ENM Holdings Limited

(incorporated in Hong Kong with limited liability)
(stock code: 128)

Results Announcement for the Year Ended 31 December 2006

The Board of Directors (the "Board") of ENM Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2006.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2006
(Expressed in Hong Kong dollars)

	Notes	**2006** **$'000**	2005 $'000
REVENUE	2	**227,206**	242,536
Cost of sales		**(97,521)**	(110,221)
Gross profit		**129,685**	132,315
Other income and gains	3	**5,103**	5,859
Selling and distribution costs		**(72,231)**	(68,359)
Administrative expenses		**(66,200)**	(74,041)
Other operating income, net		**2,509**	16,631
Fair value change/write-back of deficits on revaluation of properties		**12,545**	6,397
Finance costs	4	**(1,077)**	(969)
Share of profits and losses of associates		**(2,852)**	(2,883)
PROFIT BEFORE TAX	5	**7,482**	14,950
Tax	6	**—**	43
PROFIT FOR THE YEAR		**7,482**	14,993
Attributable to:			
Equity holders of the Company		**12,047**	10,923
Minority interests		**(4,565)**	4,070
		7,482	14,993
DIVIDENDS		**Nil**	Nil
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
- Basic		**0.73 cents**	0.66 cents
- Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
As at 31 December 2006
(Expressed in Hong Kong dollars)

	Notes	**2006**	2005
		$'000	*$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**84,638**	80,326
Investment properties		**123,900**	109,700
Prepaid land premiums		**3,063**	3,140
Goodwill		**6,610**	6,610
Interests in jointly-controlled entities		**—**	—
Interests in associates		**20,511**	17,348
Available-for-sale equity investments		**35,503**	35,503
Total non-current assets		**274,225**	252,627
CURRENT ASSETS			
Inventories		**37,481**	34,920
Trade receivables	8	**8,701**	7,105
Prepayments, deposits and other receivables		**33,267**	37,407
Prepaid land premiums		**77**	77
Equity investments at fair value through profit or loss		**154,612**	148,736
Derivative financial instruments		**104**	—
Pledged deposits		**342**	342
Time deposits		**495,074**	515,379
Cash and bank balances		**27,148**	29,246
Total current assets		**756,806**	773,212
CURRENT LIABILITIES			
Trade and other payables	9	**47,662**	55,270
Interest-bearing bank and other borrowings		**9,268**	3,978
Current portion of debentures		**4,102**	1,684
Other loans		**5,304**	5,230
Tax payable		**5,497**	5,497
Total current liabilities		**71,833**	71,659
NET CURRENT ASSETS		**684,973**	701,553
TOTAL ASSETS LESS CURRENT LIABILITIES		**959,198**	954,180

	2006	2005
	$'000	*$'000*
NON-CURRENT LIABILITIES		
Debentures	**3,754**	6,673
Interest-bearing bank and other borrowings	**206**	297
Deferred revenue	**25,821**	27,868
Total non-current liabilities	**29,781**	34,838
Net assets	**929,417**	919,342
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**16,507**	16,507
Reserves	**885,397**	871,428
	901,904	887,935
Minority interests	**27,513**	31,407
Total equity	**929,417**	919,342

Notes:

1 **Basis of preparation and application of new and revised Hong Kong Financial Reporting Standards**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain leasehold land and buildings, equity investments and derivative financial instruments which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 27 Amendment	Consolidated and Separate Financial Statements: Amendments as a consequence of the Companies (Amendment) Ordinance 2005
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)—Int 4	Determining whether an Arrangement contains a Lease

The principal changes in accounting policies are as follows:

(a) *HKAS 21 The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on the financial statements as at 31 December 2006 or 31 December 2005.

(b) *HKAS 27 Consolidated and Separate Financial Statements*

The adoption of the revised HKAS 27 has resulted in a change in accounting policy relating to the definition of a subsidiary for the purpose of the consolidated financial statements. This change has had no material impact on the financial statements.

(c) *HKAS 39 Financial Instruments: Recognition and Measurement*

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue. The adoption of this amendment has had no material impact on the financial statements.

(ii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

(iii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on the financial statements.

(d) *HK(IFRIC)—Int 4 Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on the financial statements.

2 **Revenue and segmental information**

An analysis of the Group's revenue and results by the Group's business segments and an analysis of the Group's revenue by the Group's geographical segments are as follows:

(a) *Business segments*

	Group revenue		**Contribution to profit before tax**	
	2006	2005	**2006**	2005
	$'000	*$'000*	***$'000***	*$'000*
Wholesale and retail of fashion wear and accessories	**174,710**	195,467	**(11,039)**	10,662
Telecommunications operations	**2,985**	4,630	**(3,397)**	5,360
Resort and recreational club operations	**19,268**	19,127	**3,725**	(113)
Investments and treasury	**30,243**	23,312	**11,618**	(906)
	227,206	242,536	**907**	15,003
Unallocated expenses			**(2,041)**	(2,598)
Fair value change/write-back of deficits on revaluation of:				
Investment properties			**9,982**	3,785
Resort and recreational club properties			**2,563**	2,612
Finance costs			**(1,077)**	(969)
Share of profits and losses of associates			**(2,852)**	(2,883)
Profit before tax			**7,482**	14,950
Tax			**—**	43
Profit for the year			**7,482**	14,993

(b) *Geographical segments*

	Group revenue	
	2006	2005
	$'000	*$'000*
Hong Kong	**224,132**	237,809
Mainland China	**3,070**	3,675
Other Asia Pacific regions	**4**	629
Others	**—**	423
	227,206	242,536

3 **Other income and gains**

An analysis of other income and gains is as follows:

	2006	2005
	$'000	*$'000*
Rental income	**455**	529
Management fees	**1,833**	3,463
Others	**2,815**	1,867
	5,103	5,859

4 **Finance costs**

	2006	2005
	$'000	*$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**704**	597
Interest on a finance lease	**14**	10
Accretion of interest on debentures	**359**	362
	1,077	969

5 **Profit before tax**

The Group's profit before tax is arrived at after charging/(crediting):

	2006	2005
	$'000	*$'000*
Cost of inventories sold	**97,272**	108,109
Amortisation of deferred revenue	**(1,852)**	(400)
Recognition of prepaid land premiums	**77**	77
Depreciation	**8,944**	7,795
Dividend income from listed investments	**(4,765)**	(4,182)
Interest income	**(25,478)**	(19,130)
Exchange gains, net	**(8,791)**	(8,637)
Loss/(gain) on disposal of items of property, plant and equipment	**66**	(29)
Fair value losses/(gains), net:		
Available-for-sale investments (transfer from equity)	**—**	783
Equity investments at fair value through profit or loss	**757**	4,169
Derivative instruments — transactions not qualifying as hedges	**(104)**	—
Impairment of other receivables	**4,480**	1,936
Impairment of items of property, plant and equipment	**—**	242

6 **Tax**

No provision for Hong Kong profits tax and overseas income tax has been made for the year ended 31 December 2006 (2005: Nil) as the Company and its subsidiaries either did not generate any assessable profits for the year or have available tax losses brought forward from prior years to offset against any assessable profits generated during the year.

	2006	2005
	$'000	*$'000*
Group:		
Current — Hong Kong		
Underprovision in prior years	**—**	7
Current — Overseas		
Overprovision in prior years	**—**	(50)
Total tax credit for the year	**—**	(43)

7 **Earnings per share attributable to ordinary equity holders of the Company**

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of $12,047,000 (2005: $10,923,000), and the weighted average number of ordinary shares in issue during the year of 1,650,658,676 (2005: 1,650,658,676).

Diluted earnings per share amounts for the years ended 31 December 2006 and 2005 have not been disclosed as no diluting events existed during these years.

8 **Trade receivables**

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by management.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

	Group	
	2006	2005
	$'000	*$'000*
Within 1 month	**5,847**	4,347
2 to 3 months	**290**	232
Over 3 months	**2,564**	2,526
	8,701	7,105

9 **Trades and other payables**

All trade and other payables of the Group are unsecured, interest-free and repayable within one month or on demand.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2006 (2005: HK$Nil).

CHIEF EXECUTIVE'S STATEMENT

FINANCIAL REVIEW

For the year under review, the Group reported a turnover of HK$227,206,000 (2005: HK$242,536,000) which represents a decrease of 6% compared to 2005. Consolidated profit attributable to equity holders of the Company amounted to HK$12,047,000 (2005: HK$10,923,000) which represents a 10% increase compared to last year. Earnings per share was HK0.73 cents (2005: HK0.66 cents).

LIQUIDITY AND FINANCIAL POSITION

On 31 December 2006, the Group was in a solid financial position with cash and deposit holdings of HK$522,222,000 (2005: HK$544,625,000). On 31 December 2006, total borrowings stood at HK$22,634,000 (2005: HK$17,862,000) with HK$18,674,000 (2005: HK$10,892,000) of repayments falling due within one year. The Group's gearing ratio (a comparison of total borrowings with equity attributable to equity holders of the Company) was 2.5% at the year end date (2005: 2%). The current ratio on 31 December 2006 was 10.5 times (2005: 10.8 times).

On 31 December 2006, the Group's borrowings and bank balances were primarily denominated in Hong Kong dollars and United States dollars. Exchange differences were reflected in the audited financial statements. All borrowings of the Group are either on a floating rate basis or interest free.

The Group's imported purchases are mainly denominated in Euros and United States dollars. The Group will from time to time review its foreign exchange position and market conditions to determine if any hedging is required.

BUSINESS REVIEW

RESORT AND RECREATIONAL CLUB OPERATIONS

VivaSha Club Resort ("VivaSha")

VivaSha, comprised of a 4-star Hotel Building with 320 rooms, a Clubhouse Building and an International Convention Center, has performed satisfactorily since its soft opening at the end of March 2006. A total of 21 new facilities including the Tepanyake Restaurant, the Tea Salon, and the piano bar have been added or modified to further enrich the attractions of the project. In addition, 2,000 new households will move into new residential properties nearby in 2007; Management believe this will have a positive impact on Clubhouse business.

Hong Kong Hilltop Country Club ("Club")

Although the effect of Disneyland and the individual travelling program is cooling down, the Club's revenues for 2006 continue to be steady as the Club focuses on its target customers. In 2007, Management expect the 10th anniversary celebration of the establishment of HKSAR to attract more tourism from China and overseas which will further improve the Club's business.

The transitional changes in the Tsuen Wan area have affected the Club's turnover. Many traditional club members such as owners and senior management of manufacturing enterprises have moved out of the district and cut down their number of visits to the club house. However, an increasing number of middle class residents have moved to the Tsuen Wan area in recent years. The Club has been upgrading its facilities with new modern equipment, introducing innovative promotion programs and maintaining good customer service to attract this new segment of potential customers, as well as to strengthen the loyalty of our existing club members.

TELECOMMUNICATIONS & TECHNOLOGIES

SinoPay.com Holdings Limited ("SinoPay")

SinoPay's main business is providing B2C electronic payment and Intra-bank fund transfer solution services in the PRC through its Joint Venture with China UnionPay, Chinapay e-Payment Service Ltd ("the JV") in Shanghai. In order to diversify its income contribution sources, Chinapay e-Payment Services Ltd has developed an on-line mutual fund trading platform in recent years and the result has been satisfactory.

Due to unforeseen circumstances, the proposed merger between Chinapay e-Payment Service Ltd and Easylink, a counterpart of the JV in Guangdong, has been temporarily suspended. However, the suspension of the proposed merger will not adversely affect the daily operation and business development of the JV. Its annual turnover increased by 150% to RMB47,600,000 with a net profit of RMB9,800,000 in 2006.

Beijing Smartdot Technologies Co. Ltd. ("Smartdot")

Smartdot is engaged in the development of software and solution projects in China. Its core businesses are e-government projects and office automation.

Despite increasing competition in the software market in the PRC, Smartdot still reported steady growth in 2006. Its annual turnover increased by 14% to RMB88,000,000 and the net profit increased by 22.6% to RMB8,070,000. In order to diversify its income contribution sources in 2007, Smartdot will focus on (1) the distribution business of WBCR, an IBM software product for business flow and control management mainly for listed companies in the United States and (2) developing a new office automation software package for small to medium sized companies, as well as strengthening its core business of e-government projects and office automation system for large enterprises.

Wireless Network Card Business

Shanghai ENM Telecom & Technology Limited has developed solid business collaborations with China Mobile and China Unicom to market mobile internet access services in Shanghai. The wireless internet access market is growing steadily in China as more customers recognise the benefits of this service. Management continues to look for opportunities to promote other telecommunication products with telecom operators under a similar cooperation model with China Unicom.

RETAIL FASHION

The Swank Shop Limited ("Swank")

A number of shops were closed due to the expiration of leases in the first quarter and could only be reopened in new locations in the third quarter, thus affecting Swank's first six months' sales turnover. The relocated shop in Pacific Place incorporates both men's and ladies' wear. The new shop in Harbour City is for men only which complements the existing Swank ladies' wear nearby.

The new shop network reflects our strategy of targeting the upscale market in strategic locations in Hong Kong and Kowloon. Sales volume in the second half of the year returned to satisfactory levels.

BIO-MEDICAL

Genovate Biotechnology Company Limited ("Genovate")

Genovate is a fully integrated pharmaceutical company which encompasses within its operation: new drug development and new formulation capability, clinical trials for local and international pharmaceutical companies, drug manufacturing, drug marketing and distribution in Taiwan and the region.

Genovate's two major new drug products - Urotrol for urinary incontinence and Diabetrol Slow Release ("SR") for the anti-diabetic market, have achieved increasing market acceptance. In 2006, Genovate had five other new drug products approved for marketing in Taiwan and three approved in Vietnam.

In the field of new drug development, Genovate has research programs in collaboration with government institutes including the Industrial Technology Research Institute (ITRI) of Taiwan and the National Health Research Institute (NHRI). Genovate also collaborates with BioKey, a US specialty pharmaceutical company, to co-develop new drug products. Genovate's product pipeline, focused on anticancer and metabolic disorders, will be further strengthened once these research programs reach the clinical development stage.

The merger plan between Genovate and Ocean Bright Co., Ltd. ("OB") was originally approved by both companies' shareholders in June 2006. However, due to changes in market conditions and more stringent regulations by the Taiwan GreTai Securities Market, Genovate and OB were required to re-negotiate the share exchange ratio but were unable to reach agreement. The merger plan has therefore been terminated but Genovate and OB will continue their business partnership.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Code Provisions of the Code on Corporate Governance Practices (the " CG Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2006, except for the deviations in respect of the service term and the rotation of Directors under Code Provisions A.4.1 and A.4.2 of the CG Code.

Under Code Provision A.4.1 of the CG Code, Non-executive Directors should be appointed for a specific term and subject to re-election. None of the existing Non-executive and Independent Non-executive Directors of the Company is appointed for a specific term. However, all of the Non-executive and Independent Non-executive Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

Under Code Provision A.4.2 of the CG Code, all Directors appointed to fill casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In order to comply with the Code Provision A.4.2 of the CG Code, relevant amendments to the Articles of Association of the Company were proposed and approved by the shareholders at the Annual General Meeting of the Company held on 2 June 2006. Code provision A.4.2 of the CG Code has been fully complied with thereafter.

REVIEW BY AUDIT COMMITTEE

The Company's consolidated results for the year ended 31 December 2006 have been reviewed by the Audit Committee of the Company. The Audit Committee comprises one Non-Executive Director, Mr. Raymond Wai Pun LAU and three Independent Non-executive Directors, namely Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN and Mr. Ian Grant ROBINSON.

BOARD OF DIRECTORS

As at the date of this announcement, the Executive Directors of the Company are Mr. Joseph Wing Kong LEUNG (Chairman), Mr. James C. NG (Chief Executive Officer), Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG; the Non-executive Director of the Company is Mr. Raymond Wai Pun LAU; and the Independent Non-executive Directors of the Company are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN and Mr. Ian Grant ROBINSON.

By order of the Board
James C. Ng
Chief Executive

Hong Kong, 23 April 2007

Please also refer to the published version of this announcement in The Standard.