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*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.*



**ENM Holdings Limited**  
**安寧控股有限公司**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 128)

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF INTEREST IN AN ASSOCIATED COMPANY**

On 17 December 2007, Lion Dragon, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement to dispose to Jiangxiaodan 10% of the equity interest in Smartdot at a consideration of RMB12,000,000 (equivalent to approximately HK\$12,720,000) to be satisfied wholly in cash by instalments.

The consideration is determined by reference to (i) the net assets of approximately RMB59,003,000 (equivalent to approximately HK\$62,543,000) of Smartdot as at 31 December 2006; and (ii) the net loss before taxation of approximately RMB5,742,000 (equivalent to approximately HK\$6,087,000) of Smartdot as per its latest management accounts for the ten months ended 31 October 2007.

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing details of the Disposal will be despatched to the Shareholders as soon as practicable.

**THE SHARE TRANSFER AGREEMENT DATED 17 DECEMBER 2007**

**Parties:-**

Vendor: Lion Dragon Limited, a wholly-owned subsidiary of the Company

Purchaser: Jiangxiaodan, a PRC resident

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) save and except being a shareholder of Smartdot holding approximately 20% equity interest of Smartdot, the Purchaser is a third party independent of the Company and its connected persons and is not a connected person of the Company and (ii) there was no previous transaction(s) between the Company and the Purchaser which may require aggregation under Rule 14.22 of the Listing Rules.

### **Asset to be disposed**

Pursuant to the Share Transfer Agreement, Lion Dragon agrees to sell to the Purchaser and the Purchaser agrees to purchase from Lion Dragon 10% of the equity interest in Smartdot at the Consideration.

### **Consideration and payment terms**

The consideration payable by the Purchaser shall be RMB12,000,000 (equivalent to approximately HK\$12,720,000) and payable in cash in the following manner:-

- (i) RMB1,800,000 (equivalent to approximately HK\$1,908,000) to be paid within 3 days of the signing of the Share Transfer Agreement;
- (ii) RMB1,800,000 (equivalent to approximately HK\$1,908,000) to be paid within 60 days of the signing of the Share Transfer Agreement;
- (iii) RMB3,600,000 (equivalent to approximately HK\$3,816,000) to be paid within 270 days of the signing of the Share Transfer Agreement; and
- (iv) RMB4,800,000 (equivalent to approximately HK\$5,088,000) to be paid within 24 months of the signing of the Share Transfer Agreement.

If the Purchaser shall delay in payment of any instalments for more than 90 days, the Relevant Interest shall be transferred back to Lion Dragon and all instalments already paid by the Purchaser shall be retained by Lion Dragon and not refundable to the Purchaser.

The Purchaser has further executed a pledge agreement of the Relevant Interest in favour of Lion Dragon as security for his obligation under the Share Transfer Agreement.

The consideration of RMB12,000,000 (equivalent to approximately HK\$12,720,000) is determined by reference to (i) the net assets of approximately RMB59,003,000 (equivalent to approximately HK\$62,543,000) of Smartdot as at 31 December 2006; and (ii) the net loss before taxation of approximately RMB5,742,000 (equivalent to approximately HK\$6,087,000) of Smartdot as per its latest management accounts for the ten months ended 31 October 2007.

### **REASONS FOR AND BENEFITS OF ENTERING OF THE SHARE TRANSFER AGREEMENT**

The principal activities of the Company are investment holding and securities trading. The principal activities of its subsidiaries comprise the wholesale and retail of fashion wear and accessories, telecommunications operations, resort and recreational club operations, investment holding and securities trading.

Smartdot is engaged in the development of software and solution projects in the PRC. Given the prevailing keen competition in the software industry in the PRC, the Board considers that it is an appropriate time to realise part of its investment in Smartdot.

The Board considers the terms of the Share Transfer Agreement are fair and reasonable and the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

After the Disposal, Lion Dragon continues to hold a 10% equity interest in Smartdot.

### **INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL**

The net proceeds of approximately RMB12,000,000 (equivalent to approximately HK\$12,720,000) received will be used as general working capital of the Group.

The net profit before and after taxation of Smartdot for the two financial years ended 31 December 2006 are as follows:

	For the year ended 31 December 2005	For the year ended 31 December 2006
Net profit before taxation	RMB7,095,000 (equivalent to approximately HK\$7,521,000)	RMB9,320,000 (equivalent to approximately HK\$9,879,000)
Net profit after taxation	RMB6,003,000 (equivalent to approximately HK\$6,363,000)	RMB8,648,000 (equivalent to approximately HK\$9,167,000)

The carrying value of the assets to be disposed of in the audited consolidated accounts of the Company was approximately HK\$5,506,000 as at 31 December 2006. Based on the latest management accounts of Smartdot as at 31 October, 2007, an unaudited net gain from the Disposal is approximately HK\$7,447,000, being the difference between the Consideration less the carrying value of the Relevant Interest of approximately HK\$5,273,000 as at 31 October 2007. The final amount of the gain on the Disposal is to be determined with reference to the carrying value of the Relevant Interest as at completion of the Disposal.

### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company. A circular containing details of the Disposal will be despatched to the Shareholders as soon as possible.

## DEFINITIONS

The following defined terms are used in this announcement:

<b>“Smartdot”</b>	Beijing Smartdot Technologies Co. Ltd., a company incorporated in the PRC with limited liability and in which Lion Dragon has a 20% equity interest immediately prior to the Disposal
<b>“Board”</b>	the Board of Directors
<b>“Company”</b>	ENM Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange
<b>“Consideration”</b>	RMB12,000,000 (equivalent to approximately HK\$12,720,000), being the consideration for the Relevant Interest
<b>“Director”</b>	director of the Company
<b>“Disposal”</b>	the sale of the Relevant Interest to the Purchaser under the Share Transfer Agreement
<b>“Group”</b>	the Company and its subsidiaries
<b>“Lion Dragon”</b>	Lion Dragon Limited, a company incorporated in British Virgin Islands and a wholly owned subsidiary of the Company
<b>“Listing Rules”</b>	the Rules Governing the Listing of the Securities on the Stock Exchange
<b>“Purchaser”</b>	Jiangxiaodan, a PRC resident
<b>“Relevant Interest”</b>	a 10% equity interest in Smartdot
<b>“Share Transfer Agreement”</b>	the Share Transfer Agreement dated 17 December 2007 entered into between Lion Dragon and the Purchaser for the sale and purchase of the Relevant Interest
<b>“Shareholders”</b>	shareholders of the Company
<b>“Stock Exchange”</b>	the Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the Peoples' Republic of China excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong

**“RMB”**

Renminbi, the lawful currency of the PRC

An exchange rate of RMB1.00 to HK\$1.06 has been adopted in this announcement for illustration purposes.

For and on behalf of  
**ENM Holdings Limited**  
Joseph Wing Kong LEUNG  
Chairman

Hong Kong, 17 December 2007

As at the date of this announcement, the Executive Directors 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 is Mr. Raymond Wai Pun LAU, and the Independent Non-executive Directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN and Mr. Ian Grant ROBINSON.