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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 SMARTDOT**

The Board announces that after trading hours of the Stock Exchange on 16 January 2012, Lion Dragon, a wholly-owned subsidiary of the Company, entered into the Disposal Agreements whereby Lion Dragon agreed to dispose to WXF and Mr. Jiang respectively 5.39% and 3.56% equity interest in Smartdot at the consideration of RMB10,802,450 (equivalent to approximately HK\$13,179,000) and RMB7,125,000 (equivalent to approximately HK\$8,693,000) respectively.

The Disposal Agreements, in aggregate, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hours of the Stock Exchange on 16 January 2012, Lion Dragon, a wholly-owned subsidiary of the Company, entered into the First Disposal Agreement with WXF and the Second Disposal Agreement with Mr. Jiang for the disposal of 5.39% and 3.56% equity interest in Smartdot to WXF and Mr. Jiang respectively. The interests disposed of under the Disposal Agreements represent all of the Group's equity interest in Smartdot.

Set out below are the principal terms of the Disposal Agreements.

FIRST DISPOSAL AGREEMENT

Date : 16 January 2012

Parties : (1) Lion Dragon, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

(2) WXF, a limited partnership established in PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than that WXF holds 0.58% equity interest in Smartdot as at the date of the First Disposal Agreement and that Mr. Jiang, the purchaser under the Second Disposal Agreement, is an executive partner of WXF and holds 32.86% equity interest in WXF, WXF and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company. The principal activity of WXF is investment holding.

Assets to be disposed of:

Pursuant to the First Disposal Agreement, Lion Dragon agreed to sell to WXF and WXF agreed to purchase from Lion Dragon 5.39% equity interest in Smartdot.

Consideration:

The consideration for the First Sale Interest is RMB10,802,450 (equivalent to approximately HK\$13,179,000). WXF shall pay the same in cash within 5 working days after signing of the First Disposal Agreement to an escrow account set up by WXF at the Bank. Pursuant to the terms of the relevant escrow agreement, the Bank shall release the said consideration to Lion Dragon upon approval from relevant government authorities of the transfer of the First Sale Interest having been obtained.

The consideration for the First Sale Interest was determined after arm's length negotiations between Lion Dragon and WXF with reference to (i) the business prospects of Smartdot and (ii) the valuation of the entire equity interest of Smartdot of approximately RMB192,481,800 (equivalent to approximately HK\$234,828,000) as of 31 December 2010 appraised by Beijing Northern Yashi Assets Appraisal Co., Ltd., an independent valuer. The Directors consider that the consideration for the First Sale Interest is fair and reasonable and the disposal of the First Sale Interest is in the interests of the Company and the Shareholders as a whole.

Completion:

Transfer of the First Sale Interest shall take effect when approval from relevant authorities and all registration and changes with the Industrial and Commerce Administration Authorities in relation to such transfer have been obtained and completed.

SECOND DISPOSAL AGREEMENT

Date : 16 January 2012

Parties : (1) Lion Dragon.

(2) Mr. Jiang, a PRC resident. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than that Mr. Jiang is the chief executive officer of Smartdot and holds 18.38% equity interest in Smartdot as at the date of the Second Disposal Agreement and that Mr. Jiang is also an executive partner of WXF and holds 32.86% equity interest in WXF, Mr. Jiang is a third party independent of the Company and its connected persons and is not a connected person of the Company.

Assets to be disposed of:

Pursuant to the Second Disposal Agreement, Lion Dragon agreed to sell to Mr. Jiang and Mr. Jiang agreed to purchase from Lion Dragon 3.56% equity interest in Smartdot.

Consideration:

The consideration for the Second Sale Interest is RMB7,125,000 (equivalent to approximately HK\$8,693,000) and is payable by Mr. Jiang in cash in the following manner:

- (i) a sum of RMB1,197,550 (equivalent to approximately HK\$1,461,000) is payable within 5 working days after signing of the Second Disposal Agreement; and
- (ii) the balance is payable on or before 30 June 2012.

The consideration for the Second Sale Interest was determined after arm's length negotiations between Lion Dragon and Mr. Jiang with reference to (i) the business prospects of Smartdot and (ii) the valuation of the entire equity interest of Smartdot of approximately RMB192,481,800 (equivalent to approximately HK\$234,828,000) as of 31 December 2010 appraised by Beijing Northern Yashi Assets Appraisal Co., Ltd., an independent valuer. The Directors consider that the consideration for the Second Sale Interest is fair and reasonable and the disposal of the Second Sale Interest is in the interests of the Company and the Shareholders as a whole.

Completion:

Transfer of the Second Sale Interest shall take effect when approval from relevant authorities and all registration and changes with the Industrial and Commerce Administration Authorities in relation to such transfer have been obtained and completed.

INFORMATION ON SMARTDOT

Set out below is the audited consolidated financial information of Smartdot for the two years ended 31 December 2009 and 31 December 2010 respectively, prepared in accordance with the Chinese Accounting Standards for Business Enterprises:

	For the year ended 31 December	
	2010	2009
Turnover	RMB170,429,000 (equivalent to approximately HK\$207,923,000)	RMB124,247,000 (equivalent to approximately HK\$151,582,000)
Profit before taxation	RMB14,583,000 (equivalent to approximately HK\$17,792,000)	RMB8,054,000 (equivalent to approximately HK\$9,826,000)
Profit after taxation	RMB13,251,000 (equivalent to approximately HK\$16,166,000)	RMB7,324,000 (equivalent to approximately HK\$8,935,000)

The net assets of Smartdot as at 31 December 2010 amounted to approximately RMB73,741,000 (equivalent to approximately HK\$89,964,000).

REASONS FOR THE DISPOSAL

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, resort and recreational club operations, investment holding and securities trading.

The net proceeds from the Disposal, being the consideration of the Disposal net of professional fees, tax and relevant expenses, are estimated to be approximately HK\$16,426,000. The Company intends to apply such net proceeds for the Group's general working capital.

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 its investment in Smartdot.

Based on the above, the Board considers that the entering into of the Disposal Agreements is in the interests of the Company and the Shareholders as a whole and the terms of the Disposal Agreements are fair and reasonable.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Group will cease to hold any equity interest in Smartdot.

The carrying value of the First Sale Interest and the Second Sale Interest in the unaudited consolidated accounts of the Company was approximately HK\$4,042,000 as at 30 November 2011. The estimated gain from the Disposal is approximately HK\$13,279,000, being the aggregate of (i) the consideration less the aggregate carrying value of the First Sale Interest and the Second Sale Interest of approximately HK\$4,042,000 as at 30 November 2011 and professional fees, tax and relevant expenses, and (ii) the release of exchange fluctuation reserve of approximately HK\$895,000 to profit or loss. The final amount of the gain on the Disposal is to be determined with reference to the carrying value of the First Sale Interest and the Second Sale Interest when the transfers become effective.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are above 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Bank”	廣發銀行股份有限公司北京國貿支行 (Beijing Guomao Branch of China Guangfa Bank)
“Board”	the board of Directors
“Company”	ENM Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the First Sale Interest and the Second Sale Interest by Lion Dragon to WXF and Mr. Jiang respectively pursuant to the terms and conditions of the Disposal Agreements
“Disposal Agreements”	collectively, the First Disposal Agreement and the Second Disposal Agreement
“First Disposal Agreement”	the agreement of transfer of equity interest dated 16 January 2012 entered into between Lion Dragon and WXF in relation to the sale and purchase of the First Sale Interest
“First Sale Interest”	all the rights, interests, benefits and entitlements of Lion Dragon in RMB2,274,200 registered capital of Smartdot, being approximately 5.39% equity interest in Smartdot
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Lion Dragon”	Lion Dragon Limited, a company incorporated in the 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
“Mr. Jiang”	Mr. Jiangxiaodan (姜曉丹), a PRC resident who is the chief executive officer of Smartdot and currently holds 18.38% equity interest in Smartdot
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong and Macau
“Second Disposal Agreement”	the agreement of transfer of equity interest dated 16 January 2012 entered into between Lion Dragon and Mr. Jiang in relation to the sale and purchase of the Second Sale Interest
“Second Sale Interest”	all the rights, interests, benefits and entitlements of Lion Dragon in RMB1,500,000 registered capital of Smartdot, being approximately 3.56% equity interest in Smartdot
“Shareholders”	the shareholder(s) of the Company
“Smartdot”	北京慧點科技開發有限公司 (Beijing Smartdot Technologies Co. Ltd.), a company incorporated in the PRC with limited liability and in which Lion Dragon has a 8.95% equity interest immediately prior to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WXF”	維信豐(天津)投資合夥企業 (Weixingfeng (Tianjin) Investment Partnership Enterprise), a limited partnership established in the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“RMB”

Renminbi, the lawful currency of the PRC

For ease of reference, the names of companies and entities established in the PRC have been included in this announcement in both Chinese and English languages and the English names of these companies and entities are either English translation of their respective official Chinese names or English tradenames used by them. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.

RMB is converted into HK\$ at an exchange rate of RMB1.00 to HK\$1.22 for illustrative purposes in this announcement.

By order of the Board
ENM Holdings Limited
Joseph Wing Kong LEUNG
Chairman and Acting Chief Executive Officer

Hong Kong, 16 January 2012

As at the date of this announcement, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman and Acting Chief Executive Officer), Mr. Raymond Siu Wing CHAN, Mr. Victor Yiu Keung CHIANG, Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG, the Non-executive Director is Mr. Raymond Shing Loong WONG and the Independent Non-executive Directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG.