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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 2011.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<i>Note</i>	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Continuing operations			
Revenue		333,485	289,058
Cost of sales		<u>(124,485)</u>	<u>(128,922)</u>
Gross profit		209,000	160,136
Other income		6,595	6,477
Selling and distribution costs		(99,931)	(95,573)
Administrative expenses		(72,492)	(65,677)
Other operating income/(expenses), net	6	<u>(34,976)</u>	<u>55,307</u>
Profit from operations		8,196	60,670
Fair value losses on investment properties, net		(3,700)	(6,400)
Deficits write-back/(deficits) on revaluation of resort and recreational club properties		(2,491)	2,098
Finance costs	3	(865)	(1,133)
Share of profits/(losses) of an associate		<u>(2,197)</u>	<u>1,390</u>
Profit/(loss) before tax		(1,057)	56,625
Income tax expense	4	<u>-</u>	<u>-</u>
Profit/(loss) for the year from continuing operations		(1,057)	56,625
Discontinued operation			
Profit/(loss) for the year from discontinued operation	5	<u>37,278</u>	<u>(8,613)</u>
Profit for the year	6	<u>36,221</u>	<u>48,012</u>
Attributable to:			
Owners of the Company			
Profit/(loss) from continuing operations		(1,057)	56,625
Profit/(loss) from discontinued operation		<u>37,310</u>	<u>(8,574)</u>
Profit attributable to owners of the Company		<u>36,253</u>	<u>48,051</u>
Non-controlling interests			
Loss from discontinued operation attributable to non-controlling interests		<u>(32)</u>	<u>(39)</u>
		<u>36,221</u>	<u>48,012</u>

**CONSOLIDATED INCOME STATEMENT (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<i>Note</i>	<u>2011</u>	<u>2010</u>
Earnings/(loss) per share			
From continuing and discontinued operations			
- basic	7(a)(i)	<u>2.20 HK cents</u>	<u>2.91 HK cents</u>
- diluted	7(b)	<u>N/A</u>	<u>N/A</u>
From continuing operations			
- basic	7(a)(ii)	<u>(0.06 HK cents)</u>	<u>3.43 HK cents</u>
- diluted	7(b)	<u>N/A</u>	<u>N/A</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Profit for the year	<u>36,221</u>	<u>48,012</u>
Other comprehensive income:		
Exchange differences on translating foreign operations	1,271	1,654
Exchange reserve release to the income statement from other comprehensive income upon dissolution of foreign subsidiaries	(813)	-
Fair value changes of available-for-sale equity investments	25,745	-
Fair value changes of available-for-sale debt investments	(6,390)	2,599
Release of revaluation reserve to the income statement upon disposal of available-for-sale debt investments	<u>(4,537)</u>	<u>(1,706)</u>
Other comprehensive income for the year, net of tax	<u>15,276</u>	<u>2,547</u>
Total comprehensive income for the year	<u><u>51,497</u></u>	<u><u>50,559</u></u>
Attributable to:		
Owners of the Company	51,455	50,525
Non-controlling interests	<u>42</u>	<u>34</u>
	<u><u>51,497</u></u>	<u><u>50,559</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011**

	<i>Note</i>	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		101,910	108,860
Investment properties		98,000	98,200
Intangible assets		1,551	1,636
Interest in an associate		18,965	21,932
Financial assets at fair value through profit or loss	9	123,600	109,843
Available-for-sale equity investments		39,983	30,842
Available-for-sale debt investment - convertible bond		-	15,201
Available-for-sale debt investments - notes receivables		20,697	21,509
		<hr/>	<hr/>
Total non-current assets		404,706	408,023
Current assets			
Inventories		56,053	47,181
Trade and other receivables	10	35,331	31,807
Financial assets at fair value through profit or loss	9	211,847	221,832
Available-for-sale equity investments		23,849	8,578
Option derivative - convertible bond		-	1,510
Pledged bank deposits		11,000	11,342
Time deposits		293,896	257,969
Cash and bank balances		79,785	98,556
		<hr/>	<hr/>
Total current assets		711,761	678,775
Current liabilities			
Trade and other payables	11	36,895	37,929
Interest-bearing bank and other borrowings		1,508	19,152
Current portion of debentures		2,602	1,303
		<hr/>	<hr/>
Total current liabilities		41,005	58,384
		<hr/>	<hr/>
Net current assets		670,756	620,391
		<hr/>	<hr/>
Total assets less current liabilities		1,075,462	1,028,414
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)
AT 31 DECEMBER 2011**

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Total assets less current liabilities	<u>1,075,462</u>	<u>1,028,414</u>
Non-current liabilities		
Debtures	3,246	4,597
Interest-bearing bank and other borrowings	-	4
Deferred revenue	<u>10,573</u>	<u>13,667</u>
Total non-current liabilities	<u>13,819</u>	<u>18,268</u>
NET ASSETS	<u>1,061,643</u>	<u>1,010,146</u>
Capital and reserves		
Issued capital	16,507	16,507
Reserves	<u>1,044,227</u>	<u>992,772</u>
Equity attributable to owners of the Company	<u>1,060,734</u>	<u>1,009,279</u>
Non-controlling interests	<u>909</u>	<u>867</u>
TOTAL EQUITY	<u>1,061,643</u>	<u>1,010,146</u>

Notes:

1. Basis of Preparation and Adoption of New and Revised Hong Kong Financial Reporting Standards

The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Companies Ordinance.

The accounting policies used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010 except the changes mentioned below.

In the current year, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 January 2011. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. Segment Information

The Group has four reportable segments as follows:

Wholesale and retail of fashion wear and accessories	The trading of fashion wear and accessories
Telecommunications operation	The provision of telecommunications services and the marketing and distribution of network cards and accessories (discontinued operation)
Resort and recreational club operations	The provision of resort and recreational facilities and catering services
Investments and treasury	Treasury operations and the holding and trading of investments for short term and long term investment returns

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include the following:

- Unallocated corporate administrative expenses;
- Share of profits/(losses) of an associate;
- Fair value losses on investment properties, net;
- Deficits write-back/(deficits) on revaluation of resort and recreational properties;
- Finance costs; and
- Income tax expense.

Segment assets do not include interest in an associate. Segment liabilities do not include interest-bearing bank and other borrowings.

2. Segment Information (Cont'd)

Information about reportable segment profit or loss, assets and liabilities:

	Wholesale and retail of fashion wear and accessories	(Discontinued operation) Telecom- munications operation	Resort and recreational club operations	Investments and treasury	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Year ended 31 December 2011:					
Revenue from external customers	287,033	43,205	15,353	31,099	376,690
Segment profit/(loss)	27,028	37,278	(435)	(13,435)	50,436
<i>Segment profit/(loss) includes:</i>					
Fair value losses on financial assets at fair value through profit or loss, net	-	-	-	(55,292)	(55,292)
Loss on disposal of financial assets at fair value through profit or loss, net	-	-	-	(1,195)	(1,195)
Gain on disposal of available-for-sale debt investments	-	-	-	4,004	4,004
Interest income from:					
- Financial assets at fair value through profit or loss	-	-	-	17,808	17,808
- Other financial assets	-	-	-	7,564	7,564
Write-back of accrued payables	-	23	-	-	23
Depreciation and amortisation	10,038	25	3,951	1,447	15,461
Charge for inventories allowances	4,512	-	-	-	4,512
Impairment of trade receivables, net	-	5	30	-	35
Impairment loss reversed/(recognised) for:					
- Available-for-sale equity investment	-	-	-	(1,333)	(1,333)
- Loan and other receivables	-	-	-	7,500	7,500
<i>Other segment information:</i>					
Share of losses of an associate	-	-	(2,197)	-	(2,197)
Additions to property, plant and equipment	7,573	-	2,666	735	10,974
As at 31 December 2011:					
Segment assets	140,414	-	170,077	787,011	1,097,502
Segment liabilities	(26,234)	-	(23,177)	(3,905)	(53,316)
Interest in an associate	-	-	18,965	-	18,965

2. Segment Information (Cont'd)

Information about reportable segment profit or loss, assets and liabilities:

	Wholesale and retail of fashion wear and accessories	(Discontinued operation) Telecom- munications operation	Resort and recreational club operations	Investments and treasury	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Year ended 31 December 2010:					
Revenue from external customers	261,400	-	15,835	11,823	289,058
Segment profit/(loss)	11,980	(8,613)	4,062	48,742	56,171
<i>Segment profit/(loss) includes:</i>					
Fair value gains on financial assets at fair value through profit or loss, net	-	-	-	35,499	35,499
Gain on disposal of financial assets at fair value through profit or loss, net	-	-	-	9,470	9,470
Gain on disposal of available-for-sale debt investments	-	-	-	612	612
Interest income from:					
- Financial assets at fair value through profit or loss	-	-	-	7,097	7,097
- Other financial assets	-	-	-	6,078	6,078
Write-back of other loans	-	-	5,427	-	5,427
Write-back of accrued payables	-	332	327	-	659
Depreciation and amortisation	9,205	27	3,634	1,414	14,280
Charge for inventories allowances	3,958	-	-	-	3,958
Impairment of trade receivables, net	-	-	30	-	30
<i>Other segment information:</i>					
Share of profits of an associate	-	-	1,390	-	1,390
Additions to property, plant and equipment	15,384	-	1,487	232	17,103
Additions to intangible assets	1,700	-	-	-	1,700
As at 31 December 2010:					
Segment assets	134,549	2,200	173,221	754,896	1,064,866
Segment liabilities	(24,292)	(517)	(25,625)	(7,062)	(57,496)
Interest in an associate	-	-	21,932	-	21,932

2. Segment Information (Cont'd)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Profit or loss		
Total profit or loss of reportable segments	50,436	56,171
Unallocated corporate administrative expenses	(4,962)	(4,114)
Share of profits/(losses) of an associate	(2,197)	1,390
Fair value losses on investment properties, net	(3,700)	(6,400)
Deficits write-back/(deficits) on revaluation of resort and recreational club properties	(2,491)	2,098
Finance costs	(865)	(1,133)
Elimination of discontinued operation	(37,278)	8,613
	<u>(1,057)</u>	<u>56,625</u>
Assets		
Total assets of reportable segments	1,097,502	1,064,866
Interest in an associate	18,965	21,932
	<u>1,116,467</u>	<u>1,086,798</u>
Liabilities		
Total liabilities of reportable segments	(53,316)	(57,496)
Interest-bearing bank and other borrowings	(1,508)	(19,156)
	<u>(54,824)</u>	<u>(76,652)</u>

Geographical information:

	Revenue		Non-current assets	
	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Hong Kong	316,429	275,295	240,902	229,543
Mainland China	13,832	11,307	102,450	114,259
Other Asia Pacific regions	3,206	2,456	61,354	64,221
Others	18	-	-	-
Discontinued operation	43,205	-	-	-
	<u>376,690</u>	<u>289,058</u>	<u>404,706</u>	<u>408,023</u>
Consolidated total	376,690	289,058	404,706	408,023

In presenting the geographical information, revenue is based on the locations of the customers; non-current assets are based on the locations of the assets.

3. Finance Costs

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Interest on bank loans and overdrafts	709	971
Interest on a finance lease	1	5
Accretion of interest on debentures	<u>155</u>	<u>157</u>
	<u>865</u>	<u>1,133</u>

4. Income Tax Expense

No provision for Hong Kong profits tax and overseas income tax has been made for the year ended 31 December 2011 (2010: Nil) as the Company and its subsidiaries (including continuing and discontinued operations) 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.

5. Discontinued Operation

In December 2010, the Group decided to discontinue the telecommunications operation which constitutes a major line of business. The related telecommunication equipments are ceased to be used.

The results of the discontinued operation for the year ended, which have been included in consolidated income statement, are as follows:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Revenue	43,205	-
Other income	908	-
Administrative expenses	(7,603)	(8,785)
Other operating income, net	<u>768</u>	<u>172</u>
Profit/(loss) before tax	37,278	(8,613)
Income tax expense (<i>note 4</i>)	<u>-</u>	<u>-</u>
Profit/(loss) for the year	<u>37,278</u>	<u>(8,613)</u>

The revenue from discontinued operation represents the recovery of disputed services fee income amounting to approximately US\$5,500,000 from an international telecommunications carrier which arose in previous years.

6. Profit for the Year

The Group's profit for the year is stated after charging/(crediting) the following:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Cost of inventories sold #	124,257	128,690
Dividend income ^	(23,535)	(5,745)
Depreciation *	15,376	14,216
Amortisation of intangible assets *	85	64
Charge for inventories allowances	4,512	3,958
Losses/(gains) from financial assets at fair value through profit or loss, net *:		
Held-for-trading (including option derivatives)		
Interest income	(1,097)	-
Fair value losses/(gains), net	52,338	(32,753)
Losses/(gains) on disposal, net	1,195	(9,470)
	52,436	(42,223)
Designated as such upon initial recognition		
Interest income	(16,711)	(7,097)
Fair value losses/(gains), net	2,954	(2,746)
	(13,757)	(9,843)
Interest income from other financial assets ^	(7,564)	(6,078)
Fair value losses on investment properties, net	3,700	6,400
Gain on disposal of available-for-sales debt investments *	(4,004)	(612)
Loss on disposal of property, plant and equipment *	34	125
Amortisation of deferred revenue	(3,156)	(3,162)
Write-back of accrued payables *	(23)	(659)
Write-back of other loan *	-	(5,427)
Foreign exchange gains, net *	(9,772)	(11,120)
Deficits/(deficits write-back) on revaluation of resort and recreational club properties	2,491	(2,098)
Recovery of loan and other receivables *	(7,500)	-
Impairment loss of available-for-sale equity investments *	1,333	-

* These amounts are included in "Other operating income/(expenses), net" from continuing and discontinued operations.

^ These amounts are included in "Revenue" from continuing operations.

Cost of inventories sold included charge of inventories allowances of HK\$4,512,000 (2010: HK\$3,958,000).

7. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

(i) From continuing and discontinued operations

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of HK\$36,253,000 (2010: profit of HK\$48,051,000) and the weighted average number of ordinary shares of 1,650,658,676 (2010: 1,650,658,676) in issue during the year.

(ii) From continuing operations

The calculation of basic earnings/(loss) per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of HK\$1,057,000 (2010: profit of HK\$56,625,000) and the denominator used is the same as that detailed above for basic earnings per share.

(iii) From discontinued operation

Basic earnings per share from the discontinued operation is 2.26 HK cents per share (2010: loss of 0.52 HK cents per share) based on the profit for the year from discontinued operation attributable to the owners of the Company of HK\$37,310,000 (2010: loss of HK\$8,574,000) and the denominator used is the same as that detailed above for basic earnings per share.

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share from continuing and discontinued operations are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2011 and 2010.

8. Dividends

The directors do not recommend the payment of any dividend to shareholders for the year ended 31 December 2011 (2010: Nil).

9. Financial Assets at Fair Value Through Profit or Loss

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Listed investments, at fair value:		
Hong Kong	175,582	205,536
Outside Hong Kong	<u>24,308</u>	<u>8,627</u>
Market value of listed investments	<u>199,890</u>	<u>214,163</u>
Unlisted investments, at fair value:		
Convertible bonds	123,600	109,843
Others	<u>11,957</u>	<u>7,669</u>
	<u>135,557</u>	<u>117,512</u>
	<u>335,447</u>	<u>331,675</u>
Analysed as:		
Current assets	211,847	221,832
Non-current assets	<u>123,600</u>	<u>109,843</u>
	<u>335,447</u>	<u>331,675</u>

10. Trade and Other Receivables

Included in the Group's trade and other receivables as at 31 December 2011 are trade receivables of HK\$3,471,000 (2010: HK\$2,892,000).

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the 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 ageing analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Within 1 month	3,185	2,605
2 to 3 months	262	188
Over 3 months	<u>24</u>	<u>99</u>
	<u>3,471</u>	<u>2,892</u>

11. Trade and Other Payables

Included in the Group's trade and other payables as at 31 December 2011 are trade and bills payables of HK\$11,328,000 (2010: HK\$6,635,000). An ageing analysis of the Group's trade and bills payables, based on the invoice date, is as follows:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Within 1 month	11,288	6,341
2 to 3 months	23	217
Over 3 months	17	77
	<u>11,328</u>	<u>6,635</u>

CHAIRMAN'S STATEMENT

I am pleased to present the annual results of ENM Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011.

FINANCIAL RESULTS

Turnover from continuing operations for the year was HK\$333,485,000 (2010: HK\$289,058,000), an increase of 15% as compared to last year. The increase was mainly driven by the growth in the fashion retail business and the dividend income of HK\$17,797,000 received from SinoPay.com Holdings Limited.

Profit for the year amounted to HK\$36,221,000 (2010: HK\$48,012,000), a decrease of 25% on the year before. Such decrease was mainly attributable to the fair value losses on investments in the financial instruments resulting from the downturn in the global financial market. However, during the year, the Group recovered the prior year's disputed services fee of approximately HK\$43,205,000 from the discontinued telecommunications operation which was one-off and non-recurring income. Moreover, the fashion retail business performed well during the year and recorded a 139% growth in operating profit for the year.

BUSINESS REVIEW

Retail Fashion - Swank

Hong Kong

The year 2011 has provided Swank with another fruitful year. Sales reached HK\$273,328,000, a 9% increase over 2010 despite the closure of "Galliano" shop and the renovation of "The Swank" shop for 5 weeks during August/September in Harbour City. Gross profit increased by 19% while gross profit margin was 5% better at 58%. This was mainly due to the improved sell-through resulting in fewer discounts offered during sales period. Profit before tax arrived at HK\$29,146,000, an 88% increase over the previous year.

Mainland tourists continued to be the driving force of the retail business and more focused merchandising contributed to the improved sell-through. Two new boutiques were added to our staple at the end of February 2012, "Just Cavalli" in Pacific Place and Time Square. A second boutique of "Brunello Cucinelli" will be opened in Harbour City in May 2012 followed by the second boutique of "Paule Ka" to be opened at the end of 2012 or early 2013. Swank in Pacific Place will be closed for renovation this summer and will reopen in September 2012.

In 2012, we remain cautious but optimistic. The fragile European economy is affecting China's export and could possibly lead to the reduction of spending by the Mainland tourists.

Beijing

After 2.5-year of operation, Swank Beijing continues to gain strength and recognition in Beijing. Sales reached RMB11,142,000, a growth of 17% over the previous year. Loss of RMB3,800,000 in 2010 was narrowed to the breakeven point with a marginal profit in 2011.

The luxury retail market continues to grow in China, coupled with the fact that Swank Beijing identity gaining recognition. These have created opportunities for Swank Beijing to establish our foothold in Xian this summer. Our first in-house brand “Cesare di Pino” will open its first boutique in Beijing Jinbao Place Shopping Centre in May/June 2012, with design and production of 100% from Italy.

All these developments have created a hint of excitement within the Swank group.

Resort and Recreational Club Operations

Hong Kong Hilltop Country Club (“Hilltop”)

Hilltop is one of Hong Kong’s earliest private clubs. Situated in Tsuen Wan with a total site area of over 400,000 square feet, it is ideally suited for recreational and outdoor activities, conferences and dining.

Operating results of Hilltop showed significant improvement during the first half of 2011. However, due to license requirement, Hilltop needs to revise business composition and the revenue was adversely affected during the second half of the year. For the whole year of 2011, Hilltop reported a slight decrease in revenue compared to 2010.

VivaSha Club Resort (“VivaSha”)

Located in the Putao district of Shanghai with gross floor area of 41,000 square meters, VivaSha is a complex of clubhouse, convention center and 298 hotel rooms, and is operated by Shanghai Landis Hospitality Management Ltd., a 35%-owned associate of the Company.

The oversupply of hotel rooms in the Shanghai hotel industry after the 2010 Shanghai World Expo caused the revenue of VivaSha hotel section sales dropped from HK\$18,280,000 in 2010 to HK\$8,616,000 in 2011. Food and Beverage sales and Club Membership business remain stable. Total sales of VivaSha for 2011 were HK\$43,770,000. In view of oversupply situation in hotels and expected costly maintenance, VivaSha’s management has anticipated the business would remain challenging in coming years.

Other Investments

Skyjoy Assets Management Limited (“Skyjoy”)

The Group through its wholly owned subsidiary, Cosy Good Limited, subscribed HK\$100,000,000 12% Convertible Bonds issued by Skyjoy on 9 July 2010. Skyjoy is the beneficial owner of a commercial real estate project in Shijiazhuang, Hebei Province, PRC through its wholly owned subsidiary, Shijiazhuang Lerthai Property Development Company Limited (“Shijiazhuang Lerthai”).

Shijiazhuang Lerthai owns a site at Qiaodong District, city centre of Shijiazhuang, PRC with area of approximately 62,000 square meters for the development of Lerthai Commercial Plaza (勒泰中心) (the “Project”) with retail shops, services apartment, office, hotel and car park. The total gross floor area is approximately 623,000 square meters. Lerthai has obtained the pre-sales approval certificates in the third quarter of 2011 and has also started its sale campaign in the same time. The whole Project is scheduled to be completed by the end of 2013.

Genovate Biotechnology Company Limited (“Genovate”)

Genovate is a fully integrated specialty pharmaceutical company that focuses on new drug development, drug manufacturing, drug marketing and distribution in Taiwan and the region. The Group has 12.48% shareholdings in Genovate. In September 2011, Genovate received approval from Taiwan GreTai Securities Market to get listed in the Open Market (stock code: 4130) and its stocks have been publicly traded since 12 January 2012.

Antidiabetic drug DBPR108 filed US and Taiwan IND in November/December of 2011 and received approval in January/February 2012. Phase I clinical trial will commence shortly to study "first in man" safety and pharmacokinetic evaluation. Preparation works of Phase III study for Granpatch and Phase II study for PMR have progressed according to schedule. With more new products approved in 2011, revenue of Genovate is expected to increase in 2012.

Beijing Smartdot Technologies Co. Ltd. (“Smartdot”)

Smartdot is engaged in the development of office automation software and solution projects in the PRC. The Group previously had 8.95% shareholdings in Smartdot.

Based on Smartdot’s management accounts, Smartdot recorded revenue of RMB223,000,000 with profit of RMB26,000,000 in 2011. Smartdot’s management hopes to transform Smartdot from a Sino-foreign joint venture company to a domestic company in order to enhance its competition advantages in IT industry in China; therefore, Smartdot’s chief executive officer together with its management team has proposed to buy back all the Group’s shares in Smartdot. In view of Smartdot’s past operation result and future development, the Group has decided to dispose all its shares in Smartdot at a profit. The Group entered into agreements of transfer of equity interest with Smartdot’s chief executive officer and a company formed by Smartdot’s staff on 16 January 2012. The registration of transfer of equity interests was completed on 29 January 2012 with the tax clearance for sale proceeds in progress.

SinoPay.com Holdings Limited (“SinoPay”)

The Group has 15.38% shareholdings in SinoPay, a Cayman Islands company. Through SinoPay, the Group previously had an effective interest of approximately 0.29% in China UnionPay Merchant Services Co., Ltd. (“China UMS”), which is a subsidiary of China UnionPay and mainly engages in bankcard acquiring and e-payment business in the PRC with dominant market position.

SinoPay disposed its total shareholdings in China UMS at a profit in February 2011 and received all sales proceeds in August 2011. SinoPay also declared an interim dividend in the amount of USD14,880,000 in November 2011 and the Group received dividend income of USD2,290,000 from SinoPay in December 2011. The net gain from the investment in SinoPay amounted to HK\$16,500,000. Since SinoPay has no other business after selling China UMS shares, it will apply for the members’ voluntary winding-up in 2012.

MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS

Subsequent to the year end, Lion Dragon Limited, a wholly owned subsidiary of the Company, on 16 January 2012, entered into agreements of transfer of equity interest to dispose to Weixingfeng (Tianjin) Investment Partnership Enterprise and Mr. Jiangxiaodan 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”). The Disposal constituted a discloseable transaction for the Company, details of which are set out in the Company’s announcement dated 16 January 2012. The registration of transfer of equity interests in Smartdot was completed on 29 January 2012 with the tax clearance for sale proceeds in the progress. The Group now ceases to hold any equity interest in Smartdot.

Save as disclosed above, the Group had no other material acquisition and disposal of investments during the year ended 31 December 2011 and up to the date of this announcement.

LIQUIDITY AND FINANCIAL POSITION

At 31 December 2011, the Group was in solid financial position with cash and non-pledged deposit holdings of HK\$373,681,000 (2010: HK\$356,525,000). At 31 December 2011, total borrowings amounted to HK\$7,356,000 (2010: HK\$25,056,000) with HK\$4,110,000 (2010: HK\$20,455,000) repayment 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 0.7% at the year end date (2010: 2.5%). The current ratio at 31 December 2011 was 17.4 times (2010: 11.6 times).

At 31 December 2011, the Group’s borrowings and bank balances were primarily denominated in Hong Kong dollars and United States dollars and exchange differences were reflected in the audited financial statements. Other than the fixed interest rate of 5% for the finance lease arrangement, all borrowings of the Group are either interest free or on a floating rate basis.

The Group’s imported purchases are mainly denominated in Euro, Yen 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.

PLEDGE OF ASSETS

Pledges of the Group's fixed deposits of HK\$11,000,000 (2010: HK\$11,342,000) were given to banks to secure general banking facilities to the extent of HK\$21,000,000 as at 31 December 2011 (2010: HK\$21,342,000).

EMPLOYEE AND REMUNERATION POLICIES

At the date of this announcement, the Group employs 267 staff. The Group's remuneration policies are performance based and are in line with the salary trends in the respective locations. The Group provides employee benefits such as staff insurance schemes, provident and pension funds, discretionary performance bonus, external training support, and a performance based share option scheme.

FUTURE OUTLOOK

Retail Fashion

Looking ahead, with the European economy slowly on the recovery path and China's income per capita continues to rise, Hong Kong will benefit and will maintain a steady growth while China will present more opportunities for the further development of Swank and "Cesare di Pino".

Resort and Recreational Club Operations

Refurbishment work for all 64 guest rooms in Hilltop has been completed. This will provide better services to members. The Group is also under discussion with various parties on any possible joint venture for long term club rejuvenation.

Investments

The Group continues to look for investment opportunities with good potential in order to enhance the Group's value and profitability. The Group's strong financial and net cash positions also provide the flexibility to capitalise on investment opportunities when the circumstance arises.

APPRECIATION

In March 2011, the Company appointed Mr. Victor Yiu Keung CHIANG, the Chief Financial Officer of the Group, as an Executive Director of the Company. Mr. Chiang has extensive accounting and financial management experience.

I would like to take this opportunity to express my appreciation to the management team and staff for their dedication and contribution to the Group. I would also like to thank all our shareholders, business partners and customers for all their ongoing trust and support.

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 2011, except for the deviation from Code Provision A.2.1 and Code Provision A.4.1 of the CG Code.

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Joseph Wing Kong LEUNG took up the position of the Acting Chief Executive Officer in addition to his role of being the Chairman upon the retirement of former chief executive officer in June 2009. The Board believes that the balance of power and authority is ensured through supervision of the full Board and the Board committees. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

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. During the year ended 31 December 2011, none of the existing Non-executive and Independent Non-executive Directors of the Company was appointed for a specific term. However, all of the Non-executive and Independent Non-executive Directors were subject to retirement by rotation in accordance with the Company’s Articles of Association. In March 2012, a letter of appointment was formally signed with each of Non-executive Directors (including Independent Non-executive Directors), and the terms of their appointment is three years, subject to retirement by rotation.

REVIEW BY AUDIT COMMITTEE

The Company’s consolidated results for the year ended 31 December 2011 have been reviewed by the Audit Committee of the Company.

BOARD OF DIRECTORS

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.

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

Hong Kong, 29 March 2012