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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)**

**MAJOR AND CONNECTED TRANSACTION  
ACQUISITION OF 40% INTEREST IN KENMURE LIMITED  
AND RESUMPTION OF TRADING**

The directors of the Company announce that e-Media (Asia), a wholly owned subsidiary of the Company, after trading hours on 21 January 2008, entered into (i) the Apex Agreement with Apex and (ii) the Kosin Agreement with Kosin respectively to acquire from Apex and Kosin 30% and 10% of the shareholding in Kenmure respectively.

Kenmure is a subsidiary of the Group in which e-Media (Asia) holds a 60% shareholding. The balance of the shareholding is held as to 30% by Apex and 10% by Kosin.

Completion of the Apex Acquisition and the Kosin Acquisition is not inter-conditional. Upon completion of both the Apex Agreement and the Kosin Agreement, Kenmure will become an indirect wholly-owned subsidiary of the Company.

Apex, by virtue of it being a 30% shareholder of Kenmure, is a connected person of the Company and the Apex Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

Kosin, by virtue of it being a 10% shareholder of Kenmure, is a connected person of the Company and the Kosin Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

The Apex Agreement and the Kosin Agreement (in aggregate) constitute a major transaction under Chapter 14 of the Listing Rules.

A circular setting out details of the Share Purchase Agreements, the recommendation of the independent board committee of the Company on the Share Purchase Agreements, a letter of advice from the independent financial adviser on the terms of the Share Purchase Agreements together with the notice convening the EGM will be sent to the shareholders of the Company as soon as practicable.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 22 January 2008 pending the release of this announcement. Application has been made by the Company for the resumption of trading in its Shares with effect from 9:30 a.m. on 23 January 2008.

## **The Share Purchase Agreements**

### **Date:**

21 January 2008

### **Parties:**

Vendors: (1) In respect of the Apex Acquisition:

Apex, a company incorporated in the British Virgin Islands. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Apex is an investment holding company.

(2) In respect of the Kosin Acquisition:

Kosin, a company incorporated in Republic of Liberia. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kosin is an investment holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, neither Apex, Kosin nor any of their respective associates has any shareholding interest in the Company.

Purchaser: e-Media (Asia), a wholly owned subsidiary of the Company.

There was no previous transaction(s) between the Company, the Purchaser and each of the Vendors which may require aggregation under Rule 14A.25 of the Listing Rules.

### **Assets to be acquired**

In respect of the Apex Acquisition:

Pursuant to the Apex Agreement, Apex agrees to sell and e-Media (Asia) agrees to purchase 16,500,000 shares of, representing 30% of the shareholding in, Kenmure.

In respect of the Kosin Acquisition:

Pursuant to the Kosin Agreement, Kosin agrees to sell and e-Media (Asia) agrees to purchase 5,500,000 shares of, representing 10% of the shareholding in, Kenmure.

### **Consideration**

In respect of the Apex Acquisition:

The Apex Consideration shall be HK\$16,500,000 which is payable in cash in the following manner:

- (i) a deposit of HK\$1,650,000, being 10% of the Apex Consideration, has been paid by e-Media (Asia) to Apex's solicitors as escrow agent upon signing of the Apex Agreement; and
- (ii) HK\$14,850,000, being the balance of the Apex Consideration, shall be paid to Apex upon Completion.

In respect of the Kosin Acquisition:

The Kosin Consideration shall be HK\$5,500,000 which is payable in cash in the following manner:

- (i) a deposit of HK\$550,000, being 10% of the Kosin Consideration, has been paid by e-Media (Asia) to Kosin's solicitors as escrow agent upon signing of the Kosin Agreement; and
- (ii) HK\$4,950,000, being the balance of the Kosin Consideration, shall be paid to Kosin upon Completion.

If e-Media (Asia) defaults in completion of a Share Purchase Agreement, the relevant deposit and all interests accrued thereon will be liable to be forfeited by Apex, or as the case may be, Kosin. On the other hand, if Apex or Kosin shall default in completion of the relevant Share Purchase Agreement, e-Media (Asia) shall have the option to require specific performance or to rescind the relevant Share Purchase Agreement in which event the relevant deposit and all interests accrued thereon shall be refunded to e-Media (Asia) and without prejudice to its right to claim further damages against the defaulting party.

Both the Apex Consideration and the Kosin Consideration were agreed between the respective parties based on arm's length negotiations and by reference to the audited net asset value of Kenmure of HK\$90,106,000 as at 31 December 2006 and the unaudited net asset value of Kenmure of HK\$85,257,000 as at 30 June 2007 prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

Both the Apex Consideration and the Kosin Consideration will be paid out of the internal resources of the Group.

### **Conditions of the Share Purchase Agreements**

Each of the Share Purchase Agreements is conditional upon, inter alia:

- (i) the delivery by vendor to e-Media (Asia) of a legal opinion issued by a law firm of its place of incorporation acceptable to e-Media (Asia) confirming that (i) it has been duly incorporated and is in good standing; and (ii) the Share Purchase Agreement has been duly executed by the vendor and is valid, binding and enforceable against it in accordance with the terms thereof, such legal opinion to be in form and substance to the satisfaction of e-Media (Asia);
- (ii) approval by the shareholders (or independent shareholders, if required) of the Company of the acquisition of the Apex Shares and the Kosin Shares by e-Media (Asia) and all other transactions contemplated under the respective Share Purchase Agreements, (if required) at a general meeting of the Company, in compliance with the requirements of the Listing Rules; and
- (iii) the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities which requires compliance at any time prior to Completion in relation to the transactions contemplated under the respective Share Purchase Agreements.

e-Media (Asia) may at its absolute discretion waive in writing the condition (i) mentioned above. If any of the above conditions (i) to (iii) shall not have been fulfilled in full (or, where applicable, waived by e-Media (Asia) in writing) on or before the Long Stop Date, then the rights and obligations of the parties under the relevant Share Purchase Agreements shall lapse and be of no further effect except for antecedent breach and the deposits paid and all interests accrued thereon shall be refunded to e-Media (Asia). As at the date of this announcement, none of the above conditions has been fulfilled.

## **Kenmure**

Kenmure is a company incorporated in Hong Kong and a subsidiary of the Group in which e-Media (Asia) holds a 60% shareholding and Kenmure's accounts have already been consolidated into the Company's accounts. The balance of the shareholding is held as to 30% by Apex and 10% by Kosin.

Kenmure is an investment holding company, holding the entire issued share capital of The Swank Shop Limited and Christabel Trading Co. Limited, which carry out the business of the retail and wholesale of fashion wear and accessories.

The audited results of Kenmure for the two years ended 31 December 2005 and 31 December 2006 and its net asset value as at 31 December 2005 and 31 December 2006, were as follows:

	<b>Year ended</b> <b>31 Dec 2005</b> <i>HK\$</i>	<b>Year ended</b> <b>31 Dec 2006</b> <i>HK\$</i>
Net Profit/(Loss)	<u>10,184,000</u>	<u>(11,589,000)</u>
	<b>As at</b> <b>31 Dec 2005</b> <i>HK\$</i>	<b>As at</b> <b>31 Dec 2006</b> <i>HK\$</i>
Net assets value	<u>100,018,000</u>	<u>90,106,000</u>

## **Reasons and benefits of the transactions**

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.

The Company currently holds 60% of Kenmure. Upon completion, the Company will hold 100% of Kenmure and the Kenmure's accounts will be fully consolidated into the Company's accounts. This will facilitate business strategies and further capitalisation of Kenmure if and when required.

The Directors (other than the independent non-executive Directors) are of the view that the terms of the Share Purchase Agreements are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The independent non-executive Directors will form a view on the Share Purchase Agreements once they receive the advice from the independent financial advisor.

Completion of the Apex Acquisition and the Kosin Acquisition is not inter-conditional with each other. Upon completion of both the Apex Agreement and the Kosin Agreement, Kenmure will become an indirect wholly-owned subsidiary of the Company.

### **Information on the Company**

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.

### **General**

Apex, by virtue of it being a 30% shareholder of Kenmure, is a connected person of the Company and the Apex Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

Kosin, by virtue of it being a 10% shareholder of Kenmure, is a connected person of the Company and the Kosin Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

The Apex Agreement and the Kosin Agreement (in aggregate) constitute a major transaction under Chapter 14 of the Listing Rules.

An independent board committee consisting of all the independent non-executive directors of the Company has been formed to advise the Independent Shareholders in respect of the Share Purchase Agreements. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in respect of the terms of the Share Purchase Agreements.

A circular of the Company, which will include, among other things, details of the Share Purchase Agreements, the recommendation of the independent board committee on the Share Purchase Agreements and a letter of advice from an independent financial adviser on the terms of the Share Purchase Agreements, together with the notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

### **Suspension and resumption of trading in the Shares**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect on 22 January 2008 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 January 2008.

### **DEFINITIONS**

“Apex”	Apex Ocean Investments Limited, a company incorporated in the British Virgin Islands, which holds 30% of the issued share capital of Kenmure
“Apex Agreement”	the Share Purchase Agreement entered into between Apex and e-Media (Asia) dated 21 January 2008
“Apex Acquisition”	the proposed acquisition of the Apex Shares
“Apex Consideration”	the consideration payable by e-Media (Asia) for the purchase of Apex Shares
“Apex Shares”	16,500,000 shares in Kenmure, representing 30% of the entire issued share capital of Kenmure
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Company” or “ENM Holdings”	ENM Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Board”	the board of Directors

“e-Media (Asia)”	e-Media (Asia) Limited, a company incorporated in the Cayman Islands, a wholly owned subsidiary of the Company
“Kosin”	Kosin Limited, a company incorporated in Republic of Liberia, which holds 10% of the issued share capital of Kenmure
“Kosin Agreement”	the Share Purchase Agreement entered into between Kosin and e-Media (Asia) dated 21 January 2008
“Kosin Acquisition”	the proposed acquisition of the Kosin Shares
“Kosin Consideration”	the consideration payable by e-Media (Asia) for the purchase of the Kosin Shares
“Kosin Shares”	5,500,000 shares in Kenmure, representing 10% of the entire issued share capital of Kenmure
“Completion”	completion of the Share Purchase Agreement(s)
“Kenmure”	Kenmure Limited, a company incorporated in Hong Kong with limited liability, a 60% held subsidiary of the Group
“Group”	ENM Holdings Limited and its subsidiaries
“Independent Shareholders”	Shareholders of ENM Holdings Limited other than Apex and Kosin and their associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 4 months after the date of the respective Share Purchase Agreement or such other date as the parties to the relevant Share Purchase Agreement may agree in writing
“EGM”	an extraordinary general meeting of the Company to be convened, to consider and, if thought fit, approve by the shareholders (or when required, the Independent Shareholders) of the Company, the Share Purchase Agreements
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holders of the Shares

“Share Purchase Agreements”	the share transfer agreements entered into (1) between Apex and e-Media (Asia) dated 21 January 2008 relating to the sale and purchase of the Apex Shares, and (2) between Kosin and e-Media (Asia) dated 21 January 2008 relating to the sale and purchase of the Kosin Shares and “Share Purchase Agreement” shall mean either one of them
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**ENM Holdings Limited**  
**Joseph Wing Kong LEUNG**  
*Chairman*

Hong Kong, 22 January 2008

*As at the date of this announcement, the Directors are as follows:*

*Executive directors:*

Mr. Joseph Wing Kong LEUNG (*Chairman*)  
Mr. James C. NG (*Chief Executive Officer*)  
Mr. Derek Wai Choi LEUNG  
Mr. Wing Tung YEUNG

*Non-executive director:*

Mr. Raymond Wai Pun LAU

*Independent non-executive directors:*

Dr. Cecil Sze Tsung CHAO  
Dr. Jen CHEN  
Mr. Ian Grant ROBINSON