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

If you have sold or transferred all your securities in ENM Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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**

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Company”	ENM Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB12,000,000 (equivalent to approximately HK\$12,720,000), being the consideration for the Relevant Interest
“Director”	directors of the Company
“Disposal”	the sale of the Relevant Interest to the Purchaser under the Share Transfer Agreement
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	3 January 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lion Dragon”	Lion Dragon Limited, a company incorporated in British Virgin Islands and a wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Purchaser”	Jiangxiaodan, a PRC resident
“Relevant Interest”	a 10% equity interest in Smartdot
“Share Transfer Agreement”	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
“Shareholders”	shareholders of the Company

DEFINITIONS

“Smarddot”	Beijing Smarddot 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the Peoples’ Republic of China excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

For the purpose of this circular, unless otherwise specified, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.06.

LETTER FROM THE BOARD



ENM HOLDINGS LIMITED

安寧控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 128)

Executive Directors

Mr. Joseph Wing Kong LEUNG (*Chairman*)

Mr. James C. NG (*Chief Executive Officer*)

Mr. Derek Wai Choi LEUNG

Mr. Wing Tung YEUNG

Registered office:

Suite 1502, 15th Floor

Chinachem Golden Plaza

77 Mody Road

Tsimshatsui East

Kowloon

Hong Kong

Non-executive Director

Mr. Raymond Wai Pun LAU

Independent Non-executive Directors

Dr. Cecil Sze Tsung CHAO

Dr. Jen CHEN

Mr. Ian Grant ROBINSON

7 January 2008

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

On 17 December 2007, the Board announced that 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).

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the Shareholders with further details on the Disposal and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE SHARE TRANSFER AGREEMENT

Date: 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 and has been paid as at the Latest Practicable Date;
- (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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 REQUIREMENTS

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
ENM HOLDINGS LIMITED
Joseph Wing Kong LEUNG
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts concerning the Group the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and/or their associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Company's issued shares

Name of Director	Number of shares held through a controlled corporation	Percentage of the Company's issued share capital
Mr. Joseph Wing Kong LEUNG	200,000	0.012%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or (b) were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or (c) as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company.

(b) Interests of Shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, based on the register of interest kept by the Company under Section 336 of the SFO the following are persons (other than a Director or chief executive of the Company) who had, or were deemed to have, an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long position in the Company's issued shares

Name	Direct interests	Indirect interests	Number of shares held	Percentage of the Company's issued share capital
Diamond Leaf Limited	162,216,503	—	162,216,503	9.8%
Solution Bridge Limited	408,757,642	—	408,757,642	24.8%
Ms. Nina KUNG (deceased) <i>(note)</i>	—	570,974,145	570,974,145	34.6%

Note: The interest disclosed under Ms. Nina KUNG (deceased) represents her deemed interests in the shares of the Company by virtue of her interests in Diamond Leaf Limited and Solution Bridge Limited.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at the Latest Practicable Date, had, or deemed to have, an interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

(c) Directors' interest in competing business

As at the Latest Practicable Date, in so far as the Directors were aware, none of the Directors or their respective associates were interested in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(d) **Other interests**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been since 31 December 2006 (being the date to which the latest published audited accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

3. CLAIMS AND LITIGATIONS

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. MISCELLANEOUS

- (i) The qualified accountant of the Company is Mr. Victor Yiu Keung CHIANG. He is an associate member of The Institute of Chartered Accountants in England & Wales, and a fellow member of Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Chiang is also a Certified Public Accountant practising in Hong Kong.
- (ii) The Company Secretary of the Company is Ms. Pui Man CHENG. She is a fellow member of The Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. She is also a member of Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (iii) The registered office of the Company is at Suite 1502, 15th Floor, Chinachem Golden Plaza, 77 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.
- (iv) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Ltd at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (v) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.