is principally engaged in (i) the provision of integrated smart IoT solutions to enterprise customers; (ii) Human-machine Interactive Devices business; (iii) securities investment; and (iv) money lending business.

(1) To strengthen Rentian's positioning in end-to-end IoT solutions

The Rentian Group is dedicated to providing end-to-end technology solutions to the PRC enterprises corporate and enterprise customers. Rentian has expanded its current product and service base to include human-machine interactive devices (e.g. modem banking ATM, banking integrated counter-machine, intelligent mobile phone and video game station), smart end-point devices (e.g. smart card reader, intelligent logistics container and smart hand-held devices), communication infrastructure and equipment (e.g. router, modem and switch), data and cloud computing platform and services (e.g. cloud storage, apps and data analysis).

On 24 April 2015, the Rentian Group completed the acquisition of 40% equity interest in Easy Talent Limited, which indirectly holds 100% equity interests in Beijing Oriental Legend Maker Technology Limited# (北京東方龍馬軟件發展有限公司) and its subsidiaries (“**OLM Group**”). OLM Group is principally engaged in the provision of integrated smart IoT solutions including upgrading and maintenance services for database products distributed in the PRC. As at the Latest Practicable Date, the remaining 60% equity interest in Easy Talent Limited is owned by the ED Group.

In past years, the Rentian Group put more focus on acquisition of technology experience in smart end-point devices and communication infrastructure, but has only made minimal progress in cloud-computing related areas due to limited time and bandwidth. On the other hand, the ED Group has special expertise in developing cloud computing technology. It targets to set up large-scale cloud computing centers by building multiple internet data centers and utilising related advanced technology and tools. The Rentian Board considers that the ED Group would complement the products and services currently provided by the Rentian Group, which would further strengthen Rentian's market position and profitability.

LETTER FROM THE RENTIAN BOARD

(2) To better address the needs of Rentian's customers in the long-run

As Rentian continues to develop its customer base and deploy more IoT solutions, it will naturally generate large-scale operational data-sets from RFID tags, sensors, video cameras, VR glasses, commercial drones and other IoT equipment. Inevitably, Rentian will have to address its customer data application needs and further intelligence perspective, capturing more wallet-share in the whole value chain in the long-run.

The ED Group has long focus on data management and analytics domain. It targets the whole data life-cycle and have self-developed several products and services, which includes big-data analytics tool, data and performance life-cycle management toolkit, customised system and application development and data security toolkit. The ED Group also has special teams to serve the customer and provide professional consulting and implementation services. All of these will help Rentian realise its long-term growth goals and shorten time-to-market cycle in the rapidly growing data and intelligence market.

(3) Help Rentian to diversify its customer base

Despite that the Rentian Group and the ED Group have similar target customer segment such as enterprise and commercial accounts, they have different customer base and sectoral focus. Integrating the Rentian Group's customer base with that of the ED Group will broaden the customer base of the Rentian Group, especially in the financial and manufacturing/distribution sectors, increasing the market share and bringing about synergy effect. The ED Group has expertise for sensitive data security and masking in a Chinese card payment organisation which will provide opportunities to Rentian in next-generation smart end-point devices as payment and settlement systems.

In addition, the ED Group has more experience and intentions to make breakthroughs in the healthcare, education and energy sectors, which Rentian has limited exposure. The ED Group has influential history on customer relationship with energy sector and healthcare sector which will facilitate Rentian to further expand the market coverage in these sectors. By acquiring the ED Group, Rentian can expand its current customer base and tackle the new opportunity rising from these new sectors. As a result, these could help Rentian to diversify its current income streams and become more resilient in unforeseen market or economic risks.

In the future, the Rentian Group will further endeavour to expand in the areas of internet applications for enterprises, basic software and industry application, Megadata and cloud computation, application of the IoT and intelligence terminals, and maximise its contribution in the next generation of informatisation of enterprises in the PRC.

LETTER FROM THE RENTIAN BOARD

(4) Additional platform for financing

Enterprise Development as an independent listed company with direct access to the debt and equity capital markets, which would provide an additional financing platform for the Enlarged Group to finance its further developments for future growth, when additional fund is required. This will increase the financing flexibility to achieve the business strategies of the Enlarged Group.

The Rentian Board considers that (i) making the Offer and thereby acquiring the underlying business of Enterprise Development is in line with the Rentian Group's investment strategy and would strengthen the Rentian Group's existing information technology business in the PRC with growth potential; and (ii) Enterprise Development is able to facilitate the synergy of skills and explore integrated business software solution to the Rentian Group's business. The synergy effect could be illustrated by the Rentian Group's recent experience in bidding a system development project for a cold-chain transportation company in the PRC, where the Rentian Group only provided IoT related technologies while the software system development infrastructure especially the cloud support infrastructure or Software-As-A-Services (SAAS) system framework is out of Rentian's current expertise scope. If Rentian's IoT related technologies could combine with the ED Group's cloud support or SAAS system framework, a total solution could be provided to the client and it will be more competitive for Rentian Group to win the bid prime and beneficial to the client, Rentian and Enterprise Development as a whole. Therefore, the Rentian Board considers that making the Offer would enable Rentian to gain an opportunity to share the returns generated from the ED Group and strengthen the Rentian Group's existing business operations in the PRC.

Further, the Offer Price has already taken into account the loss position of the ED Group. The Offer Price was determined after taking into account, amongst other things, the net asset value of the ED Group as shown in its interim results as at 30 June 2016, the proceeds of the placing completed in December 2016, the realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017. The premium represented by the Offer Price over the prevailing market price of the ED Shares and the net asset value of the ED Group is taking into account and as the consideration premium for the controlling stake of Enterprise Development. The Rentian Group will fund the maximum aggregate Offer Price of HK\$364,693,482 by borrowings. For further details of the borrowings, please refer to the paragraph headed "Financial resources available to the Offeror" on page 11 of this circular.

LETTER FROM THE RENTIAN BOARD

The Rentian Directors note that the ED Group was in loss making position for the year ended 31 December 2016 and Enterprise Development has recently published an inside information announcement in respect of realised and unrealised loss on investments in listed financial assets at fair value through profit and loss and a profit warning announcement in relation to the impairment of goodwill and available-for-sale securities (collectively, the “**ED Announcements**”). The trading and investment business and the mobile marketing services business accounted for approximately 10.30% and 2.96% of the total revenue of the ED Group for the year ended 31 December 2015 respectively, and 1.78% and 2.13% of the total revenue of the ED Group for the six months ended 30 June 2016 respectively. The Rentian Board considers that, the materiality of these two business segments is comparatively insignificant as compared to the software business, being the principal business of the ED Group. Further, the loss making position of each of the trading and investment business and the mobile marketing business of the ED Group had been reflected in the ED Announcements. Upon the final closing of the Offer and if Rentian has taken control of the ED Group, the Rentian Directors and its senior management team will conduct a review of the financial position and operations of the ED Group; (i) with respect to the trading and investment business, the Rentian Directors will evaluate the existing investment portfolio of the ED Group; and (ii) with respect to the mobile marketing services business, the Rentian Directors will evaluate the performance of this segment. Rentian will formulate a long-term strategy for the ED Group so as to minimise the loss making effect to the Enlarged Group as a whole or to enhance the future development and to strengthen the revenue bases of the ED Group.

The Rentian Directors consider that although the Offer is not in the ordinary course of business of Rentian, having taken into account the above mentioned factors and reasons, notwithstanding that Enterprise Development’s loss position, the Rentian Directors are in the opinion that the terms of the Offer are fair and reasonable and in normal commercial terms and in the interests of Rentian and the Rentian Shareholders as a whole.

Upon the final closing of the Offer, in the event that the Rentian Group having obtained control in Enterprise Development, Enterprise Development will become an indirect non wholly-owned subsidiary of Rentian and the financial results of the ED Group will be consolidated into the financial statements of the Rentian Group.

Rentian Shareholders and potential investors of Rentian should note that the Offer is subject to various conditions as stated in the paragraph headed “Conditions to the Offer” above. If the Conditions are not fulfilled or waived (as the case may be) on or before the Long Stop Date, the Offer shall be lapsed accordingly. Rentian Shareholders and potential investors of Rentian are advised to exercise caution when dealings in the Rentian Shares.

LETTER FROM THE RENTIAN BOARD

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Offer is more than 25% but less than 100%, the making of the Offer constitutes a major transaction on the part of Rentian under Chapter 14 of the Listing Rules.

Mr. King, through his controlled corporations, namely Mystery Idea, Better Joint Venture and Carnival Group, which in aggregate hold 5,430,543,350 Rentian Shares, representing approximately 53.51% of the entire issued share capital of Rentian, is the controlling shareholder of Rentian. Mr. King, through Affluent Start and Mystery Idea, is interested in 64,435,500 ED Shares, representing approximately 12.85% of the issued share capital of Enterprise Development. Each of Affluent Start and Mystery Idea has executed the Affluent Start Confirmation and Mystery Idea Confirmation respectively confirming that they will not accept the Offer. In view that Mr. King is the substantial shareholder of Enterprise Development and the controlling shareholder of Rentian, the Offer will constitute a connected transaction by virtue of Rule 14A.28 of the Listing Rules. The Offer is subject to the approval of the Independent Shareholders at the EGM. Mr. King and his associates are required to abstain from voting on the resolution to approve the Offer at the EGM. Kingston Securities, being the financier to the Offeror and the agent to make the Offer on behalf of the Offeror, was interested in 390 Rentian Shares as at the Latest Practicable Date, Kingston Securities and its close associate(s) are therefore considered to be having a material interest in the Offer under Rule 2.15 of the Listing Rules and shall abstain from voting on the resolutions to approve the Offer at the EGM.

According to Rule 2.4 of the Takeovers Code, the board of an offeror must obtain competent independent advice on any offer when the directors are faced with a conflict of interest. Pursuant to Note 3 of Rule 2.4 of Takeovers Code, a conflict of interest exists in the Offer due to the fact that Mr. King is the substantial shareholder of Enterprise Development and the controlling shareholder of Rentian. To the best of the Rentian Directors' knowledge, information and belief, having made all reasonable enquiries, save for (i) Mr. King and his associates; and (ii) Kingston Securities and its close associate(s), no Rentian Shareholder has a material interest in the Offer and no Rentian Shareholder is required to abstain from voting at the EGM.

The Offer is therefore subject to, amongst others, the reporting, announcement and the approval of the Independent Shareholders at the EGM under the Listing Rules.

LETTER FROM THE RENTIAN BOARD

Enterprise Development is a listed company on the Main Board of the Stock Exchange and its audited annual reports for the three financial years ended 31 December 2015 and the unaudited interim report for the six-month period ended 30 June 2016 have been published at the websites of the Stock Exchange and Enterprise Development respectively. Pursuant to Rule 4.01(3) of the Listing Rules, the accountants' reports on the ED Group which sets out its financial information for at least the last three financial years and any additional interim period ended within 6 months from the date of the circular is not required to be included in this circular.

Based on the principle of "all shareholders should be treated fairly and equally", the ED Board declined to provide the Company with the financial information of the ED Group given that the financial information is inside information of the ED Group and the ED Board are duty bound not to realise the same to Rentian. In such circumstances, Rentian does not have access to non-public information and records of the ED Group that are necessary for the preparation of the working capital sufficiency statement, the indebtedness statement and the pro forma financial statement of the Enlarged Group to be included in this circular for the purpose of complying with the disclosure requirements under the Listing Rules.

Based on the fact that (a) the unavailability of non-public information of the ED Group is caused by regulatory restrictions imposed by the ED Board in providing non-public information to Rentian; (b) Enterprise Development is listed company on the Main Board of the Stock Exchange; and (c) Enterprise Development will become a subsidiary of Rentian upon successful closing of the Offer, pursuant to Rule 14.67A(2) of the Listing Rules, Rentian may defer complying with the disclosure requirements for certain non-public information, namely the working capital sufficiency statement, the indebtedness statement and the pro forma financial statement relating to the Enlarged Group. A supplemental circular will be despatched to Rentian Shareholders within 45 days of the earlier of: Rentian being able to gain access to the ED Group's books and records for the purpose of complying with the disclosure requirements in respect of the Enlarged Group under Rules 14.66(10) and 14.67(6)(b)(ii) of the Listing Rules; and Rentian being able to exercise control over Enterprise Development upon the successful close of the Offer pursuant to Rule 14.67A(3) of the Listing Rules.

Nevertheless, the Company has included in Appendix II of this circular some of the information required under Rule 14.66 of the Listing Rules, including but not limited to, the management discussion and analysis and the financial and trading prospects of the ED Group for the three years ended 31 December 2013, 2014 and 2015, and the six months ended 30 June 2016, which will enable the Rentian Shareholders to evaluate the Offer and make an informed voting decision with respect to the Offer.

LETTER FROM THE RENTIAN BOARD

Rentian prepares its financial statements using Hong Kong Financial Reporting Standards (“**HKFRS**”), and the Rentian Directors believe that, based on the internal assessment by the financial management team of Rentian, there is no principal difference between HKFRS and International Financial Reporting Standards (being the ED Group’s accounting standards), and there may not be a material impact on the financial statements of the ED Group, if they were prepared under HKFRS.

In accordance with Rule 14.67A of the Listing Rules, Rentian will, after the successful close of the Offer, issue a supplemental circular to the Rentian Shareholders in the manner described in Rule 14.67A(3) of the Listing Rules which will contain all the disclosures required under Rules 14.66 and 14.67 of the Listing Rules which have been excluded from this circular. Pursuant to Rule 14.67A(3) of the Listing Rules, Rentian is required to despatch the supplemental circular to the Rentian Shareholders within 45 days of the earlier of (1) Rentian being able to gain access to Enterprise Development’s books and records for the purpose of complying with the disclosure requirements under the Listing Rules in respect of Enterprise Development and the Enlarged Group; and (2) Rentian being able to exercise control over Enterprise Development upon the successful close of the Offer.

Should Rentian require more time to prepare the supplemental circular, Rentian will apply to the Stock Exchange for an extension for the despatch of the supplemental circular and make an announcement in this regard. Rentian Shareholders and potential investors should note that the despatch of the supplemental circular will not affect the approval to be obtained from the Independent Shareholders at the EGM, and the implementation of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive Rentian Directors, namely, Mr. Zhang Xiaoman, Mr. Chin Hon Siang and Mr. Huang Xin has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and in the interests of Rentian and the Rentian Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM.

The Independent Financial Adviser, being Royal Excalibur Corporate Finance Company Limited, has been appointed to advise to the Independent Board Committee and the Independent Shareholders on the same.

LETTER FROM THE RENTIAN BOARD

FINANCIAL EFFECTS OF THE OFFER ON EARNINGS, ASSETS AND LIABILITIES OF THE ENLARGED GROUP

Following the final closing of the Offer, in the event that the Rentian Group having obtained control in Enterprise Development, Enterprise Development will become an indirect non wholly-owned subsidiary of Rentian and the financial information of the ED Group will be consolidated into the consolidated financial statements of the Rentian Group. As such, all the earnings, assets and liabilities of the ED Group will be consolidated into the consolidated financial statements of the Rentian Group.

As at 30 June 2016, the unaudited total assets and total liabilities of the Rentian Group prepared in accordance with HKFRS were approximately HK\$4,854.8 million and HK\$1,637.4 million respectively. As at 30 June 2016, the unaudited total assets and total liabilities of the ED Group prepared in accordance with IFRS were approximately RMB633.0 million and RMB155.9 million respectively. After the successful closing of the Offer and taking into consideration of the potential debt financing in relation to the Offer, the total assets and total liabilities of the Enlarged Group are expected to increase, respectively.

During the six months ended 30 June 2016, the unaudited net profit attributable to the owners of the Rentian Group prepared in accordance with HKFRS was approximately HK\$54.2 million. During the six months ended 30 June 2016, the unaudited net loss attributable to the owners of the ED Group prepared in accordance with IFRS was approximately RMB129.3 million. Considering the profit warning announcement of ED Group published on 23 January 2017, the ED Group is expected to record a loss attributable to owners for the year ended 31 December 2016. As a result, the Offer would likely reduce the earnings of the Enlarged Group.

(3) PROPOSED RE-ELECTION OF DIRECTOR

Pursuant to Article 99 of the Articles, Mr. Huang Xin, the newly appointed independent non-executive Rentian Director with effect from 15 November 2016 shall retire at the conclusion of the EGM and being eligible, offer himself for re-election. Details of the Rentian Director to be re-elected are set out in Appendix III to this circular. The Rentian Directors believe that the re-election of the aforesaid Rentian Director is in the best interests of Rentian and the Rentian Shareholders as a whole and recommend the Rentian Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

LETTER FROM THE RENTIAN BOARD

(4) EGM

The EGM will be held at 14/F, Fairmott House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 13 April 2017 at 11:00 a.m., the notice of which is set out on pages EGM-1 to EGM-3 of this circular, for (i) the Independent Shareholders to consider and, if thought fit, approve the Offer; and (ii) the Rentian Shareholders to consider and, if thought fit, approve the re-election of the independent non-executive Rentian Director.

Mr. King, through his controlled corporations, namely Mystery Idea, Better Joint Venture and Carnival Group, which in aggregate hold 5,430,543,350 Rentian Shares, representing approximately 53.51% of the entire issued share capital of Rentian, is the controlling shareholder of Rentian. Mr. King, through Affluent Start and Mystery Idea, is interested in 64,435,500 ED Shares, representing approximately 12.85% of the issued share capital of Enterprise Development. Mr. King and his associates are required to abstain from voting at the EGM on the relevant resolution(s) in approving the Offer. Kingston Securities, being the financier to the Offeror and the agent to make the Offer on behalf of the Offeror, was interested in 390 Rentian Shares as at the Latest Practicable Date, Kingston Securities and its close associate(s) are therefore considered to be having a material interest in the Offer under Rule 2.15 of the Listing Rules and shall abstain from voting on the resolution to approve the Offer at the EGM. Save as disclosed, to the best of the Rentian Directors' knowledge, information and belief, and having made all reasonable enquiries, no other Rentian Shareholder is interested in or involved in the Offer. Therefore, no other Rentian Shareholder is required to abstain from voting on the proposed resolution to approve the Offer at the EGM.

No Rentian Shareholders are required to abstain from voting on the proposed resolution to approve the re-election of the independent non-executive Rentian Director at the EGM.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to Rentian's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

The resolutions proposed to be approved at the EGM will be taken by poll and an announcement will be made by Rentian after the EGM on the results of the EGM.

LETTER FROM THE RENTIAN BOARD

RECOMMENDATION

The Rentian Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) consider that the Offer is fair and reasonable, on normal commercial terms and are in the interests of Rentian and the Rentian Shareholders as a whole. Accordingly, the Rentian Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) recommend the Independent Shareholders to vote in favour of the proposed resolutions to approve (i) the Offer; and (ii) the re-election of the independent non-executive Rentian Director at the EGM.

Your attention is drawn to the recommendation of the Independent Board Committee as set out on pages 29 to 30 of this circular and the letter from the Independent Financial Adviser as set out on pages 31 to 77 of this circular.

Your attention is drawn to the biography of Mr. Huang Xin set out in Appendix III to this circular.

FURTHER INFORMATION

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

Yours faithfully,
By order of the Rentian Board
Rentian Technology Holdings Limited
Choi Chi Fai
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



RENTIAN TECHNOLOGY HOLDINGS LIMITED

仁天科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00885)

27 March 2017

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE CONDITIONAL CASH OFFER BY**



KINGSTON SECURITIES

**FOR AND ON BEHALF OF LUCK SUCCESS DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED
BY OR TO BE ACQUIRED BY
LUCK SUCCESS DEVELOPMENT LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 27 March 2017 (the “**Circular**”) issued by Rentian to the Rentian Shareholders of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Offer are fair and reasonable, on normal commercial terms and in the interests of Rentian and the Rentian Shareholders as a whole.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Royal Excalibur Corporate Finance Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders of the fairness and reasonableness in respect of the terms of the Offer.

The terms and reasons for the Offer are described in the letter from the Rentian Board as set out in the Circular.

We wish to draw your attention to the letter from the Rentian Board in the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the terms of the Offer in the Circular.

As the Independent Board Committee, we have discussed with the management of Rentian the reasons for entering into the Offer, and the basis upon which their terms have been determined. We have also considered the key factors taken into account by the Independent Financial Adviser in arriving at its opinion regarding the Offer as set out in the letter from the Independent Financial Adviser in the Circular, which we urge you to read carefully.

Having considered the advice given by the Independent Financial Adviser, we are of the opinion that, although the Offer is not in the ordinary and usual course of business of Rentian, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of Rentian and the Rentian Shareholders as a whole, and we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Offer.

Yours faithfully,
the Independent Board Committee of
Rentian Technology Holdings Limited

Zhang Xiaoman
*Independent non-executive
Director*

Chin Hon Siang
*Independent non-executive
Director*

Huang Xin
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer, which has been prepared for the purpose of inclusion in the Circular.

ROYAL EXCALIBUR
CORPORATE FINANCE COMPANY LIMITED

ROYAL EXCALIBUR
CORPORATE FINANCE COMPANY LIMITED
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OfficePlus @Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong
皇家駿溢財務顧問有限公司
香港上環永樂街93-103號
協成行上環中心12樓1204室

27 March 2017

*To the Independent Board Committee and the Independent Shareholders of
Rentian Technology Holdings Limited*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE CONDITIONAL CASH OFFER BY KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF
LUCK SUCCESS DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ENTERPRISE DEVELOPMENT HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR
TO BE ACQUIRED BY LUCK SUCCESS DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer. Details of the Offer are set out in the “Letter from the Board” (the “**Board’s Letter**”) contained in the circular dated 27 March 2017 (the “**Circular**”) issued by Rentian to the Rentian Shareholders, of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 13 February 2017, the Offeror, Rentian and Enterprise Development jointly announced that Kingston Securities will, for and on behalf of the Offeror, make an Offer to acquire all of the ED Shares in the entire issued share capital of Enterprise Development (other than those ED Shares already owned by or to be acquired by the Offeror and parties acting in concert with it).

As at the Latest Practicable Date, there are 501,508,982 ED Shares in issue, and the Offeror and parties acting in concert with it are, in aggregate, interested in 136,815,500 ED Shares, representing approximately 27.28% of the entire issued share capital of Enterprise Development, which comprises (i) 55,198,000 ED Shares beneficially owned by the Offeror, (ii) 17,182,000 ED Shares beneficially owned by Sino Wealthy, (iii) 60,435,500 ED Shares beneficially owned by Affluent Start, and (iv) 4,000,000 ED Shares beneficially owned by Mystery Idea. Save for the aforesaid, Enterprise Development has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

LISTING RULES AND TAKEOVERS CODE IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Offer is more than 25% but less than 100%, the making of the Offer constitutes a major transaction on the part of Rentian under Chapter 14 of the Listing Rules.

Mr. King, through his controlled corporations, namely Mystery Idea, Better Joint Venture and Carnival Group, which in aggregate hold 5,430,543,350 Rentian Shares, representing approximately 53.51% of the entire issued share capital of Rentian, is the controlling shareholder of Rentian. Mr. King, through Affluent Start and Mystery Idea, is interested in 64,435,500 ED Shares, representing approximately 12.85% of the issued share capital of Enterprise Development. Each of Affluent Start and Mystery Idea has executed the Affluent Start Confirmation and Mystery Idea Confirmation respectively confirming that they will not accept the Offer. In view that Mr. King is the substantial shareholder of Enterprise Development and the controlling shareholder of Rentian, the Offer will constitute a connected transaction by virtue of Rule 14A.28 of the Listing Rules. The Offer is subject to the approval of the Independent Shareholders at the EGM. Mr. King and his associates are required to abstain from voting on the resolution to approve the Offer at the EGM. Kingston Securities, being the financier to the Offeror and the agent to make the Offer on behalf of the Offeror, was interested in 390 Rentian Shares as at the Latest Practicable Date. Kingston Securities and its close associate(s) are therefore considered to be having a material interest in the Offer under Rule 2.15 of the Listing Rules and shall abstain from voting on the resolutions to approve the Offer at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to Rule 2.4 of the Takeovers Code, the board of an offeror must obtain competent independent advice on any offer when the directors are faced with a conflict of interest. Pursuant to Note 3 of Rule 2.4 of Takeovers Code, a conflict of interest exists in the Offer due to the fact that Mr. King is the substantial shareholder of Enterprise Development and the controlling shareholder of Rentian. To the best of the Rentian Directors' knowledge, information and belief, having made all reasonable enquiries, save for (i) Mr. King and his associates; and (ii) Kingston Securities and its close associate(s), no Rentian Shareholder has a material interest in the Offer and no Rentian Shareholder is required to abstain from voting at the EGM.

The Offer is therefore subject to, amongst others, the reporting, announcement and the approval of the Independent Shareholders at the EGM under the Listing Rules.

Enterprise Development is a listed company on the Main Board of the Stock Exchange and its audited annual reports for the three financial years ended 31 December 2015 and the unaudited interim report for the six-month period ended 30 June 2016 have been published at the websites of the Stock Exchange and Enterprise Development respectively. Pursuant to Rule 4.01(3) of the Listing Rules, the accountants' reports on the ED Group which sets out its financial information for at least the last three financial years and any additional interim period ended within 6 months from the date of the circular is not required to be included in this circular.

Based on the principle of "all shareholders should be treated fairly and equally", the ED Board declined to provide Rentian with the financial information of the ED Group given that the financial information is inside information of the ED Group and the ED Board are duty bound not to realise the same to Rentian. In such circumstances, Rentian does not have access to non-public information and records of the ED Group that are necessary for the preparation of the working capital sufficiency statement, the indebtedness statement and the pro forma financial statement of the Enlarged Group to be included in this circular for the purpose of complying with the disclosure requirements under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the fact that (a) the unavailability of non-public information of the ED Group is caused by regulatory restrictions imposed by the ED Board in providing non-public information to Rentian; (b) Enterprise Development is listed company on the Main Board of the Stock Exchange; and (c) Enterprise Development will become a subsidiary of Rentian upon successful closing of the Offer, pursuant to Rule 14.67A(2) of the Listing Rules, Rentian may defer complying with the disclosure requirements for certain non-public information, namely the working capital sufficiency statement, the indebtedness statement and the pro forma financial statement relating to the Enlarged Group. A supplemental circular will be despatched to Rentian Shareholders within 45 days of the earlier of: Rentian being able to gain access to the ED Group's books and records for the purpose of complying with the disclosure requirements in respect of the Enlarged Group under Rules 14.66(10) and 14.67(6)(b)(ii) of the Listing Rules; and Rentian being able to exercise control over Enterprise Development upon the successful close of the Offer pursuant to Rule 14.67A(3) of the Listing Rules.

Nevertheless, Rentian has included in Appendix II of this Circular some of the information required under Rule 14.66 of the Listing Rules, including but not limited to, the management discussion and analysis and the financial and trading prospects of the ED Group for the three years ended 31 December 2013, 2014 and 2015, and the six months ended 30 June 2016, which will enable the Rentian Shareholders to evaluate the Offer and make an informed voting decision with respect to the Offer.

Rentian prepares its financial statements using Hong Kong Financial Reporting Standards (“**HKFRS**”), and the Rentian Directors believe that, based on the internal assessment by the financial management team of Rentian, there is no principal difference between HKFRS and International Financial Reporting Standards (“**IFRS**”) (being the ED Group's accounting standards), and there may not be a material impact on the financial statements of the ED Group, if they were prepared under HKFRS.

In accordance with Rule 14.67A of the Listing Rules, Rentian will, after the successful close of the Offer, issue a supplemental circular to the Rentian Shareholders in the manner described in Rule 14.67A(3) of the Listing Rules which will contain all the disclosures required under Rules 14.66 and 14.67 of the Listing Rules which have been excluded from this circular. Pursuant to Rule 14.67A(3) of the Listing Rules, Rentian is required to despatch the supplemental circular to the Rentian Shareholders within 45 days of the earlier of (1) Rentian being able to gain access to Enterprise Development's books and records for the purpose of complying with the disclosure requirements under the Listing Rules in respect of Enterprise Development and the Enlarged Group; and (2) Rentian being able to exercise control over Enterprise Development upon the successful close of the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Should Rentian require more time to prepare the supplemental circular, Rentian will apply to the Stock Exchange for an extension for the despatch of the supplemental circular and make an announcement in this regard. Rentian Shareholders and potential investors should note that the despatch of the supplemental circular will not affect the approval to be obtained from the Independent Shareholders at the EGM, and the implementation of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Rentian Directors, namely, Mr. Zhang Xiaoman, Mr. Chin Hon Siang and Mr. Huang Xin has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and in the interests of Rentian and the Rentian Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM.

INDEPENDENT FINANCIAL ADVISER

We have been approved and appointed by the Independent Board Committee to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Offer as to whether the terms of the Offer are, or are not, fair and reasonable and as to the voting on the relevant resolution. As at the Latest Practicable Date, other than the appointment as the Independent Financial Adviser to the Independent Board Committee as stated above, we have no relationships or interests with Rentian, the Offeror, Enterprise Development and its ultimate beneficial owners, their respective associates and parties acting in concert with any of them and those who are involved in or interested in the Offer that could reasonably be regarded as relevant to our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, there are no arrangements which we will receive any fees or benefits from any of the above-mentioned parties in the past two years. We are therefore independent from Rentian pursuant to Rule 13.84 of the Listing Rules and our appointment by the Independent Board Committee is in compliance with Rule 2 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by Rentian, the Rentian Directors and the management of Rentian. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to Rentian contained or referred to in the Circular and/or provided to us by Rentian, the directors and management of Rentian have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of Rentian.

PRINCIPAL TERMS OF THE OFFER

Kingston Securities will, for and on behalf of the Offeror, make an Offer to acquire all of the ED Shares in the entire issued share capital of Enterprise Development (other than those ED Shares already owned by or to be acquired by the Offeror and parties acting in concert with it).

The Offer is subject to the fulfillment or waiver, as applicable, of the Conditions as set out in the Board's Letter.

Kingston Securities will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.00 in cash

The ED Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by Enterprise Development to the ED Shareholders who are qualified for such dividends or distributions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, there are 501,508,982 ED Shares in issue, and the Offeror and parties acting in concert with it are, in aggregate, interested in 136,815,500 ED Shares, representing approximately 27.28% of the entire issued share capital of Enterprise Development, which comprises (i) 55,198,000 ED Shares beneficially owned by the Offeror, (ii) 17,182,000 ED Shares beneficially owned by Sino Wealthy, (iii) 60,435,500 ED Shares beneficially owned by Affluent Start, and (iv) 4,000,000 ED Shares beneficially owned by Mystery Idea. Save for the aforesaid, Enterprise Development has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offeror may acquire additional ED Shares at the market for the acquisition price not exceeding the Offer Price. In the event that the Offeror acquire additional ED Shares where the Offeror and parties acting in concert with it hold 30% or more of the total issued share capital of Enterprise Development, such will trigger a mandatory conditional cash offer under the Takeovers Code. The Offeror and/or Rentian will further issue announcement(s) and composite document, if required, in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) containing the timetable of the mandatory conditional cash offer with be made by the Offeror and/or Rentian when necessary.

Conditions to the Offer

The Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of ED Shares which, together with ED Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it together holding not less than 50% of the voting rights of Enterprise Development;
- (b) the ED Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading in the ED Shares as a result of the Offer and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the ED Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) the passing by the Independent Shareholders of a resolution to approve the Offer at the EGM in accordance with the Listing Rules;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (d) no event occurring or having occurred which is an event of default or other event giving any lender to any member of the ED Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the ED Group is a party or by which it is bound and no lender to any member of the ED Group indicating on or prior to the date to be stated in the offer document regarding the Offer as the first closing date of the Offer (or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code) that it will exercise such rights to accelerate repayment or claim an event of default; and
- (e) since the date of the last audited consolidated financial statements of Enterprise Development, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of Enterprise Development or any other member of the ED Group.

The Offeror reserves the right to waive, in whole or in part, Condition (b). For the avoidance of doubt, Conditions (a), (c), (d) and (e) cannot be waived. It is the intention of the Offeror that the above conditions should be fulfilled or waived (as the case may be) on or before the Long Stop Date.

As at the Latest Practicable Date, none of the above Conditions has been fulfilled or waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror and Enterprise Development should not invoke Condition (d) so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke any such Conditions are of material significance to the Offeror in the context of the Offer.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation regarding the Offer, we have taken into consideration the following principal factors and reasons:

1. Information on the Rentian Group

(a) *Business of the Rentian Group*

Rentian was incorporated in the Cayman Islands as an exempted company with limited liability and the Rentian Shares have been listed on the Main Board of the Stock Exchange since 2001. Rentian is an investment holding company, and through its subsidiaries and associated company, is principally engaged in (i) the provision of integrated smart IoT solutions to enterprise customers; (ii) Human-machine Interactive Devices business; (iii) securities investment; and (iv) money lending business.

(b) *Financial results of the Rentian Group*

Set out below is a summary of the financial results of the Rentian Group for the six months ended 30 June 2016 and 2015, and the two years ended 31 December 2015 and 2014, as extracted from Rentian's interim report for the six months ended 30 June 2016 (the "**2016 Interim Report**"), and Rentian's annual report for the year ended 31 December 2015 (the "**2015 Annual Report**").

	For the six months ended		For the year ended	
	30 June		31 December	
	2016	2015	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	356,649	287,771	904,096	525,517
Cost of sales	(232,252)	(196,544)	(550,404)	(158,827)
Gross profit	124,397	91,227	353,692	366,690
Profit for the period/year	76,090	351,397	61,004	884,797
Attributable to:				
– Owners of Rentian	54,222	347,012	38,258	881,837
– Non-controlling interests	21,868	4,385	22,746	2,960

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison between the two years ended 31 December 2015 and 2014

The Rentian Group recorded a revenue of approximately HK\$904.1 million for the year ended 31 December 2015, representing an increase by approximately 72.04% when compared with that for the year ended 31 December 2014 of approximately HK\$525.5 million. The Rentian Group's profit for the year ended 31 December 2015 was approximately HK\$61.0 million, representing a decrease by approximately 93.11% when compared with that for the year ended 31 December 2014 of approximately HK\$884.8 million, and was mainly attributed to (i) segment results generated from the IoT business of approximately HK\$111.91 million (2014: HK\$23.06 million); and (ii) segment results generated from the investing business of approximately HK\$38.27 million (2014: HK\$877.22 million), which offsetting the (i) share option expenses of approximately HK\$29.34 million (2014: HK\$Nil) and (ii) finance costs of approximately HK\$37.73 million (2014: HK\$9.18 million).

Comparison between the six months ended 30 June 2016 and 2015

The Rentian Group recorded a revenue of approximately HK\$356.6 million for the six months ended 30 June 2016, representing an increase by approximately 23.94% when compared with that for the six months ended 30 June 2015 of approximately HK\$287.8 million. The Rentian Group's profit for the six months ended 30 June 2016 was approximately HK\$76.1 million, representing a decrease by approximately 78.35% when compared with that for the six months ended 30 June 2015 of approximately HK\$351.4 million, and was mainly attributed to (i) the segment results generated from the IoT business of approximately HK\$98.47 million (30 June 2015: HK\$37.38 million); and (ii) the segment results generated from the investing business of approximately HK\$61.85 million (30 June 2015: HK\$344.72 million), which offsetting (i) finance costs of approximately HK\$47.16 million (30 June 2015: HK\$10.79 million); and (ii) share option expenses of approximately HK\$12.43 million (30 June 2015: HK\$9.99 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Financial position of the Rentian Group

Set out below is a summary of the financial position of the Rentian Group as at 30 June 2016, 31 December 2015 and 2014, as extracted from the 2016 Interim Report and 2015 Annual Report.

	As at 30 June 2016	As at 31 December	
	<i>HK\$'000</i>	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	4,854,802	3,467,952	2,320,133
Total liabilities	1,637,377	1,203,642	421,412
Net assets	3,217,425	2,264,310	1,898,721

The Rentian Group recorded total assets, total liabilities and net assets of approximately HK\$4,854.8 million, HK\$1,637.4 million and HK\$3,217.4 million, respectively, as at 30 June 2016, representing an increase by approximately 39.99%, 36.04% and 42.09% when compared with that as at 31 December 2015 of approximately HK\$3,468.0 million, HK\$1,203.6 million and HK\$2,264.3 million respectively.

(d) Short summary

During the two years ended 31 December 2015 and the six months ended 30 June 2016, the Rentian Group's business was centred around the provision of data management services and "integrated smart IoT solutions for modern centralised industrial supply chains" to corporate and enterprise customers, the revenue from which contributed approximately 72.69% towards the total revenue of the Rentian Group aggregately during the two years, and was amounted to approximately HK\$1,039.2 million in aggregate. The provision of the above said IoT solutions was profitable and has been fast growing during the two years. As set out in the 2015 Annual Report and 2016 Interim Report, Rentian believes that the IoT market will continue to experience growth in the coming years, and the Rentian Group has responded to this expectation by acquiring five upstream and downstream IoT companies during the two years ended 31 December 2014 and 2015 and another two during the six months ended 30 June 2016, with an intention to enhance the Rentian Group's overall profitability by (i) reducing procurement costs; (ii) speeding up supplies; (iii) improving quality; and (iv) broadening clientele. The principal businesses of the above said companies acquired by the Rentian Group were mainly (i) provision of one-stop solution regarding software design, IT solution and market research; (ii) design, manufacturing and distribution of electronic products and provision of IT services; and (iii) research and development, design and manufacturing of optical transmission network equipment, among other closely related businesses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Information on the ED Group

(a) Business of the ED Group

Enterprise Development was incorporated in the Cayman Islands as an exempted company with limited liability and the shares of Enterprise Development have been listed on the Main Board of the Stock Exchange since 2007. Enterprise Development is an investment holding company. The ED Group is principally engaged in providing integrated business software solutions, trading of listed securities and mobile marketing.

(b) Financial results of the ED Group

Set out below is a summary of the financial results of the ED Group for the six months ended 30 June 2016 and 2015, and the two years ended 31 December 2015 and 2014, as extracted from Enterprise Development's interim report for the six months ended 30 June 2016 (the "**2016 ED Interim Report**"), and Enterprise Development's annual report for the year ended 31 December 2015 (the "**2015 ED Annual Report**").

	For the six months ended		For the year ended	
	30 June		31 December	
	2016	2015	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	224,661	338,692	419,706	333,385
Cost of sales	(183,852)	(111,320)	(304,661)	(262,106)
Gross profit	40,809	227,372	115,045	71,279
(Loss)/Profit				
for the period/year	(124,040)	171,495	13,351	17,979
Attributable to:				
– Equity shareholders				
of Enterprise				
Development	(129,332)	168,895	7,436	11,472
– Non-controlling interests	5,292	2,600	5,915	6,507

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison between the two years ended 31 December 2015 and 2014

The ED Group recorded a revenue of approximately RMB419.7 million for the year ended 31 December 2015, representing an increase by approximately 25.89% when compared with that for the year ended 31 December 2014 of approximately RMB333.4 million. The ED Group's profit for the year ended 31 December 2015 was approximately RMB13.4 million, representing a decrease by approximately 25.74% when compared with that for the year ended 31 December 2014 of approximately RMB18.0 million. The decrease in the ED Group's profit over the two years was mainly attributed to (i) a loss on early redemption of promissory notes and net exchange losses; (ii) an increase in general and administrative expenses; and (iii) an increase in finance costs.

Comparison between the six months ended 30 June 2016 and 2015

The ED Group recorded a revenue of approximately RMB224.7 million for the six months ended 30 June 2016, representing a decrease by approximately 33.67% when compared with that for the six months ended 30 June 2015 of approximately RMB338.7 million. The ED Group's loss for the six months ended 30 June 2016 was approximately RMB124.0 million, representing a decrease when compared with the ED Group's profit for the six months ended 30 June 2015 of approximately RMB171.5 million. The decrease in the ED Group's profit over the periods was mainly attributed to a decrease in distribution expenses and general and administrative expenses offsetting by (i) an increase in cost of sales; and (ii) an increase in provision for impairment loss on available-for-sale securities and goodwill.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Financial position of the ED Group

Set out below is a summary of the financial position of the ED Group as at 30 June 2016, 31 December 2015 and 2014, as extracted from the 2016 ED Interim Report and 2015 ED Annual Report.

	As at 30 June		As at 31 December	
	2016		2015	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	632,978	676,033	396,746	396,746
Total liabilities	155,880	152,418	66,830	66,830
Net assets	477,098	523,615	329,916	329,916

The ED Group recorded total assets, total liabilities and net assets of approximately RMB633.0 million, RMB155.9 million and RMB477.1 million, respectively, as at 30 June 2016, representing a decrease by approximately 6.37%, an increase by approximately 2.27%, and a decrease by approximately 8.88% when compared with that as at 31 December 2015 of approximately RMB676.0 million, RMB152.4 million and RMB523.6 million respectively.

(d) Segment reporting of the ED Group

The amount of each significant category of revenue recognised by the ED Group during different year/period is set out as below, as extracted from the 2016 ED Interim Report and 2015 ED Annual Report:

	For the six months ended		For the year ended	
	30 June		31 December	
	2016	2015	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Software business (including (i) software maintenance and other services; and (ii) sale of software products and others)	215,824	141,663	364,077	314,941
Trading and investment business	3,994	194,024	43,219	18,444
Mobile marketing business	4,780	3,005	12,407	–
Others	63	–	3	–

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The amount of each significant category of adjusted profit/(loss) before taxation recognised by the ED Group during different year/period is set out as below, as extracted from the 2016 ED Interim Report and 2015 ED Annual Report:

	For the six months ended		For the year ended	
	30 June		31 December	
	2016	2015	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Software business (including (i) software maintenance and other services; and (ii) sale of software products and others)	18,602	8,909	17,860	19,827
Trading and investment business	3,983	193,523	42,620	17,972
Mobile marketing services	(100,525)	110	842	–
	<i>(Note)</i>			
Others	(327)	–	(202)	–

Note: The loss is mainly due to the impairment loss of goodwill recognised during the period. As disclosed in Note 9 of the 2016 ED Interim Report, due to deteriorating performance and suffered significant loss in mobile marketing business, the ED Directors determined that there was a need for an impairment on the goodwill arising from the acquisition of mobile marketing business as the recoverable amount of cash generating unit based on the valuation report by an independent valuer was calculated to be lower than their aggregate carrying amounts. During the six months ended 30 June 2016, the impairment loss of goodwill recognised was approximately RMB86,930,000 (six months ended 30 June 2015: Nil).

(e) Short summary and recent development

During the two years ended 31 December 2015 and 2014, and the six months ended 30 June 2016 and 2015, the ED Group's principal businesses were centred around software business, securities trading and mobile marketing, and amongst which software business generally contributed substantial proportion to the business result of the ED Group in the sense of revenue recorded.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As discussed in the sub-section headed “(b) Financial results of the ED Group” in this letter above, the loss-making position of the ED Group for the six months ended 30 June 2016 was mainly attributed to significant increases in (i) cost of sales; (ii) provision for impairment loss on available-for-sale securities; and (iii) provision for impairment loss on goodwill, which increased by approximately RMB72.53 million, RMB40.38 million and RMB86.93 million when the corresponding amounts for the six months ended 30 June 2016 were compared with that for the six months ended 30 June 2015.

As disclosed in the announcement (the “**Profit Warning Announcement**”) of Enterprise Development on 23 January 2017, the ED Board informed the ED Shareholders and potential investors that, based on the preliminary review on the unaudited management account of the ED Group and information currently available to the ED Board, the ED Group is expected to record a loss attributable to equity shareholders for the year ended 31 December 2016, compared to the profit attributable to equity shareholders for the corresponding year ended 31 December 2015. The loss attributable to equity shareholders was mainly due to, including but not limited to, (i) the ED Group will recognise impairment on its goodwill of approximately RMB189.8 million for the year ended 31 December 2016 (six months ended 30 June 2016: RMB86.93 million); (ii) the ED Group will recognise impairment on its available for-sale securities of approximately RMB41.1 million for the year ended 31 December 2016 (six months ended 30 June 2016: RMB40.38 million); and (iii) the realised and unrealised loss on investments in listed financial assets at fair value through profit and loss is approximately RMB81.4 million for the year ended 31 December 2016 (six months ended 30 June 2016: RMB3.99 million), compared to the realised and unrealised gain on investments in listed financial assets at fair value through profit and loss is approximately RMB43.2 million for the corresponding year ended 31 December 2015. The announcement of the results of the ED Group for the year ended 31 December 2016 is expected to be released in March 2017.

Pursuant to the Profit Warning Announcement, it is expected that a lower value of audited consolidated net assets of ED Group as at 31 December 2016 will be recorded when compared with the unaudited consolidated net asset value of the ED Group as at 30 June 2016 of approximately RMB477.10 million (equivalent to approximately HK\$534.35 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

However, as reviewed from the above tables in the sub-section headed “(d) Segment reporting of the ED Group” in this letter above, despite making overall loss for the six months ended 30 June 2016, the ED Group recorded significant increases over the years/periods in both segment revenue and segment profit of its software business when considering the rate of change of the corresponding amounts between (i) the year ended 31 December 2015 and 2014; and (ii) the six months ended 30 June 2016 and 2015, save and except for the decrease in its segment profit from the year ended 31 December 2014 to the year ended 31 December 2015. The revenue generated by the ED Group’s software business for the six months ended 30 June 2016 was approximately RMB215.82 million, representing a growth of approximately 52.35% when compared with that for the six months ended 30 June 2015, while the adjusted profit before taxation contributed by the ED Group’s software business for the six months ended 30 June 2016 was approximately RMB18.60 million, representing a growth of approximately 108.80% when compared with that for the six months ended 30 June 2015. On the other hand, the adjusted profit before taxation contributed by the ED Group’s software business for the six months ended 30 June 2016, which is a half year amount, was already larger than that for the year ended 31 December 2015. In light of this, we consider that the increasing segment revenues and profitability of the ED Group’s software business over the years/periods: (i) indicate that there remains development potential regarding the software business; and (ii) is in line with the Chinese IoT market growth and the long-term development strategy of the Chinese government, details of which could be referred to the section headed “4. Industry overview of the PRC software market” in this letter.

3. Reasons for and benefits of the Offer

(A) Reason for Rentian to make the Offer

It is stated in the Board’s Letter that the Rentian Group is dedicated to providing end-to-end technology solutions to the PRC corporate and enterprise customers. Rentian has expanded its current product and service base to include human-machine interactive devices (e.g. modem banking ATM, banking integrated counter-machine, intelligent mobile phone and video game station), smart end-point devices (e.g. smart card reader, intelligent logistics container and smart hand-held devices), communication infrastructure and equipment (e.g. router, modem and switch), data and cloud computing platform and services (e.g. cloud storage, apps and data analysis).

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We noted that Rentian kept on been identifying and exploring suitable projects and/or investments with good profit potential for acquisition so as to diversify the Rentian Group's business and bring return to the Rentian Shareholders. In the future, the Rentian Group will further endeavour to expand in the areas of internet applications for enterprises, basic software and industry application, Megadata and cloud computation, application of the IoT and intelligence terminals, and maximise its contribution in the next generation of informatisation of enterprises in the PRC.

The Rentian Board considers that (i) making the Offer and thereby acquiring the underlying business of the ED Group is in line with the Rentian Group's investment strategy and would strengthen the Rentian Group's existing information technology business in the PRC with growth potential; and (ii) the ED Group is able to facilitate the synergy of skills and explore integrated business software solution to the Rentian Group's business. Therefore, the Rentian Board considers that making the Offer would enable Rentian to gain an opportunity to share the returns generated from the ED Group and strengthen the Rentian Group's existing business operations in the PRC.

As mentioned in the chief executive officer's statement in the 2015 Annual Report, with the intention to enhance the Rentian Group's overall profitability by reducing procurement costs, speeding up supplies, improving quality and broadening clientele, the Rentian Group swiftly took ground in information flows, logistics, capital flows and other IoT businesses through expanding into data collection, virtual end-devices (endpoints), data analysis and transmission, cloud services and other fields. We note that the Rentian Group completed the acquisition of five upstream and downstream IoT companies during the two years ended 31 December 2014 and 2015 and another two during the six months ended 30 June 2016, and expects itself to enjoy benefits of synergy from these acquisitions.

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As set out in the above sections headed “1. Information on the Rentian Group” and “2. Information on the ED Group” in this letter, the Rentian Group is principally engaged in (i) the provision of data management services and “integrated smart IoT solutions for modern centralised industrial supply chains” to corporate and enterprise customers while the ED Group is principally engaged in the provision of services on database products, customised development of applications and sale of self-developed software products. Taking into account that (i) the principal businesses of the ED Group were similar in nature to that of the Rentian Group; (ii) there exists cross support and synergy between both group’s business, details of which are set out below; and (iii) the revenue generated by the ED Group’s software business for the six months ended 30 June 2016 was approximately RMB215.82 million, representing a growth of approximately 52.35% when compared with that for the six months ended 30 June 2015, we concur with the Rentian Board’s view that making the Offer and thereby acquiring the underlying business of the ED Group is in line with the Rentian Group’s investment strategy and would strengthen the Rentian Group’s existing information technology business in the PRC with growth potential.

To further evaluate the potential synergy brought by acquiring the underlying business of the ED Group, we have reviewed and analysed the proposed synergy set out in the Board’s Letter as follows:

(i) *strengthening Rentian’s positioning in end-to-end IoT solutions*

As advised by the management of Rentian, an IoT system typically consists of three major components, namely end-points, communication infrastructure and cloud platform. In general, the major function of the end-points is to sense, identify or collect information in its atmosphere, while that of communication infrastructure is to transmit the collected information to the cloud platform for various usage. At the cloud platform, then, the collected information would either be stored, handled or analysed, etc. As suggested by the management of Rentian, one example of IoT system is the express management system. End-points could be installed in the vehicle or other suitable equipment to gather data like traffic time, idle time or fuel usage, then these data could be sent to cloud platform through communication infrastructure like wireless emission or satellite transmission, followed by the computation process at the cloud platform like processing all data to optimise the delivery efficiency. Other IoT systems include real-time supermarket stock management solution, smart warehousing management system and asset management system, as described in the 2015 Annual Report.

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As set out in the Board's Letter, in past years, the Rentian Group put more focus on acquisition of technology experience in smart end-point devices and communication infrastructure, but has only made minimal progress in cloud-computing related areas due to limited time and bandwidth. On the other hand, the ED Group has special expertise in developing cloud computing technology. Rentian targets to set up large-scale cloud computing centers by building multiple internet data centers and utilising related advanced technology and tools, and the Rentian Board considers that the ED Group would complement the products and services currently provided by the Rentian Group, which would further strengthen Rentian's market position and profitability. The synergy effect could be illustrated by the Rentian Group's recent experience in bidding a system development project for a cold-chain transportation company in the PRC, where the Rentian Group only provided IoT related technologies while the software system development infrastructure especially the cloud support infrastructure or Software-As-A-Services (SAAS) system framework is out of Rentian's current expertise scope. If Rentian's IoT related technology could combine with the ED Group's cloud support or SAAS system framework, a total solution could be provided to the client and it will be more competitive for Rentian to win the bid prime and beneficial to the client, Rentian and Enterprise Development as a whole.

According to the 2015 ED Annual Report and 2016 ED Interim Report, one principal business of the ED Group is the provision of upgrade and maintenance services for Oracle's database products, which is a well-known worldwide brand for software products, distributed in the PRC, and that database products are used at various cloud platforms for the storage of data gathered by end-points. Assuming the successful closing of the Offer, the ED Group would become a subsidiary of Rentian, and we consider that Rentian could make use of the ED Group's experience for the upgrade and further maintenance of its own databases installed in the Rentian Group's various IoT systems. Rentian could also enjoy more convenience should it choose to adopt Oracle's products in their IoT systems, knowing that it could generally secure the upgrade and maintenance services of the products at a controllable cost.

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In addition, the ED Group sells self-developed firewall and other software products in the PRC, and we consider that these products are also useful to Rentian since the firewall products could be used to secure data safety in the IoT systems. Moreover, as the ED Group's products would be added into the Rentian Group's portfolio assuming the successful closing of the Offer, the resulting product diversification may enhance the Rentian Group's position to become an one-stop IoT solution provider, as it could offer more choice and more completed coverage of services for customers.

In light of the above, we consider there are benefits from synergy regarding product and service integration between Rentian Group and ED Group, and that Rentian's positioning in end-to-end IoT solutions could be strengthened. As such, we believe that the Offer is in the interests of Rentian and its shareholders as a whole.

(ii) better addressing the needs of Rentian's customers in the long-run

As set out in the Board's Letter, when Rentian continues to develop its customer base and deploy more IoT solutions, it will naturally generate large-scale operational data-sets from RFID tags, sensors, video cameras, VR glasses, commercial drones and other IoT equipment. Inevitably, Rentian will have to address its customer data application needs and further intelligence perspective, capturing more wallet-share in the whole value chain in the long-run.

Correspondingly, the ED Group has long focus on data management and analytics domain. It targets the whole data life-cycle and have self-developed several products and services, which includes big-data analytics tool, data and performance life-cycle management toolkit, customised system and application development and data security toolkit. The ED Group also has special teams to serve the customer and provide professional consulting and implementation services. All of these will help Rentian realise its long-term growth goals and shorten time-to-market cycle in the rapidly growing data and intelligence market.

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Having considered the above, together with the complementary and supportive nature of the ED Group's products and services to the Rentian Group's business as described in sub-section (i) above, we are of the view that by acquiring the underlying business of the ED Group, the Rentian Group would be able to provide more comprehensive solutions and services to its customers in the future, hence deriving synergistic benefits as a result of the Offer. Accordingly, we consider that the Offer is in the interests of Rentian and its shareholders as a whole.

(iii) helping Rentian to diversify its customer base

As set out in the Board's Letter, despite that the Rentian Group and the ED Group have similar target customer segment such as enterprise and commercial accounts, they have different customer base and sectoral focus. Integrating the Rentian Group's customer base with that of the ED Group will broaden the customer base of the Rentian Group, especially in the financial and manufacturing/distribution sectors, increasing the market share and bringing about synergy effect. The ED Group has expertise for sensitive data security and masking in a Chinese card payment organisation which will provide opportunities to Rentian in next-generation smart end-point devices as payment and settlement systems.

In addition, the ED Group has more experience and intentions to make breakthroughs in the healthcare, education and energy sectors, which Rentian has limited exposure. The ED Group has influential history on customer relationship with energy sector and healthcare sector which will facilitate Rentian to further expand the market coverage in these sectors. By acquiring the ED Group, Rentian can expand its current customer base and tackle the new opportunity rising from these new sectors. As a result, these could help Rentian to diversify its current income streams and become more resilient in unforeseen market or economic risks.

We understand that it is generally advantageous for companies to expand and/or diversify its customer base due to reasons like diversified risk on customer's or their industry's failure and increased exposure to opportunities in new sectors. We also consider it is beneficial for the Rentian Group to expand its current customer base into new sectors with the ED Group's experience and assistance. We hence consider the Offer could enable Rentian to diversify its customer base for its future development and therefore is in the interests of Rentian and its shareholders as a whole.

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In light of the above, we consider that making the Offer and thereby acquiring the underlying business of the ED Group could bring satisfactory synergistic benefits to the Rentian Group, in particular that, as set out in the Board's Letter, the Rentian Group completed the acquisition of 40% equity interest in Easy Talent Limited, which indirectly holds 100% equity interests in Beijing Oriental Legend Maker Technology Limited# (北京東方龍馬軟件發展有限公司) and its subsidiaries ("**OLM Group**") on 24 April 2015. OLM Group is principally engaged in the provision of integrated smart IoT solutions including upgrading and maintenance services for database products distributed in the PRC. As at the Latest Practicable Date, the remaining 60% equity interest in Easy Talent Limited is owned by the ED Group. Since both the Rentian Group and OLM Group engage in the provision of integrated smart IoT solutions, we believe that the Rentian Group could enjoy the above mentioned synergy effects upon the successful closing of Offer, which is favourable to the existing business of the Rentian Group and in the interest of the Rentian Group and Rentian Shareholders as a whole.

Having considered the abovementioned benefits, we are of the view that making the Offer would enable Rentian to gain an opportunity to share the returns generated from the ED Group and strengthen the Rentian Group's existing business operations in the PRC, taking into account that (i) the revenue generated by the ED Group's software business was growing as mentioned in the above, and that the Rentian Group could share this growth by making the Offer; (ii) making the Offer and thereby acquiring the underlying business of the ED Group is in line with the Rentian Group's investment strategy of expanding into the IoT and related software business, and would strengthen the Rentian Group's existing information technology business in the PRC with growth potential; (iii) the Rentian Group could enjoy satisfactory synergistic benefits from the Offer; and (iv) the ED Group is able to facilitate the integration of skills and business software solution to the Rentian Group's business, favouring the Rentian Group's intention to become an one-stop IoT solution provider.

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Apart from the synergy effect, the Rentian Board considers the making of the Offer would provide additional platform for financing. As set out in the Board's Letter, Enterprise Development as an independent listed company with direct access to the debt and equity capital markets, which would provide an additional financing platform for the Enlarged Group to finance its further developments for future growth, when additional fund is required. This will increase the financing flexibility to achieve the business strategies of the Enlarged Group. From this perspective, we consider the making of the Offer is fair and reasonable taking into account that it would provide the Rentian Group with greater flexibility to assess to cash resources and/or settlement means for suitable opportunities arising in the future.

(B) Financial results and financial position of the ED Group

The Rentian Directors note that the ED Group was in loss making position for the year ended 31 December 2016 and Enterprise Development has recently published an inside information announcement in respect of realized and unrealized loss on investments in listed financial assets at fair value through profit and loss and a profit warning announcement in relation to the impairment of goodwill and available-for-sale securities. Upon the final closing of the Offer and if Rentian has taken control of the ED Group, Rentian will conduct a review of the financial position and operations of the ED Group and will formulate a long-term strategy for the ED Group so as to minimise the loss making effect to the Enlarged Group as a whole or to enhance the future development and to strengthen the revenue bases of the ED Group.

Further, as set out in the Board's Letter, the Offer Price has already taken into account the loss position of the ED Group. The Offer Price was determined after taking into account, amongst other things, the net asset value of the ED Group as shown in its interim results as at 30 June 2016, the proceeds of the placing completed in December 2016, the realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017. The premium represented by the Offer Price over the prevailing market price of the ED Shares and the net asset value of the ED Group is taking into account and as the consideration premium for the controlling stake of Enterprise Development. The Rentian Group will fund the maximum aggregate Offer Price of HK\$364,693,482 by borrowings.

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Although the Offer is not in the ordinary course of business of Rentian, having taken into account the above mentioned factors and reasons, notwithstanding that Enterprise Development's loss position, the Rentian Directors are in the opinion that the terms of the Offer are fair and reasonable and in normal commercial terms and in the interests of Rentian and the Rentian Shareholders as a whole.

Upon the final closing of the Offer, in the event that the Rentian Group having obtained control in Enterprise Development, Enterprise Development will become an indirect non wholly-owned subsidiary of Rentian and accordingly, the financial results of the ED Group will be consolidated into the financial statements of the Rentian Group and fully attributable to the Rentian Shareholders.

In order to assess the pros and cons of making the Offer, we have reviewed the financial results and financial position of the ED Group.

As set out in the section headed "2. Information on the ED Group – (d) Segment reporting of the ED Group", the mobile marketing business (being acquired on 14 May 2015 by Enterprise Development) accounted for 2.96% and 2.13% of the total revenue of the ED Group for the year ended 31 December 2015 and the six months ended 30 June 2016; while the trading and investment business accounted for 5.43%, 10.30% and 1.78% of the total revenue of the ED Group for the year ended 31 December 2014, 2015 and the six months ended 30 June 2016. Thus, as compared to the principal business of software business, the materiality of these two businesses is comparatively insignificant. For the software business of the ED Group, please refer to (i) the in-depth analysis of the benefits of the Offer to Rentian owing to the synergy effects arising from the software business of the ED Group in the above sub-section headed "(A) Reason for Rentian to make the Offer" and (ii) the performance of the software business of the ED Group as set out in the section headed "2. Information on the ED Group – (e) Short summary and recent development". Besides, we have also reviewed the future plans of the ED Group according to the "Management discussion and analysis – Outlook" as set out in the 2016 ED Interim Report, the ED Group would continue to look for suitable business opportunities so as to diversify the ED 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 Enterprise Development, in order to maintain the ED Group's sustainability and preservation of value over the longer term. However, assuming the successful closing of the Offer, the future plans of ED Group will be subject to the intention of the Offeror. As set out in the Board's Letter, the Offeror intends to continue the existing businesses of the ED Group.

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Moreover, since the Offer Price is determined based on the net asset value of the ED Group, we have taken into account the loss making position of the ED Group as regards to the loss attributable to equity shareholders for the six months ended 30 June 2016 and for the year ended 31 December 2016 pursuant to the Profit Warning Announcement. As set out in the Profit Warning Announcement, the expected loss attributable to equity shareholders for the year ended 31 December 2016 was mainly attributable to (i) impairment on goodwill of its mobile marketing business; (ii) impairment on available for-sale securities; and (iii) loss on investments in listed financial assets at fair value through profit and loss.

While the ED Group, as set out in the 2016 ED Interim Report, recorded goodwill for its mobile marketing business of approximately RMB194.1 million as at 31 December 2015, the ED Group is expected to recognise impairment on the said goodwill of approximately RMB189.8 million for the year ended 31 December 2016 as set out in the Profit Warning Announcement. Based on such public information available in respect of the ED Group, we have estimated that the remaining balance of the goodwill for the mobile marketing business after the recognition of such impairment would be approximately RMB4.3 million, implying that the maximum amount of further impairment in the future, if any, remains approximately RMB4.3 million. In light of this, we expect that the possible future impairment of goodwill for the mobile marketing business would not pose material adverse effect on the future financial position of the ED Group.

On the other hand, despite the recognition of impairment on the ED Group's available for-sale securities for the year ended 31 December 2016, Rentian could maintain long position for such available for-sale securities pending increase in their value, then realise its investment in such securities by disposal. In this sense, such securities may not necessarily be of negative value to the Rentian Group in the future, despite the past impairment on them. Although we could not access to the latest position and the combination of the portfolio of available-for-sale for the financial asset of the ED Group, we consider that the aforesaid ED Group's loss on investments in listed financial assets at fair value through profit and loss does not necessarily represent future losses.

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After considering and balancing all the above pros and cons, in particular with regard to the contribution of the software business segment of the ED Group to the Rentian Group as a result of the Offer, we are of the view that the Offer provides an opportunity to broaden the Rentian Group's operational coverage, and is fair and reasonable and in the interest of the Rentian Group and the Independent Shareholders as a whole.

4. Industry overview of the PRC software market

The customers of both of the Rentian Group and the ED Group are primarily from the PRC. As disclosed in the 2015 Annual Report and 2015 ED Annual Report, the revenue generated from the customers in the PRC for the Rentian Group and ED Group covered approximately 89.27% and approximately 86.75% of the respective total revenue for the year ended 31 December 2015 respectively.

It is cited in the 2015 Annual Report that, according to an industry forecast conducted by International Data Corporation (the "IDC", a global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets, with www.idc.com being its website) in February 2016, the global IoT market will expand from US\$591.7 billion in 2014 to US\$1,300.0 billion in 2019, representing an estimated compound annual growth rate (CAGR) of 17%. The number of installed endpoints is also estimated to increase from US\$9.7 billion in 2014 to US\$25.6 billion in 2019 and reach US\$30.0 billion by 2020. IDC also anticipated that there will be 5.4 billion IoT endpoints in China by 2020, which means that 1 in every 5 endpoints in the world will be installed in China. Therefore, as set out in the 2015 Annual Report, Rentian believes that the IoT market will continue to grow in the coming years.

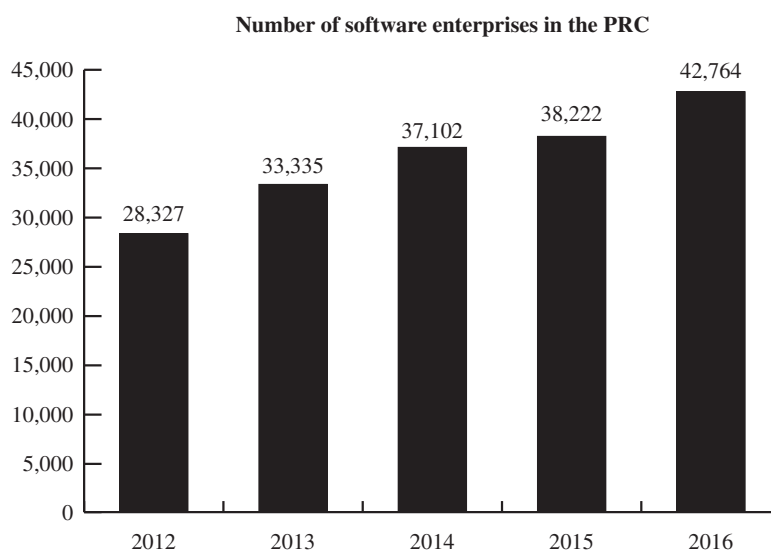
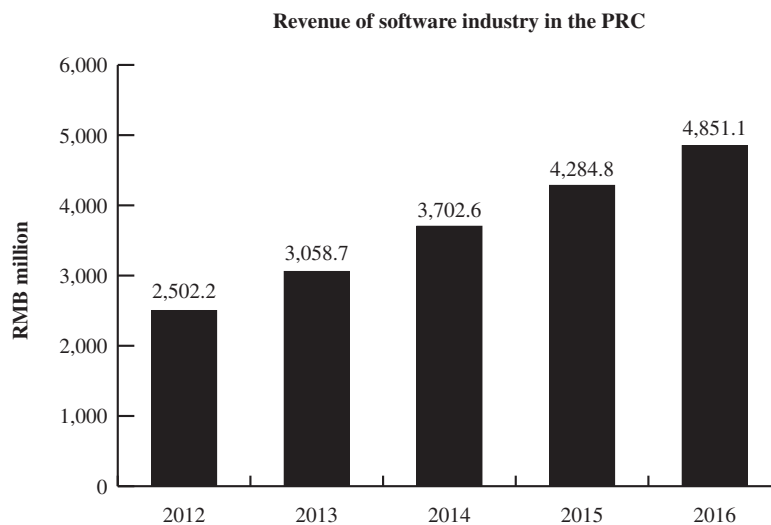
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It is further disclosed in the 2015 Annual Report that, the State Council of China issued a document entitled “Made in China 2025” in May 2015 and put forward a “Three Steps” guiding principle stating that (i) by 2020, China will achieve industrialisation, consolidate manufacturing power and greatly increase manufacturing digitalisation; (ii) by 2025, the overall quality of manufacturing, innovation capacity and overall labour productivity will improve significantly, and the integration of IT into industry will reach an advanced level; and (iii) by 2035, Chinese manufacturing will reach an intermediate level among world manufacturing powers. To achieve these goals, it will need to boost its Industry 4.0 or smart manufacturing capability, and IoT or industrial internet will be essential technologies. As such, Rentian believes that its current direction is in line with the long-term development strategy of the Chinese government, and is optimistic about the IoT industry, especially the Chinese IoT market. Accordingly, the Rentian Group intends to continue future investment and development in the following aspects: (i) to improve IoT ecosystem and expand IoT infrastructure and supply chain; (ii) to focus on industrial solutions; (iii) to develop large-scale IoT infrastructure support platforms; and (iv) to strengthen automation and digitalisation of IoT systems.

We noted that the Ministry of Industry and Information Technology of the PRC (the “MIIT”) has issued the 13rd Five-Year Plan for Economic and Social Development of the PRC in 2015 (the “**Development Plan**”). “Part VI – The cyber economy” of the Development Plan has highlighted the objectives of integrating the internet with traditional sectors of the economy and promotes internet-based innovations, promoting the development of big data hardware and software products. Thus, we believe that the Development Plan will bring positive impact and momentum to the software industry in the PRC and therefore will be beneficial to the business of both the Rentian Group and ED Group.

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The information and data provided by MIIT regarding the software industry (as defined by the MIIT) between January 2012 and December 2016 in the PRC are shown in the following charts:



Source: the MIIT (Website: <http://www.miit.gov.cn>)

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According to the above charts, we note that both the annual total number of enterprise and annual aggregate software business revenue under the category of software industry in the PRC have been continuously rising during the above period. The annual total number of enterprise under the PRC software industry in year 2012 was approximately 28,327, while that in year 2016 was approximately 42,764. The rate of aggregate increase of the above said figure between year 2012 and 2016 was approximately 50.97%, while the yearly rate of increase of that averaged at approximately 10.97%. On the other hand, the annual aggregate software business revenue under the PRC software industry in year 2012 was approximately RMB2,502.2 billion, while that in year 2016 was approximately RMB4,851.1 billion. The rate of aggregate increase of the above said figure between year 2012 and 2016 was approximately 93.87%, while the yearly rate of increase of that averaged at approximately 18.06%.

After reviewing the above, we are of the view that (i) its current business strategy and direction is generally in line with the long-term development strategy of the Chinese government; and (ii) the Chinese IoT market is experiencing growth and there exists investment and development potential in it. Hence, given the potential prospect of the software industry, we consider the performance of the Rentian Group could be enhanced by investing in the Chinese IoT business, and as such the Rentian Group's intention to continue future investment and development in IoT related and relevant software businesses is beneficial to Rentian and its shareholders as a whole, and is fair and reasonable.

5. Evaluation of the Offer Price

The Offer Price of HK\$1.00 per Offer Share represents:

- (i) a premium of approximately 6.38% over the closing price of HK\$0.94 per ED Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.26% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.95 per ED Share;

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- (iii) a premium of approximately 4.71% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.955 per ED Share;
- (iv) a premium of approximately 20.48% over the average of the closing prices of the ED Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.83 per ED Share; and
- (v) a discount of approximately 6.54% to the unaudited consolidated net asset value per ED Share as at 30 June 2016 of approximately HK\$1.07 (which was calculated by dividing the sum of the unaudited consolidated net asset value of the ED Group as at 30 June 2016 (being the date to which the latest unaudited financial statements of Enterprise Development were made up) of approximately RMB477,098,000 (equivalent to approximately HK\$534,349,760) by 501,508,982 ED Shares in issue as at the Latest Practicable Date); and
- (vi) a discount of approximately 0.99% to the closing price of HK\$1.01 per ED Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Offer Price was determined after taking into account, amongst other things, the net asset value of the ED Group as shown in its interim results as at 30 June 2016, the proceeds of the placing completed in December 2016, the realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017.

When making the Offer, the Rentian Board considered that the approximately 6.38% premium of the Offer Price over the closing price of HK\$0.94 per ED Share on the Last Trading Day was very little that such premium has taken into account the control premium for the controlling stake of Enterprise Development. Hence, the Rentian Board considers that the terms of the Offer are fair and reasonable and in normal commercial terms and in the interests of Rentian and the Rentian Shareholders as a whole.

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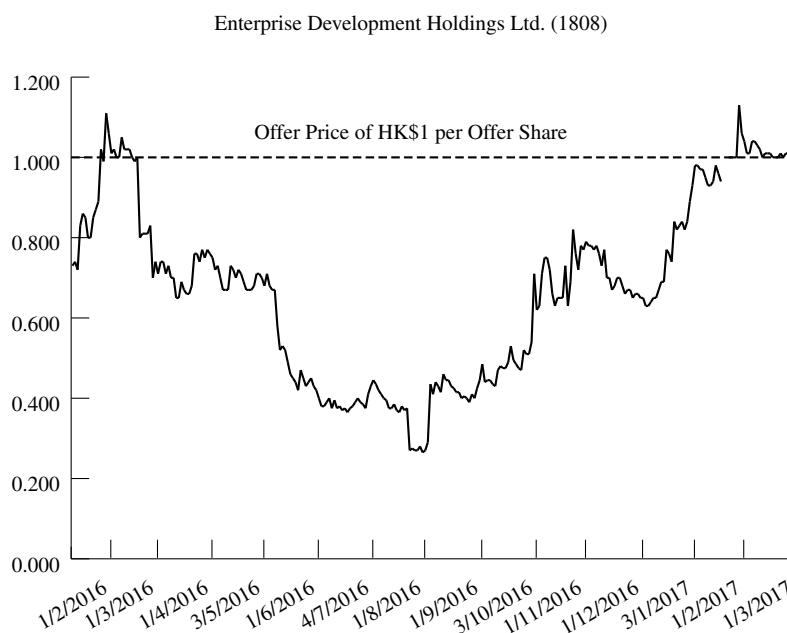
Further, the Rentian Board considered the potential synergy effect of having OLM Group as part of the Enlarged Group upon closing of the Offer, which would allow the Rentian Group to expand in the areas of internet applications for enterprises, basic software and industry application, Megadata and cloud computation, application of the IoT and intelligence terminals, and maximise its contribution in the next generation of informatisation of enterprises in the PRC. For further details, please refer to the paragraph headed “Reason for Rentian to make the Offer” in the Board’s Letter.

(a) Historical price performance and trading volume of ED Shares

For assessment of the reasonableness of the Offer Price, we have analysed the recent share price performance and trading volume of ED Shares during (i) 1 February 2016 up to 9 February 2017 (which is the Last Trading Day), being an approximately one-year period before the Last Trading Day (the “**Pre-announcement Period**”); and (ii) from 14 February 2017, being the first day since the Announcement, up to and including the Latest Practicable Date (the “**Post-announcement Period**”, together with the Pre-announcement Period, the “**Review Period**”).

Closing prices of ED Shares

Set out below is the chart showing the closing prices of ED Shares as quoted on the Stock Exchange during the Review Period.



Source: Website of the Stock Exchange

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As illustrated in the above chart, the closing price of ED Shares was HK\$0.73 per ED Share on 1 February 2016. After reaching the highest point during the Pre-announcement Period of HK\$1.11 per ED Share on 23 February 2016, the closing prices of ED Shares generally observed a downward trend up to 22 August 2016, on which the lowest closing price of HK\$0.265 per ED Share during the Pre-announcement Period was recorded. Since 22 August 2016 and up to the Last Trading Day, the closing prices of ED Shares were generally in an upward trend. The ED Shares closed at HK\$0.94 per ED Share on the Last Trading Day and surged to HK\$1 on 14 February 2017, being the first trading day since the Announcement. The Offer Price of HK\$1 per Offer Share represents a premium of approximately 277.36% over the lowest closing price and a discount of approximately 11.50% to the highest closing price of ED Shares during the Review Period. It is noted that except and save for the period between 19 February 2016 and 10 March 2016, and between 14 February 2017 and 21 March 2017, the closing prices of ED Shares were below the Offer Price at all times during the Review Period.

Understanding that the closing prices of ED Shares were mostly below the Offer Price during the Review Period, we noted that the Offer Price was determined with reference to the prevailing market price of the ED Shares and the net asset value of the ED Group. As set out in the Board's Letter, the Offer Price was determined after taking into account, amongst other things, the net asset value of ED Group as shown in its interim results as at 30 June 2016, the proceeds of the placing completed in December 2016, the realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017. As advised by the management of Rentian, the details of the calculation are as shown below:

Item	Amount
The unaudited interim results of Enterprise Development as at 30 June 2016	RMB477,098,000 (which is equivalent to approximately HK\$539,120,740)
The gross proceeds of the placing completed in December 2016	HK\$52,600,000
The realised and unrealised loss on investments in listed financial assets as announced by Enterprise Development in early January 2017	(HK\$95,000,000)
The adjusted net asset value of the ED Group	HK\$496,720,740

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As the total number of ED Shares in issue is 501,508,982 shares. Thus, the adjusted net asset value per ED Share is HK\$0.99, which is close to the Offer Price of HK\$1.00 per ED Share.

After reviewing the calculation of determining the Offer Price as advised by the management of Rentian, we consider such basis of the determination of the Offer Price is fair and reasonable since the net assets value reflects the latest financial position of the ED Group and serves as a more relevant indicator, when compared to the historical market price, at the time when Rentian determining a fair and reasonable Offer Price.

The premium represented by the Offer Price over the prevailing market price of the ED Shares and the net asset value of the ED Group is taking into account and as the consideration premium for the controlling stake of Enterprise Development. We consider such premium represented by the Offer Price is acceptable when taking into account of the purpose of acquiring the controlling stake of Enterprise Development. Without such premium over the prevailing market price of the ED Shares, the Offer Price will not be attractive to the existing ED Shareholders, which would probably result in the lapse of the Offer due to insufficient ED Shares acquired from the existing ED Shareholders (for the acceptances of the Offer being received to be valid, one of the condition to the Offer is that the number of ED Shares, together with ED Shares acquired or agreed to be acquired before or during the Offer, must result in the Offeror and parties acting in concert with it together holding not less than 50% of the voting rights of Enterprise Development). Hence, in order to encourage the existing ED Shareholders to accept the Offer so that (i) the Rentian Group hold not less than 50% of the voting rights of Enterprise Development and (ii) the financial results of the ED Group will thus be consolidated into the financial statements of the Rentian Group, we consider that the Offer Price setting at a premium over the prevailing market price of the ED Shares is fair and reasonable and in the interests of Rentian and the Independent Shareholders.

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Trading volume of ED Shares

The following table sets out the trading volume of ED Shares during the Review Period:

Month/period	No. of trading day in the month/period	Average daily trading volume for the month/period <i>(Note 1)</i>	Percentage of average daily trading volume to total issued ED Shares <i>(Note 2)</i>
2016			
February	18	25,643,444	0.7363%
March	21	41,374,000	1.1880%
April	20	26,443,300	0.6327%
May	21	30,635,429	0.7330%
June <i>(Note 3)</i>	21	27,873,657	0.6670%
July	20	1,983,993	0.4747%
August	22	7,678,046	1.8372%
September	21	3,863,158	0.9244%
October	19	5,116,147	1.2242%
November	22	4,781,191	1.1440%
December	20	4,421,137	0.8816%
2017			
January	19	2,744,632	0.5473%
February (up to 9 February 2017, being the last trading day of the Pre-announcement Period)	7	1,699,457	0.3389%
February (since 14 February 2017, being the first day of the Post-announcement Period)	11	4,469,545	0.8912%
March (up to the Latest Practicable Date)	15	3,991,487	0.7959%

Source: Website of the Stock Exchange

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period excluding any trading day on which trading of ED Shares on the Stock Exchange was suspended for the whole trading day.
2. Based on the total number of issued ED Shares at the end of the respective month/period/the Latest Practicable Date (where applicable).
3. A share consolidation of every ten (10) issued and unissued shares of HK\$0.01 each into one (1) consolidated share of HK\$0.10 each in the share capital of the Enterprise Development was effective at 9:00 a.m. on 30 June 2016. For ease of calculation, the effect of share consolidation on and only on 30 June 2016 was ignored when presenting the relevant figures for June 2016.

To provide a clear presentation of the situation and allow sensible comparison, the average daily trading volume of ED Shares is assumingly modified to be one-tenth of the original for the period between 1 February 2016 and 30 June 2016, for the reasons stated in Note 3 of the above table. This assumption is only applicable for interpretations in this section.

As illustrated in the above table, the monthly average daily trading volume of ED Shares during the Pre-announcement Period ranged from approximately 1,983,993 ED Shares to approximately 7,678,046 ED Shares, representing approximately 0.4747% to 1.8372% of the total number of ED Shares in issue for the respective month.

During the Post-announcement Period, the total trading volume of ED Shares were 109,037,300 ED Shares. We consider that the relatively high trading volume during the Post-announcement Period might be mainly stimulated by the publication of the Announcement. In view of the above, we consider that, save for the Post-announcement Period, the overall liquidity of the ED Shares was in general relatively low in normal circumstances.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, there are 501,508,982 ED Shares in issue, and the Offeror and parties acting in concert with it are, in aggregate, interested in 136,815,500 ED Shares, representing approximately 27.28% of the entire issued share capital of Enterprise Development. In order to acquire the controlling stake of Enterprise Development, the Offeror are required to acquire a further 22.72% of the entire issued share capital of Enterprise Development. Given the illiquidity of ED Shares as illustrated in the above table, if the Offeror are to acquire the ED Shares in the open market instead of making the Offer, it is uncertain as to (i) whether the prevailing market price of ED Shares can be sustainable, particularly on facing an upward pressure on the ED Share price as a result of acquisition of such a considerable amount of the ED shares in the open market; and (ii) the time needed to acquire a further 22.72% of the entire issued share capital of Enterprise Development in the open market through a series of transactions conducted. In the sense that the Offer allows the Offeror to lock up the prevailing market price of the ED Shares at the Offer Price of HK\$1.00 per Offer Share and limits the time needed for the Offeror to acquire the controlling stake of Enterprise Development, we consider that the Offer is fair and reasonable as far as the Independent Shareholders are concerned.

(b) Comparable companies

Price-to-earnings ratio (“**P/E Ratio**”) and price-to-book ratio (“**P/B Ratio**”) are the most commonly used benchmarks in assessing the financial valuation of a company. Particularly, for companies that generate recurring revenue and income, P/E Ratio analysis is the most appropriate approach for valuation. However, given that (i) the ED Group recorded a consolidated loss attributable to equity shareholders for the six months ended 30 June 2016; and (ii) Enterprise Development has announced the Profit Warning Announcement on 23 January 2017 and the ED Group is expected to record a consolidated loss attributable to equity shareholders for the year ended 31 December 2016, we consider it is not applicable to conduct analysis of the Offer Price based on P/E Ratio. Alternatively, we have conducted an analysis of the Offer Price with reference to P/B Ratio.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that the ED Group is categorised as a software, application and information technology service provider since, as illustrated in the section headed “2. Information on the ED Group – (d) Segment reporting of the ED Group” in this letter, the ED Group derived its revenue substantially from the software business segment for the year ended 31 December 2014 and 2015 and the six months ended 30 June 2016. Having considered the financial performance and position of the ED Group, we have reviewed the companies listed on the Stock Exchange which are principally engaged in development and sale of software and application, and/or provision of information technology services in both Hong Kong and the PRC (with over 70% of their total revenue attributed to software and information technology business as shown in their latest published annual reports). We have reviewed the list to assess if each company is reasonably comparable to the ED Group. The market capitalisation of Enterprise Development is approximately HK\$506,524,072 as at the Latest Practicable Date, which we regard as a small-capitalisation company. We understand that there are other companies engaging in similar business as that of Enterprise Development with different scale, thus companies with market capitalisation higher than HK\$1,000,000,000 as at the Latest Practicable Date have been filtered out with no other companies being excluded. We believe that it is fair and reasonable to set the market capitalisation of HK\$1,000,000,000 as a cap since market capitalisation of HK\$1,000,000,000 is approximately twice of the size of Enterprise Development and we regard companies doubling the market capitalisation may vary in the scale of operation to that of Enterprise Development. Therefore in order to ensure the analysis meaningful and representative for purpose of comparison, we set such criteria on market capitalisation. On this basis, we have, to our best knowledge and efforts, identified the following nine comparable companies (the “**Comparable Companies**”), which represent an exhaustive list of comparable companies identified on the Stock Exchange’s website based on the above said criteria.

It should be noted that the subject companies involved the Comparable Companies may have different nature of business operations, market capitalisations, fund raising sizes, financial performance and financial position as compared with those of Enterprise Development. The circumstances leading to the subject companies having respective P/B Ratio may also be different from those relating to Enterprise Development. However, as the Comparable Companies fulfilling the above criteria can provide a general reference as to the P/B Ratio in the market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The P/B Ratio analysis for the Comparable Companies and Enterprise Development is shown in the below table.

Comparable Companies (stock code) <i>(Note 1)</i>	Principal Business	Market capitalisation as at the Latest Practicable Date <i>(HK\$)</i>	Consolidated net asset value attributable to equity holders <i>(Note 2)</i> <i>(HK\$)</i>	P/B Ratio <i>(Note 2)</i> <i>(times)</i>
Yu Tak International Holdings Ltd. (8048)	Design and sales of gold and jewellery products; development, sale and implementation of enterprise software; provision of systems integration, professional services and Application Service Provider services; and investment holding.	165,195,940	107,093,000	1.5425
Ahsay Backup Software Development Co. Ltd. (8290)	Provision of online backup software solutions to clients via internet.	238,000,000	78,291,000	3.0399
GET Holdings Ltd. (8100)	Research, develop & distribute software, applications & toolbar advertisement; invest in securities; money lending; provide insurance & MPF schemes brokerage services; & provide corporate management solutions & I.T. contract services.	293,335,836	1,022,098,000	0.2870

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable Companies (stock code) <i>(Note 1)</i>	Principal Business	Market capitalisation as at the Latest Practicable Date <i>(HK\$)</i>	Consolidated net asset value attributable to equity holders <i>(Note 2)</i> <i>(HK\$)</i>	P/B Ratio <i>(Note 2)</i> <i>(times)</i>
Capinfo Co. Ltd. – H Shares (1075)	Provision of information technologies and services supply including system integration, software development, IT planning and consultancy, IT operation and maintenance, etc.	526,658,640	1,002,220,800	0.5255
Founder Holdings Ltd. (418)	Software development, systems integration and distribution of information products.	611,870,966	970,370,000	0.6306
Chanjet Information Technology Co. Ltd. – H Shares (1588)	Provision of enterprise software and services designed for micro and small scale enterprises in China.	568,700,000	1,046,862,880 <i>(Note 3)</i>	0.5432
Computer And Technologies Holdings Ltd. (46)	Provision of enterprise applications software and related services, business process outsourcing, e-business; provision of system and network integration, IT solutions development and implementation, and property and treasury investments.	759,443,956	433,342,000	1.7525
China Information Technology Development Ltd. (8178)	Development and sale of computer software and hardware and the provision of system integration and related support services in the PRC.	782,564,811	586,316,000	1.3347

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable Companies (stock code) <i>(Note 1)</i>	Principal Business	Market capitalisation as at the Latest Practicable Date <i>(HK\$)</i>	Consolidated net asset value attributable to equity holders <i>(Note 2)</i> <i>(HK\$)</i>	P/B Ratio <i>(Note 2)</i> <i>(times)</i>
Peace Map Holding Ltd. (402)	Aerial photography and remote sensing image data processing, provision of geographic information system software and solutions, development and sales of high-end surveying and mapping equipment, mining and exploration of mineral resources.	970,656,950	858,767,000	1.1303
			Average	1.20
			Max	3.04
			Min	0.29
The Offeree		Implied market capitalisation <i>(Note 4)</i> <i>(HK\$)</i>		
Enterprise Development Holdings Ltd. (1808)	Provision of data management services and integrated smart IoT solutions for modern centralised industrial supply chains to corporate and enterprise customers; securities investment; and money lending business.	501,508,982	440,473,600 <i>(Note 3)</i>	1.14 <i>(Note 5)</i>

Notes:

1. abc Multiactive Ltd. (stock code: 8131) and Sing Lee Software (Group) Ltd. (stock code: 8076) are excluded from the list because it recorded a net liabilities attributable to owners of the company as at the period-end-date of its latest financial period, as shown in its latest published financial report.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. The P/B Ratio of each of the Comparable Companies is calculated based on its latest published consolidated net asset value attributable to equity holders and its closing market capitalisation as at the Latest Practicable Date.
3. For the purposes of illustration only, amounts denominated in RMB in the respective latest published financial report have been translated into HK\$ at the rate of RMB1.00 = HK\$1.12.
4. We have taken the Offer Price of HK\$1 per Offer Share for the purpose of determining the implied market capitalisation of the ED Group as at the Latest Practicable Date.
5. The P/B Ratio of the ED Group is calculated based on its latest published consolidated net asset value attributable to equity holders and its implied market capitalisation represented by the Offer Price.

The P/B Ratios of the Comparable Companies range from approximately 0.29 time to approximately 3.04 times, with a mean of approximately 1.20 times. Based on the Offer Price of HK\$1 per Offer Share, the P/B Ratio of Enterprise Development as implied by the Offer Price is approximately 1.14 times, which is (i) within the range; and (ii) is slightly lower than the mean of P/B Ratios of Comparable Companies. As the P/B Ratio reflects the value that market participants attach to a company's equity relative to its book value of equity, the lower-than-average P/B Ratio as implied by the Offer Price could mean that the ED Shares are undervalued comparing to the Comparable Companies, and that Rentian is paying less in acquiring the ED Group's equity than in acquiring the Comparable Companies' equity, assuming same amount of equity.

Based on our analysis on the Offer Price as set out above, we consider the Offer Price is fair and reasonable to the Independent Shareholders.

6. Financing of the Offer

As set out in the Board's Letter, the Offeror would finance the consideration payable under the Offer by borrowings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 8 February 2017, Kingston Securities as lender, the Offeror as borrower and Rentian as guarantor entered into the loan facility agreement, in relation to the loan facility of up to HK\$420,400,000 at an interest rate of 12% per annum and repayable within six months from the close of the Offer, for the purpose of financing the purchase price of (i) the acquisition of issued ED Shares by the Offeror on the Stock Exchange or off the Stock Exchange; and/or (ii) the acquisition all the issued ED Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to the Offer.

Kingston Corporate Finance, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration in respect of full acceptance of the Offer.

Save for (i) granting of general offer financing facility by Kingston Securities to the Offeror for the Offer; (ii) interest in 390 Rentian Shares at the Latest Practicable Date; (iii) making the Offer on behalf of the Offeror by Kingston Securities; and (iv) acting as the financial adviser to the Offeror in relation to the Offer by Kingston Corporate Finance, being an affiliate of Kingston Securities, to the best of knowledge of Rentian Directors, Kingston Securities is an independent third party to Rentian and its connected person.

The Rentian Directors have made enquiries with other financial institutions (other than the licensed banks in Hong Kong) to understand the prevailing terms for general offer financing in the market. To the best knowledge of the Rentian Directors, having considered the research results made by the advisers to the Company, the common range of interest rate per annum for general offer facility are ranging from 8% to 15%. The Rentian Directors were given to understand that interest rate of 12% per annum is within the reasonable range offered by most financial institution (other than the licensed banks in Hong Kong). In view that the terms (including the interest rate) of the general offer financing of Kingston Securities are on normal and reasonable terms, the Rentian Board considers that financing the Offer by borrowing from Kingston Securities is fair and reasonable and in the interest to Rentian and Rentian Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the 12% interest rate per annum of the above said loan facility with Kingston Securities, we have reviewed the loan facility letters from other lenders to finance the other offerors (the borrowers) to acquire a controlling stake in the relevant shares of other listed companies (the offerees) on the Stock Exchange under general offer pursuant to the Takeovers Code, which is available on the section headed “Regulatory functions – Listings and takeovers – Takeovers and Mergers – Documents on display” on the website of the SFC (www.sfc.hk). We have, to our best knowledge and efforts, identified the following four loan facility letters, which represent an exhaustive list of comparables (the “**Loan Facility Comparables**”) identified on the SFC’s website, as set out in the table below.

Date of the loan facility letter	Respective lender	Respective borrower	Respective offeree (stock code)	Interest rate per annum of the respective loan facility
12 July 2016	Zhongtai International Securities Limited	Mr. He Keng	Ningbo WanHao Holdings Company Limited (8249)	15%
19 September 2016	Sun Hung Kai Investment Services Limited	Autobest Holdings Limited	Dan Form Holdings Company Limited (271)	Standard Chartered Bank Hong Kong Prime Rate + 2.75% (Note: equivalent to 8%)
13 Jan 2017	China Goldjoy Credit Limited	Handsome Global Investments Limited	China Hanya Group Holdings Limited (8312)	10%
16 Jan 2017	China Goldjoy Credit Limited	Power View Group Limited	Odella Leather Holdings Limited (8093)	10%

Note: As indicated by the Standard Chartered Bank Hong Kong, the HKD Prime Rate is 5.25% as at 16 March 2017.

The interest rate per annum of the above Loan Facility Comparables ranged from 8% to 15%. The 12% interest rate per annum of the loan facility pursuant to the Offer is within the above range. As such, we consider that the financing pursuant to the Offer with 12% interest rate per annum is in line with the market and therefore is fair and reasonable and in the interests of Rentian and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Financial effects of the Offer on earnings, assets and liabilities of the Enlarged Group

Following the final closing of the Offer, in the event that the Rentian Group having obtained control in Enterprise Development, Enterprise Development will become an indirect non wholly-owned subsidiary of Rentian and the financial information of the ED Group will be consolidated into the consolidated financial statements of the Rentian Group. As such, all the earnings, assets and liabilities of the ED Group will be consolidated into the consolidated financial statements of the Rentian Group.

As at 30 June 2016, the unaudited total assets and total liabilities of the Rentian Group prepared in accordance with HKFRS were approximately HK\$4,854.8 million and HK\$1,637.4 million respectively. As at 30 June 2016, the unaudited total assets and total liabilities of the ED Group prepared in accordance with IFRS were approximately RMB633.0 million and RMB155.9 million respectively. After the successful closing of the Offer and taking into consideration the potential debt financing in relation to the Offer, the total assets and total liabilities of the Enlarged Group are expected to increase, respectively.

During the six months ended 30 June 2016, the unaudited net profit attributable to the owners of the Rentian Group prepared in accordance with HKFRS was approximately HK\$54.2 million. During the six months ended 30 June 2016, the unaudited net loss attributable to the owners of the ED Group prepared in accordance with IFRS was approximately RMB129.3 million. Considering the profit warning announcement of ED Group published on 23 January 2017, the ED Group is expected to record a loss attributable to owners for the year ended 31 December 2016. As a result, the Offer would likely reduce the earnings of the Enlarged Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

In arriving at our recommendation in respect of the Offer, we have considered the principal factors and reasons as discussed above and in particular the followings (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the increasing segment revenues and profitability of the ED Group's software business over the years/periods indicate that there remains development potential regarding the software business;
- (ii) the Offer is in line with the Rentian Group's investment strategy of expanding into the IoT and related software business, and would strengthen the Rentian Group's existing information technology business in the PRC with growth potential;
- (iii) the Rentian Group could enjoy satisfactory synergistic benefits from the Offer;
- (iv) the Offer could enable the Rentian Group to share the growth of the ED Group's software business;
- (v) given the potential prospect of the software industry, the performance of the Rentian Group could be enhanced by investing in the Chinese IoT business;
- (vi) a discount of approximately 6.54% to the unaudited consolidated net asset value per ED Share as at 30 June 2016 of approximately HK\$1.07;
- (vii) the purpose of acquiring the controlling stake of Enterprise Development despite the premium represented by the Offer Price over the prevailing market price of the ED Share;
- (viii) the Offer allows the Offeror to lock up the prevailing market price of the ED Shares at the Offer Price of HK\$1.00 per Offer Share and limits the time needed for the Offeror to acquire the controlling stake of Enterprise Development; and
- (ix) the P/B Ratio of Enterprise Development implied by the Offer Price falls within the range and is slightly lower than the mean of P/B Ratios of the Comparable Companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered the abovementioned principal factors and reasons, we are of the view that the Offer is fair and reasonable and in the interests of Rentian and the Independent Shareholders. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolutions to approve the Offer at the EGM.

Yours faithfully,

For and on behalf of

Royal Excalibur Corporate Finance Company Limited

Kevin Chan

Director

Mr. Kevin Chan is a person licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and regarded as a responsible officer of Royal Excalibur Corporate Finance Company Limited who has over 18 years of experience in corporate finance industry.

APPENDIX I FINANCIAL INFORMATION OF THE RENTIAN GROUP

1. FINANCIAL INFORMATION OF THE RENTIAN GROUP

Financial information of the Rentian Group for the three years ended 31 December 2013, 2014 and 2015 and the six months ended 30 June 2016, are disclosed on pages 33-110 of the 2013 annual report published on 7 April 2014, pages 40-146 of the 2014 annual report published on 29 April 2015, pages 48-182 of the 2015 annual report published on 28 April 2016, and pages 4-55 of the 2016 interim report published on 20 September 2016, respectively, which are published on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of Rentian (<http://www.rentiantech.com>). Please refer to the hyperlinks as stated below:

2013 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0407/LTN20140407255.pdf>

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN20150429757.pdf>

2015 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN201604281275.pdf>

2016 interim report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0920/LTN20160920542.pdf>

APPENDIX I FINANCIAL INFORMATION OF THE RENTIAN GROUP

2. INDEBTEDNESS STATEMENT**Borrowings**

As at the close of business on 28 February 2017, being the latest practicable date for the purpose of this indebtedness statement, the Rentian Group had total outstanding borrowings of HK\$2,285,678,000, details of which are as follows:

	<i>HK\$'000</i>
Non-current	
Bank borrowings, secured and unguaranteed	394
Promissory notes, unsecured and unguaranteed	249,240
Convertible bonds, secured and guaranteed	620,880
	<hr/>
	870,514
Current	
Bank borrowings, unsecured and unguaranteed	5,194
Bank borrowings, secured and unguaranteed	164
Margin loan, secured and unguaranteed	644,566
Promissory notes, unsecured and guaranteed	200,000
Promissory notes, unsecured and unguaranteed	565,240
	<hr/>
	1,415,164
	<hr/>
	<u>2,285,678</u>

As at 28 February 2017, the convertible bonds and certain promissory notes were guaranteed by Mr. King and certain borrowings of a non wholly-owned subsidiary are guaranteed by the minority shareholders of the said subsidiary.

Pledged of assets

As at 28 February 2017, the Rentian Group had pledged certain financial assets at fair value through profit or loss and available-for-sale financial assets with carrying amount of approximately HK\$1,702.30 million to secure margin facilities of approximately HK\$969.89 million obtained from certain regulated securities dealers. An amount of approximately HK\$644.57 million of the facilities was utilised as at 28 February 2017.

APPENDIX I FINANCIAL INFORMATION OF THE RENTIAN GROUP

As at 28 February 2017, the Rentian Group had pledged the entire shares of certain subsidiaries incorporated in the BVI and Hong Kong to secure the convertible bonds up to US\$110 million.

As at 28 February 2017, the Rentian Group had pledged certain property, plant and equipment with net book value of approximately HK\$438,000 and bank deposits of approximately HK\$5.36 million to secure the banking borrowings, trade finance facilities and banking facilities.

Contingent liabilities

As part and parcel of the acquisition of the Hangzhou Lepei Telecommunication Company Ltd# (杭州樂佩通信有限公司, “**Lepei**”), the Rentian Group entered into a profit guarantee agreement with the selling shareholders of Lepei (“**Lepei Selling Shareholders**”), pursuant to which the Rentian Group shall pay cash up to the value of RMB4,898,000 (equivalent to approximately HK\$5,718,000) and RMB9,477,000 (equivalent to approximately HK\$11,064,000) for the years ending 31 December 2017 and 2018 respectively, to the Lepei Selling Shareholders if the profits after taxation of Lepei for the year ended 31 December 2016 and years ending 31 December 2017 and 2018 reached RMB4,500,000 (equivalent to approximately HK\$5,346,000), RMB5,850,000 (equivalent to approximately HK\$6,950,000) and RMB7,605,000 (equivalent to approximately HK\$9,036,000) respectively. After the completion of the acquisition, Lepei became a non wholly-owned subsidiary of the Company. For further details, please refer to the paragraph headed “Financial and trading prospects” below.

Save as disclosed above and apart from intra-group liabilities, the Rentian Group did not have any outstanding debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, material hire purchase commitments, mortgages and charges, material contingent liabilities and guarantees outstanding at the close of business on 28 February 2017.

3. WORKING CAPITAL STATEMENT

The Rentian Directors, after due and careful consideration and in the absence of unforeseeable circumstances, are of the opinion that the Rentian Group will have sufficient working capital for its present operating requirements and for the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Rentian Directors are not aware of any material adverse change in the financial position or trading position of the Rentian Group since 31 December 2015, being the date to which the latest published audited financial statements of the Rentian Group was made up.

5. FINANCIAL AND TRADING PROSPECTS**Business Review**

The Group has the following major business activities during the year ended 31 December 2016:

IoT Business

During the year ended 31 December 2016, the Rentian Group has made four additional acquisitions to strengthen the IoT business.

In April 2016, the Rentian Group completed the acquisition (the “**Next Concept Acquisition**”) of 51% equity interests in Next Concept International Investment Limited (“**Next Concept**”) and its subsidiaries (“**Next Concept Group**”) for a total consideration of HK\$1,101,600,000, which was settled by a combination of 1,512,000,000 consideration shares allotted and issued by Rentian at the issue price of HK\$0.51 per consideration share, the 3% promissory notes due 2017 in the principal amount of HK\$165,240,000 issued by Rentian, and the 3% promissory notes due 2018 in the principal amount of HK\$165,240,000 issued by Rentian. Next Concept Group is principally engaged in providing one-stop solution, including but not limited to marketing research, software design, IT solution and strategic business consultation and development, to companies in the commodities industry in the PRC. As certain applicable percentage ratios in respect of the Next Concept Acquisition exceed 5% but are less than 25%, the Next Concept Acquisition constitutes a discloseable transaction for Rentian under Chapter 14 of the Listing Rules. For more details, please refer to the announcement of Rentian dated 31 March 2016.

APPENDIX I FINANCIAL INFORMATION OF THE RENTIAN GROUP

In April 2016, the Rentian Group completed the acquisition (the “**FSCE Acquisition**”) of the remaining 17% equity interests in Fujian Start Computer Equipment Company Limited# (福建實達電腦設備有限公司, “**FSCE**”) (together with and its subsidiaries “**FSCE Group**”) from Advanced Investment Holdings Limited# (昂展投資諮詢有限公司) for a total cash consideration of RMB52,372,200 (equivalent to approximately HK\$63,022,000). FSCE Group is principally engaged in design, manufacturing and distribution of printers, terminals and computers and point-of-sales electronic products and providing information technology services to institutional clients under its own brand name “Start” in the PRC. As the vendor to FSCE Acquisition is a company owned as to 90% by Mr. King, the FSCE Acquisition constituted a connected transaction under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios in respect of the FSCE Acquisition exceeds 5% but is less than 25%, the acquisition constitutes a discloseable and connected transaction for Rentian under Chapter 14 and Chapter 14A of the Listing Rules. For more details, please refer to the announcements of Rentian dated 9 September 2015, 6 November 2015, 14 December 2015 and 13 January 2016 respectively, and the circular of Rentian dated 27 November 2015.

In April 2016, Shenzhen Hexicom Technologies Company Limited# (深圳市海億康科技有限公司, “**Hexicom**”) completed the acquisition (the “**Lepei Acquisition**”) of 75% equity interests in Lepei and its subsidiaries (“**Lepei Group**”) for a total cash consideration of RMB13,000,000 (equivalent to approximately HK\$15,577,000), pursuant to which (i) Hexicom acquired 67.5% equity interests in Lepei at a cash consideration of RMB8,000,000 (equivalent to approximately HK\$9,586,000); and (ii) Hexicom agreed to contribute RMB5,000,000 (equivalent to approximately HK\$5,991,000) to Lepei, of which RMB300,000 (equivalent to approximately HK\$359,000) was attributed to the increase in the registered capital of Lepei and the remaining RMB4,700,000 (equivalent to approximately HK\$5,632,000) was attributed to the capital reserve of Lepei. Lepei Group is principally engaged in the research and development, design and manufacturing of optical transmission network equipment and software products for Gigabit-Capable Passive Optical Network (“**GPON**”) and Ethernet Passive Optical Network (“**EPON**”) communication and has years of experience in the research and development of GPON/EPON products and an extensive market and clientele. As none of the applicable percentage ratios in respect of the Lepei Acquisition exceeds 5%, the Lepei Acquisition does not constitute a discloseable transaction for Rentian under Chapter 14 of the Listing Rules.

APPENDIX I FINANCIAL INFORMATION OF THE RENTIAN GROUP

As part of the Lepei Acquisition, the Rentian Group entered into a profit guarantee agreement with the Lepei Selling Shareholders, pursuant to which the Rentian Group shall pay cash up to the value of RMB4,898,000 (equivalent to approximately HK\$5,718,000) and RMB9,477,000 (equivalent to approximately HK\$11,064,000) for the years ending 31 December 2017 and 2018 respectively, to the Lepei Selling Shareholders if the profits after taxation of Lepei for the years ending 31 December 2016, 2017 and 2018 reached RMB4,500,000 (equivalent to approximately HK\$5,346,000), RMB5,850,000 (equivalent to approximately HK\$6,950,000) and RMB7,605,000 (equivalent to approximately HK\$9,036,000) respectively. At the same time, the Lepei Selling Shareholders have jointly and severally, unconditionally and irrevocably guaranteed to compensate the Rentian Group, not more than RMB5,608,000 (equivalent to approximately HK\$6,663,000), RMB7,290,000 (equivalent to approximately HK\$8,661,000) and RMB9,477,000 (equivalent to approximately HK\$11,260,000) for the years ending 31 December 2016, 2017 and 2018 respectively if the profits after taxation of Lepei for the years ending 31 December 2016, 2017 and 2018 did not reach the guaranteed amount. The additional consideration or compensation shall be settled in cash.

In December 2016, the Rentian Group completed the acquisition (the “**Shenzhen CNEOP Acquisition**”) of the additional 10% equity interests in Shenzhen CNEOP Technology Co., Ltd.[#] (“**Shenzhen CNEOP**”, 深圳市中光遠科技有限公司) for a total cash consideration of RMB15,000,000 (equivalent to approximately HK\$16,753,000) and resulted in the Rentian Group holding 61% equity interest in Shenzhen CNEOP. Shenzhen CNEOP is principally engaged in (i) the research, development and production of mobile data capture intelligence terminals; (ii) the provision of IoT application and solutions based on automatic identification and data capture (AIDC) technologies for, among others, courier, logistics, storage, medical, transportation industries; and (iii) the operation of internet-of-things data servicing platform. As none of the applicable percentage ratios in respect of the Shenzhen CNEOP Acquisition exceeds 5%, the Shenzhen CNEOP Acquisition does not constitute a discloseable transaction for Rentian under Chapter 14 of the Listing Rules.

Securities Investment

The Rentian Group invested in Hong Kong's listed securities as both short-term and long-term investments.

Market momentum went on a roller-coaster ride in 2016. The Hang Seng Index and the Hang Seng China Enterprises Index recorded declines of up to 17% and 22%, respectively, at one point due to poor sentiment and worse-than-expected macro data in China. This was followed by a sharp rebound, driven by strong momentum in overseas markets, particularly the US market's sentiment was hit hard again later in the year by disappointing news, including MSCI's decision not to include China A-shares in its benchmark indices and Brexit-related turbulence. Market volatility increased further in the second half year in 2016 due to uncertainties regarding the US presidential election and the long-awaited Shenzhen-HK Connect announcement.

Despite such a volatile investment environment, value remains the Rentian Group's core investment philosophy. Although volatility is unavoidable, the Rentian Group's principle of value investing should generate solid returns in the long run, in the Rentian Group's view. Constituent stocks continue to be the core holdings in the Rentian Group's portfolio. The Rentian Group will allocate some weight to mid and small caps as the Rentian Group find that there are still plenty of overlooked companies with attractive risk/reward profiles and resilient earnings outlooks.

In addition, the market price of each stock will also be affected by the financial performance and development plans of the relevant company, as well as the outlook of the industry in which such company operates.

Money lending business

The Rentian Group provides short-term loans to various borrowers. Those short-term loans carried interest rates ranging from 10% to 18% per annum during the year.

Outlook***IoT Business***

Following the acquisition of 51% equity interests in Next Concept Group by the Rentian Group, the software development of the Rentian Group is strengthened and the Rentian Group's business is diversified into Internet finance and related sectors, including trading management and hosting services for bulk commodities supply chain, information broadcasting, IoT storage and logistics facilitation, and transaction settlement and electronic payment system.

Looking forward to 2017, the Rentian Group will edge towards the goal of becoming a one-stop IoT solution provider by providing one-stop data management services and “smart total IoT solution for modern centralised industrial supply chains” for enterprise clients through its subsidiaries. The Rentian Group will strive to considerably shorten the time of technological development with the synergy created within the Rentian Group and by eliminating the barriers of internal technological transfer, and speed up the acquisition of ancillary equipment to boost the efficiency of research and development, with the ultimate aim of offering comprehensive IoT solutions to clients. On the other hand, it will also reduce purchasing cost, speed up product supply, enhance the quality of its products and expand its client base, so as to improve the overall profitability.

Set out below is the management discussion and analysis on the ED Group, which is based on the financial information of the ED Group for the three years ended 31 December 2013, 2014 and 2015 and the six months ended 30 June 2016 in its 2013 annual report, 2014 annual report, 2015 annual report and 2016 interim report published on 9 April 2014, 9 April 2015, 22 April 2016 and 20 September 2016 respectively on the website of the Stock Exchange (<http://www.hkex.com.hk>), particulars of which are as follows:

FOR THE YEAR ENDED 31 DECEMBER 2013**Financial Review*****Turnover***

For the year ended 31 December 2013, the ED Group recorded a turnover of approximately RMB181,267,000 (2012: RMB131,995,000), of which turnover from (i) software maintenance and other services amounted to approximately RMB160,559,000 (2012: RMB136,515,000); (ii) sale of software products and others amounted to approximately RMB7,812,000 (2012: RMB4,353,000); and (iii) net realised and unrealised gains of approximately RMB12,896,000 (2012: net realised and unrealised losses of approximately RMB8,873,000) on trading securities.

Gross Profit

For the year ended 31 December 2013, the ED Group recorded a gross profit of approximately RMB59,106,000 (2012: RMB33,218,000).

Other Net Losses

For the year ended 31 December 2013, other net losses were approximately RMB891,000 (2012: RMB22,749,000), which was mainly attributable to (i) no net loss (2012: RMB4,263,000) on derivative financial instruments; (ii) no loss (2012: RMB18,234,000) on reversal of change in fair value of the promissory note in prior years due to early redemption; and (iii) net exchange loss of approximately RMB891,000 (2012: RMB252,000).

Finance Costs

For the year ended 31 December 2013, finance cost of interest expenses was approximately RMB443,000 (2012: RMB531,000).

Profit for the Year

For the year ended 31 December 2013, the ED Group recorded a profit for the year of approximately RMB16,005,000 (2012: loss of RMB29,923,000).

Liquidity and Financial Resources

The ED Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2013, the ED Group maintained cash and cash equivalents amounted to approximately RMB49,337,000 (2012: RMB17,267,000). As at 31 December 2013, the ED Group's current ratio was approximately 576.53% (2012: 472.23%); and the ED Group's net gearing ratio as at 31 December 2013 was Nil (2012: Nil).

Foreign Exchange

The ED Group's revenue is mainly denominated in Renminbi and no related hedge is required for the time being.

Pledge of Assets

As at 31 December 2013, the ED Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings (2012: Nil).

Redemption of Promissory Note

On 31 December 2011, Winsino Investments Limited ("**Winsino**"), a wholly-owned subsidiary of Enterprise Development, entered into an agreement with Advance Mode Limited ("**Advance Mode**"), a company wholly-owned by Mr. Lo Kai Bong (a former executive ED Director resigned on 13 February 2012), pursuant to which the promissory note with a principal amount of HK\$96,000,000 issued by Winsino in favour of Advance Mode (the "**2012 Promissory Note**") was extended for a period of 24 months from 10 March 2012 with no interest payable.

The ED Group early redeemed the 2012 Promissory Note and recognised a loss on reversal of change in fair value of the 2012 Promissory Note in prior years due to the early redemption of the 2012 Promissory Note of approximately RMB18,234,000 for the year ended 31 December 2012.

Capital Structure

The ED Group manages its capital to ensure that entities in the ED 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 ED Group consists of debt, including borrowings, and equity attributable to owners of Enterprise Development, comprising issued share capital, share premium, retained earnings and other reserves. The management of the ED 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 ED 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 ED Group's overall strategy remains unchanged throughout the year.

Significant Investments

There was no significant investment held by the ED Group as at 31 December 2013.

Material Acquisition and Disposal of Subsidiaries or Associated Companies

- (1) On 5 November 2012, Easy Talent Limited ("**Easy Talent**"), then indirect wholly-owned subsidiary of Enterprise Development, and Smart Masterly Limited ("**Smart Masterly**"), a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of United Electronics Co., Ltd ("**UEC**") entered into a subscription agreement ("**Easy Talent Subscription Agreement**"), pursuant to which, Smart Masterly agreed to subscribe and Easy Talent agreed to allot and issue four subscription shares at the total consideration of RMB50,000,000 (equivalent to approximately HK\$61,900,000) (the "**Easy Talent Deemed Disposal**"). The transaction contemplated under the Easy Talent Subscription Agreement constituted a major transaction of Enterprise Development under Chapter 14 of the Listing Rules.

The Easy Talent Deemed Disposal was approved by the ED Shareholders at the extraordinary general meeting held on 3 December 2012 and the completion of the Easy Talent Deemed Disposal took place on 22 January 2013. Since then, Smart Masterly has become the legal and beneficial owner of 40% of the issued share capital in Easy Talent. Easy Talent has remained as an indirect subsidiary of Enterprise Development and Enterprise Development's interest in Easy Talent has been diluted to 60%.

- (2) On 16 May 2013, Cosmic Honour Limited (“**Cosmic Honour**”), a direct wholly-owned subsidiary of Enterprise Development, and Safedom Technologies Holding Group Limited (“**Safedom**”) entered into a non-legally binding memorandum of understanding (as supplemented by a supplemental letter entered into on 22 August 2013), in relation to the proposed acquisition (the “**Proposed Techno Wing Acquisition**”) of the entire issued share capital in Techno Wing Limited (“**Techno Wing**”).

Techno Wing and its subsidiaries is principally engaged in the manufacturing, sales and marketing of virus-proof condoms and investment in the patents in the PRC.

Subsequent to the balance sheet date on 27 February 2014, Cosmic Honour, Safedom, Mr. Lee Sien (as Safedom’s warrantor) and Enterprise Development (as Cosmic Honour’s warrantor) entered into a formal agreement for the Proposed Techno Wing Acquisition which constitutes a very substantial acquisition for Enterprise Development and subject to fulfillment of the conditions precedents as set out therein including, among others, the approval by the shareholders at an extraordinary general meeting of Enterprise Development.

Save as disclosed above, the ED Group has not made any other material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2013.

Employees and Remuneration Policies

As at 31 December 2013, the ED Group employed 118 full time employees (31 December 2012: 100). The remuneration package of employees is determined by reference to their performance, experience, their positions, duties and responsibilities in the ED Group and the prevailing market conditions. The ED Group continued to provide retirement, medical, employment injury, unemployment 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 ED Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong.

Contingent Liabilities

As at 31 December 2013, there was no significant contingent liability (2012: Nil).

Final Dividend

The ED Board did not recommend a final dividend for the year ended 31 December 2013 (2012: Nil).

Business Review

The ED Group recorded a turnover of approximately RMB181,267,000 for the year ended 31 December 2013 (2012: RMB131,995,000) due to the continuing growing business in the provision of upgrade and maintenance services for Oracle's database products distributed in the PRC. The ED Group also provides customised development of applications as a value-added service to customers, and sells self-developed firewall and other software products in the PRC and Hong Kong.

Outlook and Future Business Strategies

The ED Group 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 in the PRC and Hong Kong.

Apart from the ED Group's existing software business, the ED Group is actively searching for other business opportunities so as to diversify its business to bring return to its shareholders.

In order to maintain the ED Group's sustainability and preservation of value over the longer term, the ED Group will continue to look for suitable investment opportunities and projects characterised by stable cash inflows and simple management mechanism.

FOR THE YEAR ENDED 31 DECEMBER 2014**Financial Review*****Turnover***

For the year ended 31 December 2014, the ED Group recorded a turnover of approximately RMB333,385,000 (2013: RMB181,267,000), of which turnover from (i) software maintenance and other services amounted to approximately RMB305,018,000 (2013: RMB160,559,000); (ii) sale of software products and others amounted to approximately RMB9,923,000 (2013: RMB7,812,000); and (iii) net realised and unrealised gains of approximately RMB18,444,000 (2013: RMB12,896,000) on trading securities.

Gross Profit

For the year ended 31 December 2014, the ED Group recorded a gross profit of approximately RMB71,279,000 (2013: RMB59,106,000). However, the gross profit ratio in software business was decreased due to the decrease in contract price to increase the market share of software business in the PRC.

Other Net Losses

For the year ended 31 December 2014, no other net losses was recognised (2013: net exchange loss of RMB891,000).

Distribution Expenses

For the year ended 31 December 2014, distribution expenses were approximately RMB20,632,000 (2013: RMB15,433,000). The increase in distribution expenses was mainly due to the increase in staff costs of the software business in the PRC during the year.

General and Administrative Expenses

For the year ended 31 December 2014, general and administrative expenses were approximately RMB28,074,000 (2013: RMB22,493,000). The increase in general and administrative expenses was mainly due to the increase in directors' remuneration and rental expenses during the year.

Finance Costs

For the year ended 31 December 2014, finance costs were approximately RMB868,000 (2013: RMB443,000). The increase in finance costs was due to the increase in borrowings and issued a promissory note during the year.

Profit for the Year

For the year ended 31 December 2014, the ED Group recorded a profit for the year of approximately RMB17,979,000 (2013: RMB16,005,000). The increase in profit for the year was due to the increase in the realised gain on trading securities.

Liquidity and Financial Resources

The ED Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2014, the ED Group maintained cash and cash equivalents amounted to approximately RMB57,501,000 (2013: RMB49,337,000). As at 31 December 2014, the ED Group's current ratio was approximately 4.81 times (2013: 5.77 times); and the ED Group's net gearing ratio as at 31 December 2014 was not applicable (2013: not applicable), since the ED Group had cash in excess of interest bearing borrowings.

Foreign Exchange

The ED Group's revenue is mainly denominated in Renminbi and no related hedge is required for the time being.

Pledge of Assets

As at 31 December 2014, except for the bank deposits were pledged to secure trade finance facilities to the ED Group, the ED Group had no pledge of assets in order to obtain general banking facilities or short-term bank borrowings (2013: Nil).

Capital Structure

The ED Group manages its capital to ensure that entities in the ED 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 ED Group consists of debt, including borrowings, and equity attributable to owners of Enterprise Development, comprising issued share capital, share premium, retained earnings and other reserves. The management of the ED 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 ED 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 ED Group's overall strategy remains unchanged throughout the year.

On 5 September 2014, Enterprise Development entered into a placing agreement with Skyway Securities Investment Limited (“**Skyway**”) pursuant to which Skyway has conditionally agreed with Enterprise Development to place 293,477,920 ordinary 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 net price per placing share was approximately HK\$0.229. On 25 September 2014, Skyway placed 293,477,920 placing shares to not less than six placees. The placing provided a good opportunity to raise additional funds to meet Enterprise Development’s funding needs. The net proceeds of approximately HK\$67.25 million was used for general working capital of the ED Group (including trading of securities).

On 21 October 2014, Enterprise Development entered into a subscription agreement with Smart Jump Corporation (“**Smart Jump**”) for the subscription by Smart Jump of 350,000,000 ordinary shares of Enterprise Development at HK\$0.25 each (the “**2014 Subscription**”). The net price per share was approximately HK\$0.2461. On 17 December 2014, the 2014 Subscription was completed and an aggregate of 350,000,000 new shares of Enterprise Development were issued and allotted. The 2014 Subscription provided a good opportunity to raise additional funds to meet Enterprise Development’s funding needs, to reduce debt by way of raising funds through equities and strengthen the shareholder base of Enterprise Development. The net proceeds of approximately HK\$86.15 million were used for repayment of the debt of the ED Group and general working capital of the ED Group (including trading of securities).

Significant Investments

On 8 October 2014, Enterprise Development and HEC Capital Limited (“**HEC**”) entered into a subscription agreement, pursuant to which HEC has conditionally agreed to issue, and Enterprise Development 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 Enterprise Development 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 ED Group has not made any other significant investment for the year ended 31 December 2014.

Material Acquisition and Disposal of Subsidiaries or Associated Companies

On 27 February 2014, Cosmic Honour Limited (“**Cosmic Honour**”), a wholly-owned subsidiary of Enterprise Development, Safedom Technologies Holding Group Limited (“**Safedom**”), a company incorporated in the Cayman Islands with limited liability, Mr. Lee Sien (as Safedom’s warrantor) and Enterprise Development (as Cosmic Honour’s warrantor) entered into an acquisition agreement (the “**Techno Wing Agreement**”) pursuant to which, Safedom conditionally agreed to sell and Cosmic Honour conditionally agreed to purchase sale shares and sale debts in Techno Wing Limited at initially an acquisition price of RMB1,155,000,000. The transactions contemplated under the Techno Wing Agreement constituted a very substantial acquisition for Enterprise Development and is subject to the approval by the ED Shareholders. On 30 November 2014, the Techno Wing Agreement was lapsed.

Save as disclosed above, the ED Group has not made any other material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2014.

Subsequent Event

On 16 February 2015, Enterprise Development, Apex Center Limited (“**Apex Center**”), a direct wholly-owned subsidiary of Enterprise Development, Gloss Rise Limited (“**Gloss Rise**”), Mr. Chu Wai Kit (“**Mr. Chu**”) and Gravitass Group Limited (“**Gravitass**”) entered into an acquisition agreement, pursuant to which Apex Center has conditionally agreed to acquire and, Gloss Rise and Mr. Chu have conditionally agreed to sell the total of 5,000 ordinary shares of US\$1.00 each in Gravitass (“**Gravitass 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 Enterprise Development to Gloss Rise for the 4,000 Gravitass 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 Enterprise Development to Mr. Chu for the 1,000 Gravitass Sale Shares. Gravitass and its subsidiaries are principally engaged in mobile marketing business. The transaction constitutes a major transaction of Enterprise Development, and completion of which is subject to fulfillment of certain conditions precedent.

Employees and Remuneration Policies

As at 31 December 2014, the ED Group employed 129 full time employees (31 December 2013: 118). The remuneration package of employees is determined by reference to their performance, experience, their positions, duties and responsibilities in the ED Group and the prevailing market conditions. The ED Group continued to provide retirement, medical, employment injury, unemployment 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 ED Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong.

Contingent Liabilities

As at 31 December 2014, there was no significant contingent liability (2013: Nil).

Final Dividend

The ED Board did not recommend a final dividend for the year ended 31 December 2014 (2013: Nil).

Business Review

The ED Group recorded a turnover of approximately RMB333,385,000 for the year ended 31 December 2014 (2013: RMB181,267,000) due to the continuing growing business in the provision of upgrade and maintenance services for Oracle's database products distributed in the PRC. The ED Group also provides customised development of applications as a value-added service to customers, and sells self-developed firewall and other software products in the PRC. Moreover, the increase in the profit for the year was due to the realised gain on trading securities. The realised gain on trading securities for the current year was approximately RMB16.87 million.

Outlook and Future Business Strategies

The ED Group 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 the ED Group's existing software business, the ED Group entered into an acquisition agreement in February 2015 for a mobile marketing business (the "**Mobile Marketing Acquisition**").

In view of the rapid growing internet penetration and the expansion of smartphone market, the Directors consider that there will be a growing popularity of mobile marketing together with the surge in demand of various mobile applications.

In order to maintain the ED Group's sustainability and preservation of value over the longer term, the ED Group will continue to look for suitable business opportunities so as to diversify the ED 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 ED Shareholders. The Directors consider the Mobile Marketing Acquisition is in line with the ED Group's business diversification strategy above and represents an attractive investment opportunity for the ED 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.

FOR THE YEAR ENDED 31 DECEMBER 2015**Financial Review*****Turnover***

For the year ended 31 December 2015, the ED Group recorded a turnover of approximately RMB419,706,000 (2014: RMB333,385,000), of which turnover mainly from (i) software maintenance and other services amounted to approximately RMB336,401,000 (2014: RMB305,018,000); (ii) sale of software products and others amounted to approximately RMB27,676,000 (2014: RMB9,923,000); (iii) net realised and unrealised gains of approximately RMB43,219,000 (2014: RMB18,444,000) on trading securities; and (iv) mobile marketing services amounted to approximately RMB12,407,000 (2014: Nil).

Gross Profit

For the year ended 31 December 2015, the ED Group recorded a gross profit of approximately RMB115,045,000 (2014: RMB71,279,000). The gross profit ratio for the software business of the ED Group during the period was approximately 18% 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 Losses

For the year ended 31 December 2015, other net losses were approximately RMB4,204,000 (2014: Nil), which was mainly attributable to loss on early redemption of promissory notes of approximately RMB3,950,000 (2014: Nil) and net exchange losses of approximately RMB254,000 (2014: Nil).

Distribution Expenses

For the year ended 31 December 2015, distribution expenses were approximately RMB26,475,000 (2014: RMB20,632,000). The increase in distribution expenses was mainly due to the increase in staff costs of the software business growth in the PRC during the year.

General and Administrative Expenses

For the year ended 31 December 2015, general and administrative expenses were approximately RMB67,717,000 (2014: RMB28,074,000). The increase in general and administrative expenses was mainly due to the increase of staff costs, legal and professional fees, entertainment and travelling for business expansion during the year.

Finance Costs

For the year ended 31 December 2015, finance costs were approximately RMB2,600,000 (2014: RMB868,000). The increase in finance costs was due to the interest expenses of the promissory notes in the principal of HK\$160,000,000 issued during the year.

Profit for the Year

As a result, the ED Group recorded a profit for the year ended 31 December 2015 of approximately RMB13,351,000 (2014: RMB17,979,000).

Liquidity and Financial Resources

The ED Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2015, the ED Group maintained cash and cash equivalents amounted to approximately RMB81,803,000 (2014: RMB57,501,000). As at 31 December 2015, the ED Group's current ratio was approximately 2.62 times (2014: 4.81 times); and the ED Group's net gearing ratio as at 31 December 2015 was not applicable (2014: not applicable), since the ED Group had cash in excess of interest bearing borrowings.

Foreign Exchange

The ED Group's revenue is mainly denominated in Renminbi and no related hedge is required for the time being.

Pledge of Assets

As at 31 December 2014 and 2015, except for the bank deposits were pledged to secure trade finance facilities to the ED Group, the ED Group had no pledge of assets in order to obtain general banking facilities or short-term bank borrowings.

Capital Structure

The ED Group manages its capital to ensure that entities in the ED 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 ED Group consists of debt, including borrowings, and equity attributable to owners of Enterprise Development, comprising issued share capital, share premium, retained earnings and other reserves. The management of the ED 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 ED 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 ED Group's overall strategy remains unchanged throughout the year.

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

On 28 May 2015, Enterprise Development entered into a placing agreement with China Rise Securities Asset Management Company Limited ("**China Rise**"), pursuant to which China Rise 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 at the placing price of HK\$0.250 per placing share (the "**May 2015 Placing**"). The May 2015 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 May 2015 Placing provided a good opportunity to raise additional funds to meet Enterprise Development's funding needs. The net proceeds from the May 2015 Placing has been used as to (i) approximately HK\$110,600,000 for early redemption of promissory notes together with accrued interest thereupon; (ii) approximately HK\$4,900,000 had been utilized for general working capital of the ED Group including (a) HK\$1,700,000 for staff salaries and Directors' fees; (b) HK\$1,700,000 for rental and operating expenses; and (c) HK\$1,500,000 for legal and professional fees; and (iii) the remaining balance of approximately HK\$1,700,000 is intended to be used for general working capital of the ED Group (including trading of securities).

On 6 August 2015, Enterprise Development passed an ordinary resolution to increase its authorised share capital from HK\$30,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.01 each to HK\$1,000,000,000 divided into 100,000,000,000 shares of HK\$0.01 each by the creation of an additional 97,000,000,000 unissued ordinary shares.

On 15 December 2015, Enterprise Development entered into a placing agreement with China Rise, pursuant to which China Rise has conditionally agreed, on a best efforts basis, to place 580,450,000 new shares to not fewer than six placees who are independent third parties at a price of HK\$0.098 per placing share (the "**Dec 2015 Placing**"). The Dec 2015 Placing was completed on 5 January 2016 and an aggregate of 580,450,000 placing shares were successfully placed to not less than six placees. The net price per placing share was approximately HK\$0.095. The Dec 2015 Placing provided a good opportunity to raise additional funds to meet Enterprise Development's funding needs. The net proceeds from the Dec 2015 Placing has been used as to (i) approximately HK\$41,500,000 for early redemption of promissory notes together with accrued interest thereupon; and (ii) the remaining balance of approximately HK\$13,400,000 for general working capital of the ED Group.

Significant Investments

The ED Group has not made any significant investment for the year ended 31 December 2015.

Material Acquisition and Disposal of Subsidiaries or Associated Companies

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

Save as disclosed above, the ED Group has not made any material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2015.

Subsequent Event

The Dec 2015 Placing was completed on 5 January 2016 and an aggregate of 580,450,000 placing shares were successfully placed to not less than six places. The net price per placing share was approximately HK\$0.095. The net proceeds from the Dec 2015 Placing was approximately HK\$54,900,000.

Employees and Remuneration Policies

As at 31 December 2015, the ED Group employed 141 full time employees (2014: 129). The remuneration package of employees is determined by reference to their performance, experience, positions, duties and responsibilities in the ED Group and the prevailing market conditions. The ED Group continued to provide retirement, medical, employment injury, unemployment 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 ED Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong.

Contingent Liabilities

As at 31 December 2015, there was no significant contingent liability (2014: Nil).

Final Dividend

The ED Board did not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

Business Review

The ED Group recorded a turnover of approximately RMB419,706,000 for the year ended 31 December 2015 (2014: RMB333,385,000) due to the continuing growing business in the provision of upgrade and maintenance services for Oracle's database products distributed in the PRC. The ED Group also provides customised development of applications as a value-added service to customers, and sells self-developed firewall and other software products in the PRC. The newly acquired mobile marketing business has contributed approximately RMB12,407,000 for the current year. Moreover, the net realised and unrealised gain on trading securities for the current year was approximately RMB43,219,000 (2014: RMB18,444,000).

Outlook and Future Business Strategies

The ED Group 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 the ED Group's existing software business, the ED Group acquired a mobile marketing business (the "**Mobile Marketing Acquisition**") on 14 May 2015. The Directors consider the Mobile Marketing Acquisition is in line with the ED Group's business diversification strategy above and represents an attractive investment opportunity for the ED 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 cash flow.

On 12 October 2015, the ED Group obtained the money lenders licence. The Directors consider it will be beneficial to the ED Group to explore new opportunities in the money lending business to broaden its source of income and expand the business operations in order to generate profits and return for Enterprise Development and the shareholders.

In order to maintain the ED Group's sustainability and preservation of value over the longer term, the ED Group will continue to look for suitable business opportunities so as to diversify the ED 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 ED Shareholders.

As disclosed in Enterprise Development's announcement dated 25 November 2015, the ED Group entered into a memorandum of understanding (the "**IP Right MOU**") regarding the possible acquisition of a target company which has certain business operation of intellectual property right in relation to song/music within the PRC (the "**Possible IP Right Acquisition**"). The IP Right MOU has an exclusive period of six months. The Possible IP Right Acquisition is still in the preliminary stage, further announcement(s) in respect of the Possible IP Right Acquisition will be made by Enterprise Development as and when appropriate.

FOR THE SIX MONTHS ENDED 30 JUNE 2016**Financial Review*****Turnover***

For the six months ended 30 June 2016, the ED Group recorded a turnover of approximately RMB224,661,000 (six months ended 30 June 2015: RMB338,692,000), of which turnover from (i) software maintenance and other services amounted to approximately RMB202,423,000 (six months ended 30 June 2015: RMB138,341,000); (ii) sales of software products and others amounted to approximately RMB13,401,000 (six months ended 30 June 2015: RMB3,322,000); (iii) fair value gains of approximately RMB3,994,000 on held for trading investments (six months ended 30 June 2015: RMB194,024,000); and (iv) mobile marketing services amounted to approximately RMB4,780,000 (six months ended 30 June 2015: RMB3,005,000).

Gross Profit

For the six months ended 30 June 2016, the ED Group recorded a gross profit of approximately RMB40,809,000 (six months ended 30 June 2015: RMB227,372,000). The gross profit ratio for the software business of the ED Group during the period was approximately 17% while that of the corresponding period in 2015 was approximately 23%. The reason for the decrease in gross profit ratio was that the turnover recorded during the period was mainly derived from maintenance services with lower gross profit ratio.

Finance Costs

For the six months ended 30 June 2016, finance costs was approximately RMB1,134,000 (six months ended 30 June 2015: RMB2,244,000).

Other Investment

For the six months ended 30 June 2016, an impairment loss of approximately RMB40,382,000 (six months ended 30 June 2015: Nil) was recognised on the ED Group's available-for-sales securities. Taking into account the unaudited net asset value of the particular investee as at 30 June 2016, and other relevant factors, full impairment of the value of the investment was made as at 30 June 2016.

General and Administrative Expenses

For the six months ended 30 June 2016, the general and administrative expenses of the ED Group were approximately RMB21,653,000, representing a decrease of approximately 38%, as compared to approximately RMB34,678,000 of the corresponding period in 2015. The decrease was mainly due to the substantial decrease of staff costs, directors' remuneration, business travelling, entertainment and legal and professional fee.

Impairment

For the six months ended 30 June 2016, the ED Group recognised an impairment on its goodwill of approximately RMB86,930,000 (six months ended 30 June 2015: Nil). Due to the deteriorating performance and suffering significant loss in mobile marketing business, the ED Directors determined that there was a need for an impairment on the goodwill arising from the acquisition of mobile marketing business.

Loss for the Period

For the six months ended 30 June 2016, the ED Group recorded a loss for the period of approximately RMB124,040,000 (six months ended 30 June 2015: profit of RMB171,495,000).

Liquidity and Financial Resources

The ED Group's working capital is funded by the cash generated from operating and financing activities. As at 30 June 2016, the ED Group maintained cash and cash equivalents amounted to approximately RMB30,335,000 (31 December 2015: RMB81,803,000). As at 30 June 2016, the ED Group's current ratio was approximately 3.74 times (31 December 2015: 2.62 times); and the ED Group's net gearing ratio at 30 June 2016 was not applicable (31 December 2015: not applicable), since the ED Group had cash in excess of interest bearing borrowings.

Foreign Exchange

The ED 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 2016 and 31 December 2015, except for the bank deposits pledged to secure trade finance facilities to the ED Group, the ED Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings.

Capital Structure

The ED Group manages its capital to ensure that entities in the ED 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 ED Group consists of debt, including borrowings, and equity attributable to owners of the Enterprise Development, comprising issued share capital, share premium, retained earnings and other reserves. The management of the ED 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 ED 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 ED Group's overall strategy remains unchanged throughout the period.

On 15 December 2015, Enterprise Development entered into a placing agreement with China Rise Securities Asset Management Company Limited ("**China Rise**"), pursuant to which China Rise has conditionally agreed, on a best efforts basis, to place 580,450,000 new shares to not fewer than six placees who are independent third parties at a price of HK\$0.098 per placing share (the "**Dec 2015 Placing**"). The Dec 2015 Placing was completed on 5 January 2016 and an aggregate of 580,450,000 placing shares were successfully placed to not less than six placees. The net price per placing share was approximately HK\$0.095. The Dec 2015 Placing provided a good opportunity to raise additional funds to meet Enterprise Development's funding needs. The net proceeds from the Dec 2015 Placing has been used as to (i) approximately HK\$52,100,000 for early redemption of promissory notes with principal amount of HK\$50,000,000 together with accrued interest thereupon; and (ii) approximately HK\$2,800,000 has been used for general working capital of the ED Group.

On 6 April 2016, Enterprise Development entered into another placing agreement with China Rise, pursuant to which China Rise has conditionally agreed, on a best efforts basis, to place 696,540,000 new shares to not fewer than six placees who are independent third parties at a price of HK\$0.057 per placing share (the “**Apr 2016 Placing**”). The Apr 2016 Placing was completed on 15 April 2016 and an aggregate of 696,540,000 placing shares were successfully placed to not less than six placees. The net price per placing share was approximately HK\$0.054. The Apr 2016 Placing provided a good opportunity to raise additional funds to meet Enterprise Development’s funding needs. The net proceeds from the Apr 2016 Placing has been used as to (i) approximately HK\$21,700,000 has been utilised for settling part of the consideration for the acquisition of 28% of issued share capital of All Treasure International Industrial Limited; (ii) approximately HK\$5,000,000 has been used for money lending business; and (iii) the remaining balance of approximately HK\$11,000,000 has not yet been utilised and remains in the bank for general working capital of the ED Group.

Significant Investments

The ED Group has not made any significant investment for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

Material Acquisition and Disposal of Subsidiaries or Associated Companies

On 9 May 2016, Fine Time Global Limited (“**Fine Time Global**”), a direct wholly-owned subsidiary of Enterprise Development and Wisdom Master Investments Limited (the “**Wisdom Master**”) entered into the acquisition agreement, pursuant to which Fine Time Global has agreed to acquire and Wisdom Master has agreed to sell 28% of issued share capital of All Treasure International Industrial Limited (“**All Treasure**”) at the consideration of HK\$71,706,600, which has been satisfied as to (i) HK\$21,706,600 in cash; and (ii) HK\$50,000,000 by the issue of the promissory notes to Wisdom Master. Completion of the acquisition has taken place simultaneously upon signing of the acquisition agreement. Upon completion, All Treasure has become an associated company of Enterprise Development. All Treasure and its subsidiaries are principally engaged in (i) making and editing song library into karaoke music and managing and licensing copyrights thereof in 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.

Save as disclosed above, the ED Group has not made any material acquisition or disposal of subsidiaries or associated companies for the six months ended 30 June 2016.

Subsequent Event

On 12 August 2016, Enterprise Development proposed to raise approximately HK\$206,900,000 (before expenses) by way of a rights issue of 1,253,774,946 rights shares at a subscription price of HK\$0.165 per rights share on the basis of three (3) rights shares for every one (1) share held on the record date. The rights issue is subject to the approval of the independent shareholders at an extraordinary general meeting to be convened and held for approving the same. For details, please refer to Enterprise Development's announcement dated 12 August 2016.

Employees and Remuneration Policies

As at 30 June 2016, the ED Group employed 184 (30 June 2015: 172) full time employees. The remuneration package of employees is determined by reference to their performance, experience, positions, duties and responsibilities in the ED Group and the prevailing market conditions. The ED 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 ED Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong.

Contingent Liabilities

As at 30 June 2016, there was no significant contingent liability (30 June 2015: Nil).

Business Review

The ED Group recorded a turnover of approximately RMB224,661,000 for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB338,692,000), representing a decrease of approximately 34%. The decrease is mainly due to the decrease in the realised and unrealised gain on investments in listed financial assets at fair value through profit and loss by approximately 98%.

The turnover of the software business amounted to approximately RMB215,824,000 for the period, representing an increase of approximately 52%. The increase is due to the continuing growing business in the provision of upgrade and maintenance services for Oracle's database products distributed in the PRC. The ED Group also provides customised development of applications as a value-added service to customers, and sells self-developed firewall and other software products in the PRC.

The mobile marketing business has contributed approximately RMB4,780,000 for the current period (six months ended 30 June 2015: RMB3,005,000).

Outlook

The ED Group 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 the ED Group's existing software business and mobile marketing business, the ED Group acquired All Treasure on 9 May 2016. All Treasure and its subsidiaries are principally engaged in (i) making and editing song library into karaoke music and managing and licensing copyrights thereof in 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 ED Directors consider the acquisition is in line with the ED Group's business diversification strategy and represents an attractive investment opportunity for the ED Group to further expand and diversify its business portfolio and tap into the entertainment industry with growth potential.

In order to maintain the ED Group's sustainability and preservation of value over the longer term, the ED Group will continue to look for suitable business opportunities so as to diversify the ED 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 ED Shareholders.

Interim Dividend

The ED Directors resolved not to declare any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

The following is the particulars of Mr. Huang Xin, the independent non-executive Rentian Director proposed to be re-elected at the EGM:

Mr. Huang Xin (“**Mr. Huang**”), aged 33, has been appointed as an independent non-executive Rentian Director, and a member of each of the audit committee, the nomination committee and the remuneration committee of Rentian with effect from 15 November 2016.

Mr. Huang, holds a master degree in laws from Peking University. He has worked in United Securities Limited, Hong Yuan Securities Co., Limited and Credit Suisse Founder Securities Limited which are engaged in investment banking business.

He is currently a director of Rayspower New Energy Co., Ltd.# (中海陽能源集團股份有限公司), a company listed on National Equities Exchange and Quotations (NEEQ: 430065), the director and general manager of Beijing Jingyizhihui Education Technology Co., Ltd.# (北京精益智慧教育科技有限責任公司) and Gongqingcheng Xingchen Education Investment Co., Ltd.# (共青城星辰教育投資管理有限公司) and member of investment committee of Suzhou Jiutailanshan Investment Co., Ltd.# (久泰藍山(蘇州)投資管理有限公司).

Save as disclosed above, Mr. Huang does not hold any directorship in other listed companies in the last three years prior to his appointment as an independent non-executive Rentian Director. Mr. Huang is entitled to receive an annual remuneration of HK\$240,000 with reference to his duties, responsibilities and the prevailing market conditions. He has not entered into any written service contract with Rentian. He will hold office until the next general meeting of Rentian at which he will be eligible for re-election. Thereafter, he will be subject to retirement by rotation and re-election pursuant to the Articles.

Mr. Huang has confirmed his independence from Rentian pursuant to Rule 3.13 of the Listing Rules and is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules), Mr. Huang does not have any interests in the shares of Rentian which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there is no information relating to Mr. Huang that is required to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules, and Rentian is not aware of any other matters that need to be brought to the attention to its shareholders in relation to Mr. Huang’s appointment.

1. RESPONSIBILITY STATEMENT

This circular, for which the Rentian Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Rentian. The Rentian Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES IN RENTIAN

As at the Latest Practicable Date, the interests and short positions of the Rentian Directors and the chief executives of Rentian in the Rentian Shares, underlying shares or debentures of Rentian and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to Rentian and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to Rentian and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long positions in the Rentian Shares and underlying shares

Name of Rentian Director	Number of Rentian Shares	Number of underlying shares subject to the outstanding share options	Total number of Rentian Shares and underlying shares	Approximate percentage of the total issued share capital of Rentian
Ms. Yang Xiaoying	168,000,000 <i>(Note)</i>	60,000,000	228,000,000	2.25%
Mr. Tsang To	–	30,000,000	30,000,000	0.30%
Mr. Choi Chi Fai	–	142,363,900	142,363,900	1.40%

Note: Toplap International Limited (“**Toplap**”) is the beneficial owner of the 168,000,000 Rentian Shares. Toplap is owned as to 90% by Ms. Yang Xiaoying. Ms. Yang Xiaoying is deemed to be interested in the Rentian Shares in which Toplap is interested in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Rentian Directors or chief executives of Rentian had or was deemed to have any interests and short positions in the Rentian Shares, underlying shares and debentures of Rentian or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to Rentian and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to Rentian and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS OF RENTIAN

As at the Latest Practicable Date, so far as any Rentian Directors are aware, the interest or short positions owned by the following parties (other than the Rentian Directors or chief executives of Rentian) in the Shares, underlying shares or debentures of Rentian which are required to be disclosed to Rentian under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of Rentian required to be kept under section 336 of the SFO were as follows:

Long positions in the Rentian Shares and underlying shares

Name	Capacity	Number of Rentian Shares and underlying shares	Approximate percentage of the total issued share capital of Rentian
Mr. King	Interest in controlled corporation	5,430,543,350 <i>(Notes 1, 2 & 3)</i>	53.51%
Mystery Idea	Beneficial owner	5,231,723,350 <i>(Note 1)</i>	51.55%
Better Joint Venture	Beneficial owner	43,320,000 <i>(Note 2)</i>	0.43%
Carnival Group	Beneficial owner	155,500,000 <i>(Note 3)</i>	1.53%
Cheer Hope Holdings Limited	Beneficial owner	926,365,187 <i>(Note 4)</i>	9.13%

Name	Capacity	Number of Rentian Shares and underlying shares	Approximate percentage of the total issued share capital of Rentian
CCBI Investments Limited	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
CCB International (Holdings) Limited	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
CCB Financial Holdings Limited	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
CCB International Group Holdings Limited	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
China Construction Bank Corporation	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
Central Huijin Investment Ltd.	Interest in controlled corporation	926,365,187 (Note 4)	9.13%
Mr. Lee Tai Hay	Interest in controlled corporation	795,022,942 (Notes 5 & 6)	7.83%
Mr. Zhao Zhen Zhong	Interest in controlled corporation	592,941,176 (Note 7)	5.84%
Superb Fortune Limited	Beneficial owner	592,941,176 (Note 7)	5.84%
Ministry of Finance of the PRC	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 11)	5.81%
China Huarong Asset Management Co., Ltd.	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 11)	5.81%
Huarong Zhiyuan Investment Management Co., Ltd. [#] (華融致遠投資管理有限責任公司)	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 11)	5.81%
Mr. Sun Siu Kit	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 12)	5.81%

Name	Capacity	Number of Rentian Shares and underlying shares	Approximate percentage of the total issued share capital of Rentian
Hong Kong Jinfeng Group Co., Ltd. [#] (香港錦峰集團有限公司)	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 12)	5.81%
Guangdong Jinfeng Group Co., Ltd. [#] (廣東錦峰集團有限公司)	Interest in controlled corporation	589,751,535 (Notes 8, 9, 10 & 12)	5.81%
Huarong Huaqiao Asset Management Co., Ltd. [#] (華融華僑資產管理股份有限公司)	Interest in controlled corporation	589,751,535 (Notes 8, 9 & 10)	5.81%
China Huarong Overseas Investment Holdings Co., Limited	Interest in controlled corporation	589,751,535 (Notes 8, 9 & 10)	5.81%
Kingdom Harvest Limited	Beneficial owner	529,351,535 (Note 8)	5.22%

Notes:

- (1) Mystery Idea is the beneficial owner of 5,231,723,350 Rentian Shares. Mystery Idea is wholly-owned by Mr. King. Mr. King is deemed to be interested in the Rentian Shares in which Mystery Idea is interested in under the SFO.
- (2) Better Joint Venture is the beneficial owner of 43,320,000 Rentian Shares. Better Joint Venture is wholly-owned by Mr. King. Mr. King is deemed to be interested in the Rentian Shares in which Better Joint Venture is interested in under the SFO.
- (3) Carnival Group is the beneficial owner of 155,500,000 Rentian Shares. Carnival Group is owned as to approximately 63.37% by Mr. King. Mr. King is deemed to be interested in the Rentian Shares in which Carnival Group is interested in under the SFO.
- (4) These underlying Rentian Shares represent a maximum of 926,365,187 new Rentian Shares that may be issued upon full conversion of the convertible bonds which are owned by Cheer Hope Holdings Limited (“**Cheer Hope**”). Cheer Hope is wholly-owned by CCBI Investments Limited (“**CCBI Investments**”). CCBI Investments is wholly-owned by CCB International (Holdings) Limited (“**CCB International**”). CCB International is wholly-owned by CCB Financial Holdings Limited (“**CCB Financial**”). CCB Financial is wholly-owned by CCB International Group Holdings Limited (“**CCBI International**”). CCBI International is wholly-owned by China Construction Bank Corporation (“**CCB**”), the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00939). CCB is owned as to approximately 57.31% by Central Huijin Investment Ltd. (“**Central Huijin**”). Each of CCBI Investments, CCB International, CCB Financial, CCBI International, CCB and Central Huijin is deemed to be interested in the Rentian Shares in which Cheer Hope is interested in under the SFO.

- (5) Glory Image International Investment Limited (“**Glory Image**”) is the beneficial owner of 474,352,942 Rentian Shares. Glory Image is wholly-owned by Mr. Lee Tai Hay (“**Mr. Lee**”). Mr. Lee is deemed to be interested in the Rentian Shares in which Glory Image is interested in under the SFO.
- (6) Giant Profit Enterprises Limited (“**Giant Profit**”) is the beneficial owner of 320,670,000 Rentian Shares. Giant Profit is wholly-owned by Mr. Lee. Mr. Lee is deemed to be interested in the Rentian Shares in which Giant Profit is interested in under the SFO.
- (7) Superb Fortune Limited (“**Superb Fortune**”) is the beneficial owner of 592,941,176 Rentian Shares. Superb Fortune is wholly-owned by Mr. Zhao Zhen Zhong (“**Mr. Zhao**”). Mr. Zhao is deemed to be interested in the Rentian Shares in which Superb Fortune is interested in under the SFO.
- (8) These underlying Rentian Shares represent a maximum of 529,351,535 new Rentian Shares that may be issued upon full conversion of the convertible bonds which are owned by Kingdom Harvest Limited (“**Kingdom Harvest**”). Kingdom Harvest is wholly-owned by China Huarong Overseas Investment Holdings Co., Limited (“**Huarong Overseas**”). Huarong Overseas is deemed to be interested in the Rentian Shares in which Kingdom Harvest is interested in under the SFO.
- (9) Brilliant Nexus Limited (“**Brilliant Nexus**”) is the beneficial owner of 60,400,000 Rentian Shares. Brilliant Nexus is wholly-owned by Huarong Overseas. Huarong Overseas is deemed to be interested in the Rentian Shares in which Brilliant Nexus is interested in under the SFO.
- (10) Huarong Overseas is wholly-owned by Huarong Huaqiao Asset Management Co., Ltd.# (“**Huarong Huaqiao**”). Huarong Huaqiao is owned as to 51% by Huarong Zhiyuan Investment Management Co., Ltd.# (“**Huarong Zhiyuan**”) and as to 40% by Guangdong Jinfeng Group Co., Ltd.# (“**Guangdong Jinfeng**”). As such, each of Huarong Huaqiao, Huarong Zhiyuan and Guangdong Jinfeng is deemed to be interested in the Rentian Shares in which each of Kingdom Harvest and Brilliant Nexus is interested in under the SFO.
- (11) Huarong Zhiyuan is wholly-owned by China Huarong Asset Management Co., Ltd. (“**Huarong AM**”), the shares of which are listed on the main board of the Stock Exchange (Stock Code: 02799). Huarong AM is owned as to approximately 67.75% by the Ministry of Finance of the PRC (the “**MOF**”). As such, each of Huarong AM and the MOF is deemed to be interested in the Rentian Shares in which each of Kingdom Harvest and Brilliant Nexus is interested in under the SFO.
- (12) Guangdong Jinfeng is wholly-owned by Hong Kong Jinfeng Group Co., Ltd.# (“**Hong Kong Jinfeng**”). Hong Kong Jinfeng is wholly-owned by Mr. Sun Siu Kit (“**Mr. Sun**”). As such, each of Hong Kong Jinfeng and Mr. Sun is deemed to be interested in the Rentian Shares in which each of Kingdom Harvest and Brilliant Nexus is interested in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Rentian Directors are not aware of any interests or short positions owned by any persons (other than the Rentian Directors or chief executives of Rentian) in the Rentian Shares or underlying shares of Rentian which were required to be disclosed to Rentian under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of Rentian required to be kept under Section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

Ms. Yang Xiaoying has entered into a service contract with Rentian on 16 June 2014. The service contract was effective from 26 August 2014, which may be terminated by either party thereto by giving to the other party three month's prior notice in writing and has no expiration date. Ms. Yang Xiaoying is entitled to a director's fee of HK\$104,167 per month and Rentian will bear the salaries tax arises from this service contract in Hong Kong by Ms. Yang Xiaoying.

As at the Latest Practicable Date, none of the Rentian Directors is entitled to any variable remuneration under the Rentian Directors' respective appointment letters.

Save as disclosed above, as at the Latest Practicable Date, none of the Rentian Directors has a contract of service with Rentian or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

Based on the publicly available information of the ED Group, as at the Latest Practicable Date, Enterprise Development had entered into the following service contract and service agreement with the ED Directors:

- (a) the service contract dated 20 December 2016 entered into between Enterprise Development and Mr. Li Jiang Nan, pursuant to which Mr. Li Jiang Nan was appointed as an executive director for a period of three years commencing from 20 December 2016 and entitled to receive a fixed salary of HK\$20,000 per month; and
- (b) the service agreement dated 19 January 2017 entered into between Enterprise Development and Mr. Liu Jian, pursuant to which Mr. Liu Jian was appointed as an independent non-executive Director for a period of three years commencing from 19 January 2017 and entitled to receive a fixed salary of HK\$20,000 per month.

Save as disclosed above, as at the Latest Practicable Date, none of the ED Directors has a contract of service with Enterprise Development or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Rentian Directors nor their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Enlarged Group, which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group.

Based on the publicly available information of the ED Group, as at the Latest Practicable Date, none of the ED Director nor their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Enlarged Group, which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group.

6. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Rentian Director was materially interested and which was significant in relation to any business of the Enlarged Group.

Based on the publicly available information of the ED Group, as at the Latest Practicable Date, there was no contract or arrangement subsisting in which any ED Director was materially interested and which was significant in relation to any business of the Enlarged Group.

As at the Latest Practicable Date, none of the Rentian Directors had any direct or indirect interest in any assets which had been since 31 December 2015 (being the date to which the latest published audited financial statements of Rentian were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Based on the publicly available information of the ED Group, as at the Latest Practicable Date, none of the ED Directors had any direct or indirect interest in any assets which had been since 31 December 2015 (being the date to which the latest published audited financial statements of Enterprise Development were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

7. EXPERT AND CONSENT

The following us the qualification of the expert who has given opinions or advice, which is contained in this circular:

Name	Qualification
Royal Excalibur Corporate Finance Company Limited	a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which had been since 31 December 2015 (being the date to which the latest published audited financial statements of Rentian were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

8. LITIGATION

As at the Latest Practicable Date, neither Rentian nor any of their respective subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Rentian Directors to be pending or threatened against any member of the Enlarged Group.

Based on the publicly available information of the ED Group, as at the Latest Practicable Date, neither Enterprise Development nor any of their respective subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the ED Directors to be pending or threatened against any member of the Enlarged Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Rentian Group and the ED Group (based on the publicly available information of the ED Group) within two years immediately preceding the date of this circular which are or may be material:

in respect of the Rentian Group

- (1) the placing agreement dated 27 March 2015 entered into between Rentian as issuer and Emperor Securities Limited as placing agent, in relation to the placing of the two-year 6% senior bonds in an aggregate principal amount of up to HK\$200,000,000 in multiple tranches;
- (2) the share transfer agreement dated 24 April 2015 entered into between Gauteng Focus Limited (“**Gauteng Focus**”), a direct wholly-owned subsidiary of Rentian, as purchaser and Smart Masterly Limited as vendor, in relation to the acquisition of 40% shareholding in Easy Talent Limited, for a cash consideration of RMB65,600,000;
- (3) the investment agreement dated 7 May 2015 entered into among Holly Good Group Limited (“**Holly Good**”), an indirect wholly-owned subsidiary of Rentian, as investor, Wang Yulin as vendor, Shenzhen Zhongruan Internet-of-things Technology Co., Ltd.# (深圳市中軟物聯科技有限公司) as remaining shareholder, and Shenzhen CNEOP Technology Co., Ltd.# (“**Shenzhen CNEOP**”, 深圳市中光遠科技有限公司) being the target company, in relation to (i) the acquisition of 38.75% equity interest in Shenzhen CNEOP at a consideration of RMB30,750,000; and (ii) the contribution to an additional increase in the registered capital of Shenzhen CNEOP of RMB2,875,000 by injecting RMB30,000,000;

- (4) the note issue agreement dated 7 May 2015 entered into between Holly Good and Wang Yulin, in relation to the issue by Rentian of the convertible notes in the aggregate principal amount of up to HK\$29,060,000 at the conversion price of HK\$0.42 per conversion share (adjusted as a result of the bonus issue completed on 23 July 2015), and pay up to HK\$8,290,000 cash to Wang Yulin, subject to the satisfaction of the profit indicator;
- (5) the share swap agreement dated 19 June 2015 entered into among Co-Lead Holdings Limited (“**Co-Lead**”) as purchaser, and Loyal Fine Limited, a direct wholly-owned subsidiary of Rentian, and Up Wonderful Limited as vendors, in relation to the disposal of 90,000,000 shares in Freeman Corporation Limited (“**FCL**”), an indirect non-wholly-owned subsidiary of Freeman Financial Corporation Limited (Stock Code: 00279), representing approximately 7.16% direct equity interest in FCL, in exchange for 900 new shares in Co-Lead, representing approximately 21.90% interest in Co-Lead’s enlarged share capital, which in turn representing approximately 7.16% indirect equity interest in FCL;
- (6) the investment agreement dated 20 July 2015 entered into among King Billion International Limited (“**King Billion**”), an indirect wholly-owned subsidiary of Rentian, as investor, Hu Xiaohua, Cui Jianfeng, Hong Xiaoxia, Wang Yun, Lin Xiaoya and Wang Zhou (collectively, the “**GWD Shareholders**”), and Guangzhou Wealth-Depot Logistics Technology Co., Ltd.# (“**Guangzhou Wealth-Depot**”, 廣州大庫工業設備有限公司), in relation to (i) the acquisition of 45% equity interest in Guangzhou Wealth-Depot at a consideration of RMB49,200,000; and (ii) the contribution to increase the registered capital of Guangzhou Wealth-Depot of RMB796,000 by injecting RMB20,000,000;
- (7) the profit guarantee agreement dated 20 July 2015 entered into among King Billion, the GWD Shareholders, and Guangzhou Wealth-Depot, in relation to the allotment and issue of the 65,079,365 consideration shares by Rentian in the principal amount up to RMB32,800,000 to the GWD Shareholders subject to the satisfaction of the profit indicator;
- (8) the investment agreement dated 7 August 2015 entered into among Red Square Group Limited (“**Red Square**”), an indirect wholly-owned subsidiary of Rentian, as investor, Yan Xiaoyi and Wen Jianqing (collectively, the “**SH Shareholders**”), and Shenzhen Hexicom Technologies Company Limited# (“**Shenzhen Hexicom**”, 深圳市海億康科技有限公司), in relation to (i) the acquisition of 70% equity interest in Shenzhen Hexicom at a consideration of RMB55,000,000; and (ii) the payment of RMB20,000,000 of the unpaid registered capital to Shenzhen Hexicom;

- (9) the profit guarantee agreement dated 7 August 2015 entered into among Red Square, the SH Shareholders, and Shenzhen Hexicom, in relation to the allotment and issue of the 80,385,852 consideration shares by Rentian in the principal amount up to RMB40,000,000 to the SH Shareholders subject to the satisfaction of the profit indicator;
- (10) the revised profit guarantee agreement dated 11 August 2015 entered into among Red Square, the SH Shareholders, and Shenzhen Hexicom, in relation to the allotment and issue of the 79,648,445 consideration shares by Rentian and cash payment in the principal amount up to HK\$458,667 subject to the satisfaction of the profit indicator. The profit guarantee agreement dated 7 August 2015 shall expire and be replaced by this revised profit guarantee agreement;
- (11) the placing agreement dated 13 October 2015 entered into between Rentian as issuer and Emperor Securities Limited as placing agent, in relation to the placing of the two-year 6% senior bonds in an aggregate principal amount of up to HK\$200,000,000 in multiple tranches;
- (12) the placing agreement dated 28 October 2015 entered into among Rentian as issuer and Haitong International Securities Company Limited and AMTD Asset Management Limited as placing agents, in relation to the placing of a maximum of 900,000,000 new Rentian Shares at the pricing price of HK\$0.32 per placing share;
- (13) the sale and purchase agreement (the “**Fujian Start Agreement**”) dated 6 November 2015 entered into between Wealth Global Investment Limited (“**Wealth Global**”), an indirect wholly-owned subsidiary of Rentian, as purchaser and Beijing Advanced Property Co., Ltd.# (“**Beijing Advanced**”, 北京昂展置業有限公司) as vendor, in relation to the acquisition (the “**Fujian Start Acquisition**”) of 17% equity interest of Fujian Start Computer Equipment Co. Limited# (福建實達電腦設備有限公司), for a consideration of RMB52,372,200 which was settled in cash;
- (14) the subscription agreement dated 8 January 2016 entered into between Rentian as issuer and Industrial Bank Co., Ltd. Hong Kong Branch as subscriber, in relation to the issue of the two-year 4% senior guaranteed secured notes due 2018 in an aggregate principal amount of HK\$200,000,000;

- (15) the supplemental agreement dated 13 January 2016 entered into between Wealth Global, Beijing Advanced and Qingdao Jiahuasheng Investment Consulting Co. Ltd.# (“**Qingdao Jiahuasheng**”, 青島嘉華盛投資顧問有限公司), in relation to Qingdao Jiahuasheng taking up all the rights and obligations of Wealth Global under the Fujian Start Agreement and become the purchaser of the Fujian Start Acquisition in place of Wealth Global;
- (16) the placing agreement dated 18 January 2016 entered into between Rentian as issuer and Kingston Securities Limited as placing agent, in relation to the placing of 500,000,000 new Rentian Shares at the pricing price of HK\$0.42 per placing share;
- (17) the sale and purchase agreement dated 31 March 2016 entered into among Gauteng Focus as purchaser, Superb Fortune Limited, Glory Image International Investment Limited and Asia Shine International Limited as vendors, and Rentian, in relation to the acquisition of 51% of the issued share capital of Next Concept International Investment Limited, for a total consideration of HK\$1,101,600,000, which was settled by a combination of 1,512,000,000 consideration shares allotted and issued by Rentian at the issue price of HK\$0.51 per consideration share, the 3% promissory notes due 2017 in the aggregate principal amount of HK\$165,240,000 issued by Rentian and the 3% promissory notes due 2018 in the aggregate principal amount of HK\$165,240,000 issued by Rentian;
- (18) the placing agreement dated 9 September 2016 entered into between Rentian as issuer and AMTD Asset Management Limited as lead manager, in relation to the issue of the 5.5% secured convertible bonds due 2019 in the principal amount of up to US\$110,000,000, at the initial conversion price of HK\$0.586 per Rentian Share;
- (19) the placing agreement dated 20 January 2017 entered into between Rentian as issuer and Head & Shoulders Securities Limited as placing agent, in relation to the placing of (i) the four-year 6% coupon unlisted bonds (“**Bonds I**”) with an aggregate principal amount of up to HK\$300,000,000 (including the principal amounts of Bonds II and Bonds III); the five-year 6% coupon unlisted bonds (“**Bonds II**”) with an aggregate principal amount of up to HK\$300,000,000 (including the principal amounts of Bonds I and Bonds III); and the seven-year 6% coupon unlisted bonds (“**Bonds III**”) with an aggregate principal amount of up to HK\$300,000,000 (including the principal amounts of Bonds I and Bonds II);

in respect of the ED Group

- (20) the acquisition agreement dated 16 February 2015 entered into among APEX CENTER LIMITED, a wholly-owned subsidiary of Enterprise Development, as purchaser, GLOSS RISE LIMITED and Mr. Chu Wai Kit as vendors, Enterprise Development, and Gravitas Group Limited (“**Gravitas**”), in relation to the acquisition of in aggregate 5,000 shares in Gravitas, representing the entire issued share capital of Gravitas, for a total consideration of HK\$200,000,000, which was settled by the combination of the three-year 6% promissory notes in the aggregate amount of HK\$160,000,000 issued by Enterprise Development, and the 307,692,307 consideration shares allotted and issued by Enterprise Development at the issue price of HK\$0.13 per consideration share;
- (21) the placing agreement dated 28 May 2015 entered into between Enterprise Development as issuer and China Rise Securities Asset Management Company Limited as placing agent, in relation to the placing of up to 485,700,000 new ED Shares at the pricing price of HK\$0.25 per placing share;
- (22) the placing agreement dated 15 December 2015 entered into between Enterprise Development as issuer and China Rise Securities Asset Management Company Limited as placing agent, in relation to the placing of up to 580,450,000 new ED Shares at the pricing price of HK\$0.098 per placing share;
- (23) the placing agreement dated 6 April 2016 entered into between Enterprise Development as issuer and China Rise Securities Asset Management Company Limited as placing agent, in relation to the placing of up to 696,540,000 new ED Shares at the pricing price of HK\$0.057 per placing share;
- (24) the acquisition agreement dated 9 May 2016 entered into between Fine Time Global Limited (“**Fine Time Global**”), a direct wholly-owned subsidiary of Enterprise Development, as purchaser, and Wisdom Master Investment Limited (“**Wisdom Master**”) as vendor, in relation to the acquisition of 28 shares in All Treasure International Industrial Limited (“**All Treasure**”), representing 28% of the entire issued share capital of All Treasure, for a consideration of HK\$71,706,600, which was settled by the combination of cash in the amount of HK\$21,706,600 and the three-year 6% promissory notes in the principal amount of HK\$50,000,000 issued by Enterprise Development;

- (25) the shareholders' agreement dated 9 May 2016 entered into among Fine Time Global, Wisdom Master and All Treasure, in relation to the regulation of the respective rights and obligations of the shareholders of All Treasure and the arrangements between them and All Treasure and amongst themselves with respect to the ownership, management and operations of All Treasure;
- (26) the loan agreement dated 5 September 2016 and entered into between Enterprise Development as lender, and All Treasure as borrower, in relation to the grant of a 180-day loan in the principal amount of HK\$12,000,000 at an interest rate of 12% per annum;
- (27) the investment agreement dated 15 September 2015 entered into among Lofty Swan Investments Limited ("**Lofty Swan**"), a wholly-owned subsidiary of Enterprise Development, some of the then shareholders (the "**HEC Shareholders**") of HEC Capital Limited ("**HEC**") and Joint Global Limited ("**Joint Global**"), in relation to the disposal of 281,200,000 shares in HEC, representing 26.96% of the issued share capital of HEC at the material time, by Lofty Swan and the HEC Shareholders to Joint Global, in exchange for 281,200,000 shares in Joint Global to be allotted and issued by Joint Global to Lofty Swan and the HEC Shareholders in proportion to their respective equity interests in HEC; and
- (28) the placing agreement dated 30 November 2016 entered into between Enterprise Development as issuer and Get Nice Securities Limited as placing agent, in relation to the placing of up to 83,584,000 new ED Shares at the pricing price of HK\$0.65 per placing share.

10. CORPORATE INFORMATION OF THE RENTIAN GROUP

Registered office	P. O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Principal place of business in Hong Kong	Suites 2001 & 2002 AIA Central 1 Connaught Road Central Hong Kong

Hong Kong branch share registrar and transfer office	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Company secretary	Mr. Wong Kwok San <i>(member of the Hong Kong Institute of Certified Public Accountants)</i>

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of Rentian at Suites 2001 & 2002, AIA Central, 1 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum of association and the articles of association of Rentian;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 29 to 30 of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out from pages 31 to 77 of this circular;
- (d) the annual reports of Rentian for the three years ended 31 December 2013, 2014 and 2015 and the interim report for the six months ended 30 June 2016;
- (e) the written consent(s) referred to in the paragraph headed "7. Expert and consent" in this appendix;
- (f) the material contracts (in respect of the Rentian Group) referred to in the paragraph headed "9. Material contracts" in this appendix; and
- (g) this circular.

NOTICE OF EGM



RENTIAN TECHNOLOGY HOLDINGS LIMITED

仁天科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00885)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Rentian Technology Holdings Limited (the “**Company**”) will be held at 14/F, Fairmott House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 13 April 2017 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the acquisition of all the outstanding shares in the issued share capital (“**ED Shares**”) of Enterprise Development Holdings Limited (Stock Code: 01808) (“**Enterprise Development**”) (other than those ED Shares already owned by Luck Success Development Limited (the “**Offeror**”), a wholly-owned subsidiary of the Company, and parties acting in concert with it) by way of a conditional cash offer (the “**Offer**”) pursuant to the Codes on Takeovers and Mergers (the “**Takeovers Code**”) by Kingston Securities Limited for and on behalf of the Offeror for a total cash consideration payable by the Offeror of up to HK\$364,693,482 up to 31 August 2017, the details of which are set out in the circular of the Company dated 27 March 2017, and all transactions contemplated thereunder, be and are hereby approved; and
- (b) any director of the Company (“**Director(s)**”) be and is hereby authorised to do such acts and things, to sign and execute all such further documents and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with, the implementation of and giving effect to the Offer, and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

* For identification purpose only

NOTICE OF EGM

2. “**THAT** to re-elect Mr. Huang Xin as an independent non-executive Director.”

By order of the board of directors of
Rentian Technology Holdings Limited
Choi Chi Fai
Executive Director

Hong Kong, 27 March 2017

Registered office:

P. O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head office and principal place

of business in Hong Kong:
Suites 2001 & 2002
AIA Central
1 Connaught Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and to vote in his stead in accordance with the articles of association of the Company. A proxy need not to be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of the members of the Company.
3. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time for holding the above meeting or any adjournment thereof.
4. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the above meeting and in such event, the form of proxy shall be deemed to be revoked.
5. The register of members of the Company will not be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the forthcoming EGM to be held on Thursday, 13 April 2017 at 11:00 a.m.. However, in order to qualify for attending and voting at the forthcoming EGM, all transfers documents accompanied by the relevant share certificates must be deposited with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 April 2017.

NOTICE OF EGM

6. The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.
7. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:30 a.m. and before the above meeting time, the meeting will be postponed. The Company will post an announcement on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company’s website (<http://www.rentiantech.com>) to notify shareholders of the date, time and place of the rescheduled meeting

As at the date of this notice, the board of Directors consists of three executive Directors, namely Ms. Yang Xiaoying (Chief Executive Officer), Mr. Tsang To and Mr. Choi Chi Fai; and three independent non-executive Directors, namely Mr. Zhang Xiaoman, Mr. Chin Hon Siang and Mr. Huang Xin.