

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

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

**If you have sold or transferred** all your shares in **ENM Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**ENM HOLDINGS LIMITED**

**安寧控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 128)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTERESTS IN SHANGHAI HILLTOP RESORT  
HOTEL LTD. AND SHANGHAI LANDIS HOSPITALITY  
MANAGEMENT CO. LTD.**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



---

A letter from the Board is set out on pages 4 to 16 of this circular. A letter from the Independent Board Committee is set out on page 17 of this circular. A letter from Guangdong Securities, the Independent Financial Adviser, containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on page 18 to 29 of this circular.

The EGM will be held at 11:30 a.m. on Monday, 24 September 2012 at Hilltop Country Club, 10 Hilltop Road, Lo Wai, Tsuen Wan, New Territories, Hong Kong, for the Independent Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Suites 3301-03, 33/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

4 September 2012

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	17
<b>Letter from Guangdong Securities</b> .....	18
<b>Appendix I: Property Valuation Report</b> .....	30
<b>Appendix II: General Information</b> .....	39
<b>Notice of EGM</b> .....	43

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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
<b>“connected person(s)”</b>	has the same meaning ascribed thereto under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Disposal”</b>	the disposal of the First Sale Interest by the Company and the Second Sale Interest by Jackpot to the Purchaser respectively pursuant to the terms and conditions of the Disposal Agreements
<b>“Disposal Agreements”</b>	collectively, the First Disposal Agreement and the Second Disposal Agreement
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Disposal Agreements and the transactions contemplated thereunder
<b>“First Disposal Agreement”</b>	the agreement for transfer of equity interest dated 4 August 2012 entered into between the Company and the Purchaser in relation to the sale and purchase of the First Sale Interest
<b>“First Sale Interest”</b>	the entire registered capital in Shanghai Hilltop held by the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“HKFRS”</b>	Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants
<b>“Independent Board Committee”</b>	an independent board committee of the Board comprising all of the independent non-executive Directors, who have no material interests in the Disposal, namely Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG

---

## DEFINITIONS

---

<b>“Independent Financial Adviser” or “Guangdong Securities”</b>	Guangdong Securities Limited, the Independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal and a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
<b>“Independent Shareholders”</b>	Shareholders who are not required to abstain from voting on the resolutions in relation to the Disposal to be proposed at the EGM under the Listing Rules
<b>“Jackpot”</b>	Jackpot International Business Inc., a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
<b>“JV Agreement”</b>	the co-operative joint venture agreement entered into in 1992 and supplementary agreements entered into between 1996 and 2010 in respect of Shanghai Hilltop entered into between the Company and the Purchaser as joint venture partners
<b>“Land Use Right”</b>	the land use right to the plot of land with a site area of approximately 36,039 square meters situated at 2737-2779 Jiaotong Road, Putuo District, Shanghai, the PRC, where “Viva Shanghai Club Resort” (formerly known as “Shanghai Hilltop Country Club”) is situated
<b>“Latest Practicable Date”</b>	31 August 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
<b>“Listing Rules”</b>	the Rules Governing the Listing of the Securities on the Stock Exchange
<b>“Other Vendors”</b>	the vendors under the Second Disposal Agreement other than Jackpot
<b>“PRC”</b>	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong and Macau
<b>“Purchaser”</b>	上海興遠實業有限公司 (Shanghai Xingyuan Shiyei Company Limited), a limited company established in the PRC and a joint venture party to Shanghai Hilltop

---

## DEFINITIONS

---

<b>“Second Disposal Agreement”</b>	the agreement for transfer of equity interest dated 4 August 2012 entered into between Jackpot, the Other Vendors and the Purchaser in relation to the sale and purchase of the entire equity interest in Shanghai Landis
<b>“Second Sale Interest”</b>	35% equity interest in Shanghai Landis held by Jackpot
<b>“Shares”</b>	the ordinary shares of HK\$0.01 each in the capital of the Company
<b>“Shareholder(s)”</b>	the holder(s) of Shares
<b>“Shanghai Hilltop”</b>	Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) (formerly known as Shanghai Hilltop Country Club Limited (上海顯達鄉村俱樂部有限公司) and Shanghai Xian Da Country Club Co., Ltd. (上海顯達鄉村俱樂部有限公司), a Sino-foreign co-operative joint venture established in the PRC pursuant to the JV Agreement
<b>“Shanghai Landis”</b>	Shanghai Landis Hospitality Management Co. Ltd. (上海麗致育樂經營管理有限公司), a Sino-foreign joint venture established in the PRC in which Jackpot holds a 35% equity interest
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“US\$”</b>	United States dollar, the lawful currency of United States of America

*For ease of reference, the names of companies and entities established in the PRC have been included in this circular in both Chinese and English languages and the English names of these companies and entities are English translation of their respective official Chinese names. 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\$1.23 for illustrative purposes in this circular.*

*US\$ is converted into HK\$ at an exchange rate of US\$1.00 to HK\$7.8 for illustrative purposes in this circular.*

---

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 and Acting Chief Executive Officer)*

Mr. Raymond Siu Wing CHAN

Mr. Victor Yiu Keung CHIANG

Mr. Derek Wai Choi LEUNG

Mr. Wing Tung YEUNG

***Registered Office:***

Suites 3301-03, 33/F,  
Tower 2, Nina Tower,  
8 Yeung Uk Road,  
Tsuen Wan,  
New Territories,  
Hong Kong

***Non-executive Director:***

Mr. Raymond Shing Loong WONG

***Independent Non-executive Directors:***

Dr. Cecil Sze Tsung CHAO

Dr. Jen CHEN

Mr. David Kwok Kwei LO

Mr. Ian Grant ROBINSON

Mr. Chi Keung WONG

4 September 2012

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTERESTS IN SHANGHAI HILLTOP RESORT  
HOTEL LTD. AND SHANGHAI LANDIS HOSPITALITY  
MANAGEMENT CO. LTD.**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 4 August 2012 in respect of the Disposal.

On 4 August 2012, (i) the Company and the Purchaser entered into the First Disposal Agreement pursuant to which the Company conditionally agreed to dispose to the Purchaser the entire registered

---

## LETTER FROM THE BOARD

---

capital in Shanghai Hilltop at the consideration of RMB46,750,000 (equivalent to HK\$57,503,000) and (ii) Jackpot, an indirect wholly-owned subsidiary of the Company, together with Other Vendors and the Purchaser entered into the Second Disposal Agreement pursuant to which Jackpot conditionally agreed to dispose to the Purchaser 35% equity interest in Shanghai Landis at the consideration of RMB23,250,500 (equivalent to approximately HK\$28,598,000).

The Disposal constitutes a discloseable and connected transaction of the Company under the Listing Rules.

The purpose of this circular is to provide you, among other things, with (i) further details in connection with the Disposal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders.

### II. FIRST DISPOSAL AGREEMENT

#### Date

4 August 2012

#### Parties

Purchaser: 上海興遠實業有限公司(Shanghai Xingyuan Shiyei Company Limited), a company established in the PRC and a joint venture party in Shanghai Hilltop.

Vendor: the Company

上海興遠實業有限公司(Shanghai Xingyuan Shiyei Company Limited) is a connected person of the Company as Shanghai Xingyuan Shiyei Company Limited is a party to the JV Agreement in relation to Shanghai Hilltop. Accordingly, the Disposal also constitutes a connected transaction of the Company.

#### Assets to be disposed of

The Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell to the Purchaser the First Sale Interest, being the entire registered capital in Shanghai Hilltop.

---

## LETTER FROM THE BOARD

---

### Consideration

The consideration for the First Sale Interest payable by the Purchaser to the Company is RMB46,750,000 (equivalent to approximately HK\$57,503,000) (“**First Consideration**”) and is payable by the Purchaser in the following manner:

- (a) the Purchaser shall deposit into an escrow account designated by the parties to the First Disposal Agreement (“**First Escrow Account**”) RMB4,134,000 (equivalent to approximately HK\$5,085,000) within 5 business days from the date on which resolution approving the Disposal Agreements and the transactions contemplated thereunder has been passed at the EGM (“**Effective Date**”);
- (b) the Purchaser shall deposit into the First Escrow Account RMB16,524,000 (equivalent to approximately HK\$20,325,000) within 5 business days after approval (“**Hilltop Transfer Approval**”) from relevant authorities in the PRC for the transfer of the First Sale Interest to the Purchaser has been obtained;
- (c) the Purchaser shall deposit into the First Escrow Account RMB16,524,000 (equivalent to approximately HK\$20,325,000) within 5 business days after all registration with and changes at the Industrial and Commerce Administration Authorities in the PRC in relation to the transfer of the First Sale Interest have been completed; and
- (d) the Purchaser shall deposit into the First Escrow Account RMB9,568,000 (equivalent to approximately HK\$11,768,000) within 5 business days after the date of handover of all assets and permits of Shanghai Hilltop from the Company to the Purchaser has been completed (“**First Handover Date**”), or if by the First Handover Date the Hilltop Transfer Approval has not yet been obtained, at the same time as payment is required under paragraph (b) above.

The amounts deposited into the First Escrow Account and interests accrued thereon shall be released within 18 months of the Effective Date either (i) to an account outside the PRC designated by the Company within 5 business days after approval from relevant foreign exchange authority in the PRC has been obtained or (ii) to an account in the PRC designated by the Company within 5 business days of written instruction from the Company. After amounts deposited into the First Escrow Account and the interests accrued thereon have been released to the Company and 18 months from the Effective Date, the Company and the Purchaser shall close the First Escrow Account and all amounts remaining in the First Escrow Account (if any) shall be released to the Purchaser.

As at the Latest Practicable Date, a shareholder’s loan, which is interest free and unsecured, of approximately HK\$100,546,000 is owing by Shanghai Hilltop (“**Existing Loan**”) to the Company. Pursuant to the First Disposal Agreement, the Company and Shanghai Hilltop will within 15 days from the deposit of RMB4,134,000 as mentioned in paragraph (a) above capitalise US\$9,000,000 (equivalent to approximately HK\$70,200,000) out of the Existing Loan as registered capital of Shanghai Hilltop which shall be included in the First Sale Interest. The Company will waive the repayment by Shanghai Hilltop of the remaining balance of the Existing Loan of approximately HK\$30,346,000.



---

## LETTER FROM THE BOARD

---

The Company and the Purchaser also agreed that if the Hilltop Transfer Approval is not obtained latest by 31 March 2013, (i) the Company and the vendors under the Second Disposal Agreement shall immediately refund to the Purchaser the actual amount paid by the Purchaser in relation to the Third Party Debts (as defined below); (ii) the Purchaser shall return all documents and assets of Shanghai Hilltop to the Company and (iii) the parties and Shanghai Hilltop shall be reverted to the status as if the First Disposal Agreement had not been entered into.

### Conditions Precedent

The First Disposal Agreement is conditional upon the passing of the requisite resolution by the Independent Shareholders approving the First Disposal Agreement and the transactions contemplated thereunder at the EGM. Such condition cannot be waived by any party.

If the above condition is not fulfilled within 90 days from the date of the First Disposal Agreement, the First Disposal Agreement shall automatically be terminated and shall cease to have any further force and effect save and except antecedent breach.

The First Disposal Agreement is inter-conditional with the Second Disposal Agreement.

### Other Terms

Pursuant to the First Disposal Agreement and the Second Disposal Agreement, the Purchaser shall pay a sum of not more than RMB11,820,000 (equivalent to approximately HK\$14,539,000) to a third party custodian within 5 business days after the Effective Date to be applied for repayment of amounts owing by Shanghai Hilltop and Shanghai Landis to third party creditors. The Company undertakes to the Purchaser that the amounts owing by Shanghai Hilltop and Shanghai Landis to third party creditors (other than amounts owing between Shanghai Hilltop and Shanghai Landis and amounts owing by Shanghai Hilltop and Shanghai Landis to their respective shareholders) (“**Third Party Debts**”) up to the First Handover Date will not exceed RMB11,820,000. If the aggregate amount of Third Party Debts exceeds RMB11,820,000, excess of up to RMB5,000,000 (equivalent to approximately HK\$6,150,000) (“**Excess Amount**”) shall be borne by the Company and the vendors under the Second Disposal Agreement jointly. If the Excess Amount is more than RMB5,000,000 and the Company and the vendors under the Second Disposal Agreement do not agree to bear the amount above RMB5,000,000 jointly, the Purchaser can terminate the First Disposal Agreement and the Second Disposal Agreement and in such event, the Company and the vendors under the Second Disposal Agreement shall immediately refund to the Purchaser the actual amount paid by the Purchaser in relation to the Third Party Debts together with interest thereon at the bank deposit rate and the parties, Shanghai Hilltop and Shanghai Landis shall be reverted to status as if the Disposal Agreements had not been entered into.

On 5 August 2012, the Company and the vendors under the Second Disposal Agreement (including Jackpot) entered into an agreement in relation to the distribution of liability in relation to the Excess Amount and pursuant to which the maximum liability of the Company and Jackpot in relation to the Excess Amount shall not exceed RMB5,000,000 (equivalent to approximately HK\$6,150,000).

---

## LETTER FROM THE BOARD

---

### III. SECOND DISPOSAL AGREEMENT

#### Date

4 August 2012

#### Parties

Purchaser: 上海興遠實業有限公司(Shanghai Xingyuan Shiyei Company Limited)

Vendors: (i) Jackpot, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company.

(ii) Other Vendors, among which one is a company incorporated in Samoa with its principal activity being investment holding, one is a company established in the PRC with its principal activity being retailing and distribution of cosmetic products and the remaining two vendors are both Taiwan residents, holding in aggregate 65% of the equity interest in Shanghai Landis.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Other Vendors, other than being shareholders of Shanghai Landis, are all third parties independent of the Company and its connected persons and are not connected persons of the Company.

#### Assets to be disposed

The Purchaser has conditionally agreed to acquire and Jackpot and the Other Vendors together have conditionally agreed to sell to the Purchaser the entire equity interest in Shanghai Landis, among which the equity interest being disposed by Jackpot will be 35% equity interest in Shanghai Landis.

#### Consideration

The total consideration for the entire equity interest of Shanghai Landis is RMB66,430,000 (equivalent to approximately HK\$81,709,000) and among which the consideration for the Second Sale Interest payable by the Purchaser to Jackpot is RMB23,250,500 (equivalent to approximately HK\$28,598,000) ("**Second Consideration**"). The total consideration of the Second Disposal Agreement is payable by the Purchaser in the following manner:

- (a) the Purchaser shall deposit into an escrow account designated by all parties to the Second Disposal Agreement ("**Second Escrow Account**") RMB5,869,000 (equivalent to approximately HK\$7,218,000) within 5 business days from the Effective Date;
- (b) the Purchaser shall deposit into the Second Escrow Account RMB23,476,000 (equivalent to approximately HK\$28,876,000) within 5 business days after approval ("**Landis Transfer Approval**") from relevant authorities in the PRC for the transfer of entire equity interest in Shanghai Landis to the Purchaser has been obtained;

---

## LETTER FROM THE BOARD

---

- (c) the Purchaser shall deposit into the Second Escrow Account RMB23,476,000 (equivalent to approximately HK\$28,876,000) within 5 business days after all registration with and changes at the Industrial and Commerce Administration Authorities in the PRC in relation to the transfer of the entire equity interest in Shanghai Landis have been completed; and
- (d) the Purchaser shall deposit into the Second Escrow Account RMB13,609,000 (equivalent to approximately HK\$16,739,000) within 5 business days after the date of handover of all assets and permits of Shanghai Landis from the relevant vendors to the Purchaser has been completed (“**Second Handover Date**”), or if by the Second Handover Date the Landis Transfer Approval has not yet been obtained, at the same time as payment is required under paragraph (b) above.

The amounts deposited into the Second Escrow Account (including the Second Consideration) and the interests accrued thereon shall be released within 18 months from the Effective Date either (i) to accounts outside the PRC designated by Jackpot and Other Vendors respectively within 5 business days after approval from relevant foreign exchange authority in the PRC has been obtained or (ii) to accounts in the PRC designated by Jackpot and Other Vendors respectively within 5 business days of written instruction from Jackpot and Other Vendors. After amounts deposited into the Second Escrow Account and the interests accrued thereon have been released to the vendors of the Second Disposal Agreement and 18 months from the Effective Date, the vendors of the Second Disposal Agreement and the Purchaser shall close the Second Escrow Account and all amounts remaining in the Second Escrow Account (if any) shall be released to the Purchaser.

The Purchaser, Jackpot and the Other Vendors also agreed that if the Landis Transfer Approval is not obtained latest by 31 March 2013, (i) the Company and the vendors under the Second Disposal Agreement shall immediately refund to the Purchaser the actual amount paid by the Purchaser in relation to the Third Party Debts; (ii) the Purchaser shall return all documents and assets of Shanghai Landis to the vendors under the Second Disposal Agreement and (iii) the parties and Shanghai Landis shall be reverted to the status as if the Second Disposal Agreement had not been entered into.

### **Conditions Precedent**

The Second Disposal Agreement is conditional upon the passing of the requisite resolution by the Independent Shareholders approving the Second Disposal Agreement and the transactions contemplated thereunder at the EGM. Such condition cannot be waived by any party.

If the above condition is not fulfilled within 90 days from the date of the Second Disposal Agreement, the Second Disposal Agreement shall automatically be terminated and shall cease to have any further force and effect save and except antecedent breach.

The Second Disposal Agreement is inter-conditional with the First Disposal Agreement.

---

## LETTER FROM THE BOARD

---

### Other Terms

As mentioned in both the First Disposal Agreement and the Second Disposal Agreement, the Purchaser agreed to pay a sum of not more than RMB11,820,000 (equivalent to approximately HK\$14,539,000) to a third party custodian within 5 business days after the Effective Date to be applied for repayment of the Third Party Debts. Jackpot and Other Vendors collectively undertake to the Purchaser that the amounts of Third Party Debts up to the Second Handover Date will not exceed RMB11,820,000. If the aggregate amount of the Third Party Debts exceed RMB11,820,000, excess of up to RMB5,000,000 (equivalent to approximately HK\$6,150,000) shall be borne by the Company and the vendors under the Second Disposal Agreement jointly. If the Excess Amount is more than RMB5,000,000 and the Company and the vendors under the Second Disposal Agreement do not agree to bear the amount above RMB5,000,000 jointly, the Purchaser can terminate the First Disposal Agreement and the Second Disposal Agreement and in such event, the Company and the vendors under the Second Disposal Agreement shall immediately refund to the Purchaser the actual amount paid by the Purchaser in relation to the Third Party Debts together with interest thereon at the bank deposit rate and the parties, Shanghai Hilltop and Shanghai Landis shall be reverted to status as if the Disposal Agreements had not been entered into.

Pursuant to the Second Disposal Agreement, it is further agreed that the shareholders' loans owing by Shanghai Landis to Jackpot and Other Vendors shall be settled by Shanghai Landis itself. As at the Latest Practicable Date, a shareholder's loan, which is unsecured and bears interest at London Interbank Offered Rate plus 2%, of approximately US\$171,000 (equivalent to approximately HK\$1,334,000) is owing by Shanghai Landis to Jackpot.

### IV. BASIS OF CONSIDERATION

The First Consideration and the Second Consideration together were arrived at after arm's length negotiation with reference to various factors including (i) the unaudited net asset value (being after adjustment of the shareholder's loan owing by Shanghai Hilltop) of Shanghai Hilltop of HK\$69,494,000 as at 31 December 2011 and of HK\$69,317,000 as at 31 December 2010, (ii) the unaudited net loss before taxation of Shanghai Hilltop of HK\$1,753,000 for the year ended 31 December 2011, (iii) the unaudited net profit before taxation of Shanghai Hilltop of HK\$1,447,000 for the year ended 31 December 2010, (iv) the unaudited net assets of Shanghai Landis of HK\$41,791,000 as at 31 December 2011 and of HK\$46,114,000 as at 31 December 2010, (v) the unaudited net loss before taxation of Shanghai Landis of HK\$6,277,000 for the year ended 31 December 2011, and (vi) the unaudited net profit before taxation of Shanghai Landis of HK\$3,973,000 for the year ended 31 December 2010.\*

\* *the above unaudited financial information was prepared in accordance with HKFRS, based on which the assets, liabilities and the results of Shanghai Hilltop and Shanghai Landis were recognised or equity accounted for in the Group's audited consolidated financial statements for the respective reporting periods .*

---

## LETTER FROM THE BOARD

---

### V. 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.

In view of (i) the remaining joint venture period of approximately 10 years with the Land Use Right together with entire premises and fixtures of Shanghai Hilltop to be reverted to the Purchaser at no cost and without consideration upon expiry of such joint venture period; (ii) the possible substantial capital required for renovation of “Viva Shanghai Club Resort” for it to continue operation in a competitive manner in the near future; and (iii) the uncertainty in the worldwide economy, the Board considers that it is appropriate time for the Company to realise the fair value of its investments in Shanghai Hilltop and Shanghai Landis to avoid any further volatility of the value of these investments in the coming few years.

Upon completion of the Disposal, Shanghai Hilltop will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group’s consolidated financial statements whereas Shanghai Landis will cease to be an associate of the Group and its financial results will no longer be equity accounted for in the Group’s consolidated financial statements.

The Group expects to recognise a gain from the Disposal of approximately HK\$7,561,000, which is calculated based on the First Consideration and the Second Consideration amounting to RMB70,000,500 in aggregate (equivalent to approximately HK\$86,101,000), less the carrying amount of First Sale interest and Second Sale Interest recognised in the Group’s unaudited condensed consolidated financial statements as at 30 June 2012 amounting to HK\$80,626,000 in aggregate, and after (i) the deduction of estimated commission, tax, professional fees and other relevant expenses incidental to the Disposal amounting to approximately HK\$6,765,000 in aggregate and (ii) the release of exchange fluctuation reserve of HK\$8,851,000, but before taking into account the joint undertaking of the Excess Amount of up to RMB5,000,000 (equivalent to approximately HK\$6,150,000) by the Company and vendors of the Second Disposal Agreement under the Disposal Agreements. The total investment costs of the Group in Shanghai Hilltop and Shanghai Landis were approximately HK\$44,536,000 and HK\$22,251,000 as at 31 December 2011 respectively.

Having considered the factors described above, the Directors (including the members of the Independent Board Committee) are of the view that (i) the Disposal is on normal commercial terms and (ii) the terms of the Disposal Agreements (including the First Consideration and the Second Consideration) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### VI. USE OF PROCEEDS

The net proceeds from the Disposal, being the aggregate consideration of the Disposal net of professional fees, tax and relevant expenses, are estimated to be approximately HK\$79,336,000. The Company intends to apply such net proceeds for the Group’s general working capital.

---

## LETTER FROM THE BOARD

---

### VII. INFORMATION ON SHANGHAI HILLTOP

Shanghai Hilltop is a Sino-foreign co-operative joint venture established in the PRC with limited liability. The Company is the registered owner of 100% interest in the registered capital of Shanghai Hilltop while the Purchaser procured the use and enjoyment by Shanghai Hilltop of the Land Use Right. Under the terms of the JV Agreement, the joint venture will expire in December 2022 and upon such expiry, the Land Use Right together with entire premises and fixtures of Shanghai Hilltop shall be reverted to the Purchaser at no cost and without consideration. Shanghai Hilltop constructed a recreational club named “Shanghai Hilltop Country Club” (currently known as “Viva Shanghai Club Resort”) which was operated by Shanghai Hilltop itself since the partial completion of construction in December 1999 and until June 2003. In June 2003, Shanghai Hilltop entered into a subcontracting agreement with Shanghai Landis pursuant to which the operation of the said country club was sub-contracted to Shanghai Landis for the period from 1 July 2003 to 30 June 2016, and Shanghai Hilltop shall receive from Shanghai Landis a minimum fixed fee per annum plus a variable amount calculated based on the turnover and profit of the said club. As at the Latest Practicable Date, Shanghai Hilltop does not have any business other than its property investment in the said club.

Set out below is the key financial information of Shanghai Hilltop extracted from its unaudited management accounts based on which Shanghai Hilltop’s assets, liabilities and results were recognised in (i) the Group’s audited consolidated financial statements for the two years ended 31 December 2010 and 2011 and (ii) the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2012, both prepared in accordance with HKFRS:

	<b>Year ended</b> <b>31 Dec 2010</b> <i>HK\$’000</i>	<b>Year ended</b> <b>31 Dec 2011</b> <i>HK\$’000</i>	<b>Six months</b> <b>ended</b> <b>30 June 2012</b> <i>HK\$’000</i>
Net Profit/(Loss) before tax	1,447	(1,753)	(710)
Net Profit/(Loss) after tax	1,447	(1,753)	(710)
	<b>As at</b> <b>31 Dec 2010</b> <i>HK\$’000</i>	<b>As at</b> <b>31 Dec 2011</b> <i>HK\$’000</i>	<b>As at</b> <b>30 June 2012</b> <i>HK\$’000</i>
Net liabilities	31,140	32,454	33,164
Net assets (excluding the loan owing to the Company by Shanghai Hilltop)	69,317	69,494	67,382

The major asset of Shanghai Hilltop is the property interest in “Viva Shanghai Club Resort” (formerly known as “Shanghai Hilltop Country Club”), 2737- 2779 Jiaotong Road, Putuo District, Shanghai, the PRC (the “**Property Interest**”). The valuation of the Property Interest as at 30 June 2012, 31 December 2011 and 31 December 2010 were RMB63,000,000 (equivalent to approximately

---

## LETTER FROM THE BOARD

---

HK\$77,490,000), RMB65,000,000 (equivalent to approximately HK\$79,950,000) and RMB71,000,000 (equivalent to approximately HK\$87,330,000) respectively, which were appraised by DTZ Debenham Tie Leung Limited, an independent professional valuer. The valuation report of the Property Interest as at 30 June 2012 is set out in Appendix I to this circular.

Given that the First Consideration and the Second Consideration, amounting to approximately RMB70,000,500 in aggregate (equivalent to approximately HK\$86,101,000), represents a premium of approximately 11.11% to the valuation of the Property Interest of RMB63,000,000 as at 30 June 2012, the Directors (including the independent non-executive Directors) consider that the First Consideration and the Second Consideration are fair and reasonable.

### VIII. INFORMATION ON SHANGHAI LANDIS

Shanghai Landis is a Sino-foreign joint venture established in the PRC with limited liability and is an associate of the Group as at the Latest Practicable Date. Since July 2003, Shanghai Landis has been the operator of “Viva Shanghai Club Resort” (formerly known as “Shanghai Hilltop Country Club”) and pays Shanghai Hilltop a minimum fixed fee per annum plus a variable amount calculated based on the turnover and profit of the said club, and bears the financial results of the recreational club. As at the Latest Practicable Date, Shanghai Landis does not have any business other than operation of the said club.

Set out below is the key financial information of Shanghai Landis extracted from its unaudited management accounts based on which Shanghai Landis’s assets, liabilities and results were equity accounted for in (i) the Group’s audited consolidated financial statements for the two years ended 31 December 2010 and 2011 and (ii) the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2012, both prepared in accordance with HKFRS:

	<b>Year ended</b> <b>31 Dec 2010</b> <i>HK\$'000</i>	<b>Year ended</b> <b>31 Dec 2011</b> <i>HK\$'000</i>	<b>Six months</b> <b>ended</b> <b>30 June 2012</b> <i>HK\$'000</i>
Net Profit/(Loss) before tax	3,973	(6,277)	(5,284)
Net Profit/(Loss) after tax	3,973	(6,277)	(5,284)
	<b>As at</b> <b>31 Dec 2010</b> <i>HK\$'000</i>	<b>As at</b> <b>31 Dec 2011</b> <i>HK\$'000</i>	<b>As at</b> <b>30 June 2012</b> <i>HK\$'000</i>
Net asset value	46,114	41,791	36,507

---

## LETTER FROM THE BOARD

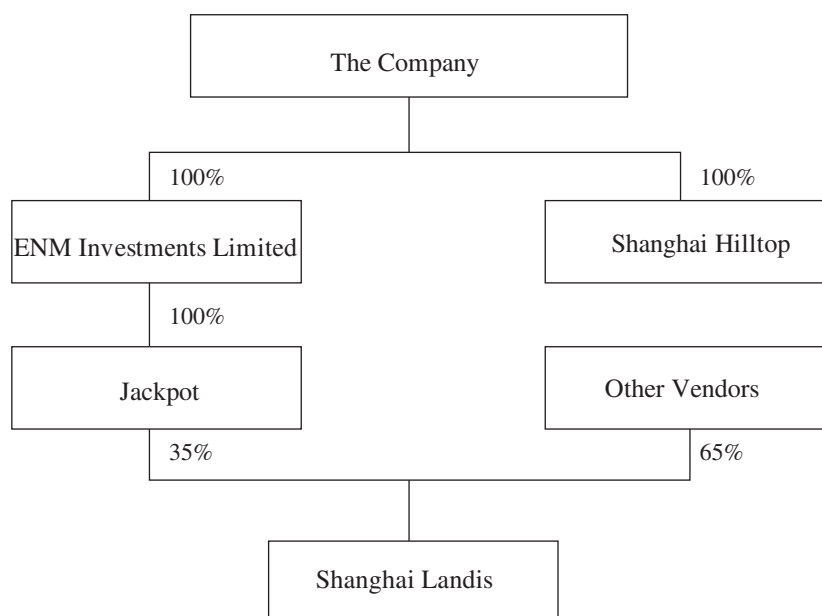
---

### XI. INFORMATION ON THE PURCHASER

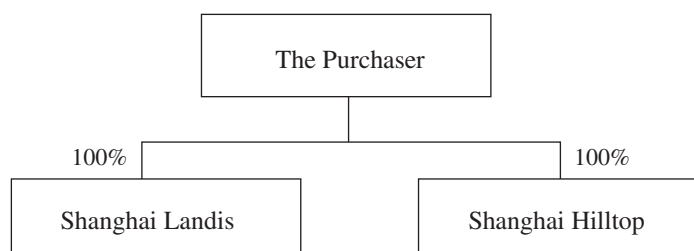
The Purchaser is a company established in the PRC with limited liability and its principal activity is investment holding. The Purchaser is a joint venture party in Shanghai Hilltop and is entitled to receive a guarantee profit each year pursuant to the JV Agreement as its share of profit in Shanghai Hilltop and therefore a connected person of the Company. The annual guarantee profit since 28 December 2008 is the higher of either (i) 30% of net profit after tax of Shanghai Hilltop or (ii) US\$268,000 (equivalent to approximately HK\$2,090,000) or (iii) RMB2,250,000 (equivalent to approximately HK\$2,768,000). The annual guarantee paid or payable to the Purchaser for the three years ended 31 December 2009, 2010 and 2011 are RMB2,250,000 (equivalent to approximately HK\$2,768,000), RMB2,250,000 (equivalent to approximately HK\$2,768,000) and RMB2,250,000 (equivalent to approximately HK\$2,768,000) respectively.

### X. SHAREHOLDING STRUCTURE

Set out below is the corporate structure of Shanghai Hilltop and Shanghai Landis as at the Latest Practicable Date and immediately before the Disposal:



Set out below is the corporate structure of Shanghai Hilltop and Shanghai Landis immediately after completion of the Disposal:





---

## LETTER FROM THE BOARD

---

### XI. 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 hence is subject to notification and publication requirements under the Listing Rules.

The Purchaser, by virtue of it being a party to the JV Agreement in relation to Shanghai Hilltop, is a connected person of the Company as defined under the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, other than the above disclosure, there is no other connected transaction entered into between any member of the Group and the Purchaser and its ultimate beneficial owner(s) or otherwise related, which would, together with the transactions contemplated under the Disposal Agreements, be aggregated under Rule 14.22 and/or 14A.25 of the Listing Rules.

### XII. EGM

The EGM will be held at 11:30 a.m. on Monday, 24 September 2012 at Hilltop Country Club, 10 Hilltop Road, Lo Wai, Tsuen Wan, New Territories, Hong Kong, for the Independent Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder.

The notice of the EGM is set out on pages 43 to 45 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Suites 3301-03, 33/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, no Shareholder has material interests in the Disposal and is required to abstain from voting on the resolutions put forward at the EGM.

### XIII. RECOMMENDATIONS

The Company has appointed Guangdong Securities as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal. The text of the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 29 of this circular.

---

## LETTER FROM THE BOARD

---

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG, has been established to give advice to the Independent Shareholders in respect of the Disposal. The letter from the Independent Board Committee, which contains its recommendation to the Independent Shareholders in respect of the Disposal, is set out on page 17 of this circular.

The Board (including the independent non-executive Directors) considers that the terms of the First Disposal Agreement and the Second Disposal Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the resolutions at the EGM to approve the First Disposal Agreement and the Second Disposal Agreement and the transactions contemplated thereunder.

#### **XIV. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices of this circular and the notice of the EGM.

Yours faithfully,  
By Order of the Board  
**ENM HOLDINGS LIMITED**  
**Joseph Wing Kong LEUNG**  
*Chairman and*  
*Acting Chief Executive Officer*

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---



**ENM HOLDINGS LIMITED**

**安寧控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 128)**

4 September 2012

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTERESTS IN SHANGHAI HILLTOP RESORT  
HOTEL LTD. AND SHANGHAI LANDIS HOSPITALITY  
MANAGEMENT CO. LTD.**

We have been appointed as members of the Independent Board Committee to give our advice on the First Disposal Agreement and the Second Disposal Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board included in the circular to the Shareholders dated 4 September 2012 (the “**Circular**”), of which this letter forms a part. Terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Guangdong Securities has been appointed as the Independent Financial Adviser to advise us on the First Disposal Agreement and the Second Disposal Agreement and the respective transactions contemplated thereunder. The letter from Guangdong Securities is set out on pages 18 to 29 of the Circular.

Having considered the terms and conditions of the First Disposal Agreement and the Second Disposal Agreement, the advice given by Guangdong Securities and the principal factors and reasons taken into consideration by them in arriving at their advice, we are of the opinion that the First Disposal Agreement and the Second Disposal Agreement and the respective transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms and conditions of the First Disposal Agreement and the Second Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the First Disposal Agreement and the Second Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,  
Independent Board Committee

**Dr. Cecil Sze Tsung CHAO**  
*Independent Non-executive Director*

**Dr. Jen CHEN**  
*Independent Non-executive Director*

**Mr. David Kwok Kwei LO**  
*Independent Non-executive Director*

**Mr. Ian Grant ROBINSON**  
*Independent Non-executive Director*

**Mr. Chi Keung WONG**  
*Independent Non-executive Director*

---

## LETTER FROM GUANGDONG SECURITIES

---

*Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal for the purpose of inclusion in this circular.*



Units 2505-06, 25/F.  
Low Block of Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

4 September 2012

*To: The independent board committee and the independent shareholders of ENM Holdings Limited*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTERESTS IN SHANGHAI HILLTOP RESORT HOTEL LTD.  
AND SHANGHAI LANDIS HOSPITALITY MANAGEMENT CO., LTD.**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 4 September 2012 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 4 August 2012, (i) the Company and the Purchaser entered into the First Disposal Agreement pursuant to which the Company conditionally agreed to dispose to the Purchaser the entire registered capital in Shanghai Hilltop; and (ii) Jackpot, being an indirect wholly-owned subsidiary of the Company, together with the Other Vendors and the Purchaser entered into the Second Disposal Agreement pursuant to which Jackpot and the Other Vendors conditionally agreed to dispose to the Purchaser 35% and 65% of the equity interests in Shanghai Landis respectively.

With reference to the Board Letter, the Disposal constitutes a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules respectively. As such, the Disposal is subject to the reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Disposal Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in

---

## LETTER FROM GUANGDONG SECURITIES

---

respect of the resolution(s) to approve the Disposal Agreements and the respective transactions contemplated thereunder at the EGM. We, Guangdong Securities, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Purchaser, the Other Vendors, Shanghai Hilltop and Shanghai Landis or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

---

## LETTER FROM GUANGDONG SECURITIES

---

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Disposal

##### Business overview of the Group

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.

Set out below is the financial information of the Group for the six months ended 30 June 2012 and each of the two years ended 31 December 2011 as extracted from the Company's interim results announcement for the six months ended 30 June 2012 (the "2012 Interim Results Announcement") and its annual report for the year ended 31 December 2011 (the "2011 Annual Report") respectively:

	<b>For the six months ended 30 June 2012</b>	<b>For the year ended 31 December 2011</b>	<b>For the year ended 31 December 2010</b>	<b>% change from 2010 to 2011</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue	153,115	333,485	289,058	15.37
Profit/(loss) for the period/year from continuing operations	2,137	(1,057)	56,625	Not applicable
Profit for the period/year	2,137	36,221	48,021	(24.56)

We noted from the above table that the Group's revenue from continuing operations was approximately HK\$333.49 million for the year ended 31 December 2011, representing an increase of approximately 15.37% as compared to the prior year. As stated in the 2011 Annual Report, such increase was mainly driven by the growth in the fashion retail business and the dividend income of approximately HK\$17.80 million received from SinoPay.com Holdings Limited, being a Cayman Islands company which the Group previously had approximately 15.38% of shareholdings.

---

## LETTER FROM GUANGDONG SECURITIES

---

We further noted from the above table that the Group's profit for the year amounted to approximately HK\$36.22 million for the year ended 31 December 2011, representing a decrease of approximately 24.56% as compared to the prior year. As stated in the 2011 Annual Report, such decrease was mainly attributable to the fair value losses on investments in financial instruments resulting from the downturn of the global financial market. For the year ended 31 December 2011, the Group also recorded share of losses of an associate (being Shanghai Landis) of approximately HK\$2.20 million. Nonetheless, during the year under review, the Group recovered the previous years' disputed services fee of approximately HK\$43.21 million from the discontinued telecommunications operation which was a one-off non-recurring income. Moreover, the Group's fashion retail business performed well in 2011 and enjoyed an approximately 139% growth in operating profit for the year.

Looking ahead, the Company expected that with the European economy slowly on the recovery path and the PRC's income per capita continues to rise, Hong Kong will benefit and will maintain a steady growth while the PRC will present more opportunities for the further development of the Group's "Swank" and "Cesare di Pino" fashion brand names. On the other hand, the Group will continue to look for investment opportunities with good potential in order to enhance its value and profitability. The Company is of the view that the Group's strong financial and net cash positions will provide flexibility to it to capitalise on investment opportunities when the circumstance arises.

### **Information on Shanghai Hilltop**

As referred to in the Board Letter, Shanghai Hilltop is a Sino-foreign co-operative joint venture established in the PRC with limited liability and the Company is the registered owner of 100% interest in the registered capital of Shanghai Hilltop; while the Purchaser procured the use and enjoyment by Shanghai Hilltop of the Land Use Right.

Under the terms of the JV Agreement, the joint venture will expire in December 2022 and upon such expiry, the Land Use Right together with the entire premises and fixtures of Shanghai Hilltop shall be reverted to the Purchaser at no cost and without consideration. Shanghai Hilltop constructed a recreational club named "Viva Shanghai Club Resort" (formerly known as "Shanghai Hilltop Country Club") ("**VivaSha**"). VivaSha is located in the Putuo district of Shanghai, the PRC, with total gross floor area of around 41,000 square meters, and is a complex of clubhouse, convention center and 298 hotel rooms. Since its partial completion of construction in December 1999 and until June 2003, VivaSha was operated by Shanghai Hilltop itself. In June 2003, Shanghai Hilltop entered into a subcontracting agreement with Shanghai Landis (the "**Subcontracting Agreement**"), pursuant to which the operations of VivaSha has been sub-contracted to Shanghai Landis for the period from 1 July 2003 to 30 June 2016, and Shanghai Hilltop receives from Shanghai Landis a minimum fixed fee per annum plus a variable amount calculated based on the turnover and profit of VivaSha. As at the Latest Practicable Date, Shanghai Hilltop did not have any business other than its property investment in VivaSha.

---

## LETTER FROM GUANGDONG SECURITIES

---

Set out below is the key financial information of Shanghai Hilltop as extracted from its unaudited management accounts based on which Shanghai Hilltop's assets, liabilities and results were recognised in (i) the Group's audited consolidated financial statements for the two years ended 31 December 2010 and 2011; and (ii) the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2012, prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2010 <i>HK\$'000</i></b>	<b>For the year ended 31 December 2011 <i>HK\$'000</i></b>	<b>For the six months ended 30 June 2012 <i>HK\$'000</i></b>
Revenue and other income	5,011	5,010	2,354
Net profit/(loss) before and after taxation	1,447	(1,753)	(710)
	<b>As at 31 December 2010 <i>HK\$'000</i></b>	<b>As at 31 December 2011 <i>HK\$'000</i></b>	<b>As at 30 June 2012 <i>HK\$'000</i></b>
Net liabilities	(31,140)	(32,454)	(33,164)
Net assets (excluding the loan owing to the Company by Shanghai Hilltop) (the "Adjusted NAV of SH")	69,317	69,494	67,382

According to the annual reports of the Company for the relevant years, the overall performance of VivaSha was satisfactory in 2010, and the VivaSha's management had continued to focus on broadening the customer base of the club membership and conference package business so as to increase VivaSha's revenue in 2011. However, despite the fact that the food and beverage sales and club membership business of VivaSha remained stable in 2011, the oversupply of hotel rooms in the Shanghai hotel industry after the 2010 Shanghai World Expo had caused the revenue of VivaSha's hotel section sales to drop substantially from approximately HK\$18.28 million in 2010 to approximately HK\$8.62 million in 2011. In light of the oversupply situation in hotels and expected costly maintenance, VivaSha's management has anticipated the business would remain challenging in the coming years.

The major asset of Shanghai Hilltop is the property interest in VivaSha. As shown in Appendix I to the Circular, the valuation of the property interest in VivaSha was RMB63,000,000 (equivalent to approximately HK\$77,490,000) as at 30 June 2012. As confirmed by the Company, the Adjusted NAV of SH as at 30 June 2012 has already taken into account the aforesaid value of the property interest.



---

## LETTER FROM GUANGDONG SECURITIES

---

### Information on Shanghai Landis

As referred to in the Board Letter, Shanghai Landis is a Sino-foreign joint venture established in the PRC with limited liability and is an associate of the Group. As aforementioned, under the Subcontracting Agreement, since July 2003, Shanghai Landis has been the operator of VivaSha and pays Shanghai Hilltop a minimum fixed fee per annum plus a variable amount calculated based on the turnover and profit of VivaSha, and it bears the financial results of VivaSha. As at the Latest Practicable Date, Shanghai Landis did not have any business other than the operations of VivaSha.

Set out below is the key financial information of Shanghai Landis as extracted from its unaudited management accounts based on which Shanghai Landis' assets, liabilities and results were equity accounted for in (i) the Group's audited consolidated financial statements for the two years ended 31 December 2010 and 2011; and (ii) the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2012, prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2010 HK\$'000</b>	<b>For the year ended 31 December 2011 HK\$'000</b>	<b>For the six months ended 30 June 2012 HK\$'000</b>
Revenue	56,429	43,770	19,195
Net profit/(loss) before and after taxation	3,973	(6,277)	(5,284)
	<b>As at 31 December 2010 HK\$'000</b>	<b>As at 31 December 2011 HK\$'000</b>	<b>As at 30 June 2012 HK\$'000</b>
Net assets (the "NAV of SL")	46,114	41,791	36,507

Shanghai Landis has started to make loss since the year ended 31 December 2011. As highlighted under the section headed "Business overview of the Group" of this letter, the Group shared losses of approximately HK\$2.20 million in 2011 as a result of the net loss of Shanghai Landis during the year under review.

### Reasons for the Disposal

As extracted from the Board Letter, in view of (i) the remaining joint venture period of approximately ten years with the Land Use Right together with the entire premises and fixtures of Shanghai Hilltop to be reverted to the Purchaser at no cost and without consideration upon expiry of such joint venture period; (ii) the possible substantial capital required for renovation of VivaSha for it to continue operations in a competitive manner in the near future; and (iii) the uncertainty in the

---

## LETTER FROM GUANGDONG SECURITIES

---

worldwide economy, the Board considers that it is appropriate time for the Company to realise the fair value of the investments in Shanghai Hilltop and Shanghai Landis (altogether, the “**Disposal Companies**”) to avoid further volatility of the value of these investments in the coming few years.

As further advised by the Company, the Company intends to apply the net proceeds from the Disposal of approximately HK\$79,336,000, being the aggregate consideration of the Disposal (the “**Aggregate Consideration**”) net of professional fees, tax and relevant expenses, for the Group’s general working capital. Moreover, the Group expects to recognise a gain from the Disposal of approximately HK\$7,561,000, which is calculated based on the Aggregate Consideration in the sum of RMB70,000,500 (equivalent to approximately HK\$86,101,000), less the carrying amount of the First Sale Interest and the Second Sale Interest recognised in the Group’s unaudited condensed consolidated financial statements as at 30 June 2012 amounting to HK\$80,626,000 in aggregate, and after (i) the deduction of the estimated commission, tax, professional fees and other relevant expenses incidental to the Disposal amounting to HK\$6,765,000 in aggregate; and (ii) the release of exchange fluctuation reserve of HK\$8,851,000, but before taking into account the joint undertaking of the Excess Amount (as defined in the Board Letter) of up to RMB5,000,000 (equivalent to approximately HK\$6,150,000) by the Company and vendors of the Second Disposal Agreement under the Disposal Agreements.

Given the aforesaid, and in particular (i) the performance of the Disposal Companies has deteriorated and both of them have been loss making since 2011; and (ii) the Disposal represents an opportunity for the Company to realise its investments in the Disposal Companies and thereby allowing the Company to reallocate its resources to businesses with potential growth prospects, we concur with the Company that the Disposal is in the interests of the Company and the Shareholders as a whole.

## 2. Terms of the Disposal Agreements

### The Disposal Agreements

On 4 August 2012, (i) the Company and the Purchaser entered into the First Disposal Agreement pursuant to which the Company conditionally agreed to dispose to the Purchaser the entire registered capital in Shanghai Hilltop; and (ii) Jackpot, being an indirect wholly-owned subsidiary of the Company, together with the Other Vendors and the Purchaser entered into the Second Disposal Agreement pursuant to which Jackpot and the Other Vendors conditionally agreed to dispose to the Purchaser 35% and 65% of the equity interests in Shanghai Landis respectively.

### The Aggregate Consideration

The consideration for the First Sale Interest payable by the Purchaser to the Company is RMB46,750,000 (equivalent to approximately HK\$57,503,000) (the “**First Consideration**”).

---

## LETTER FROM GUANGDONG SECURITIES

---

The total consideration for the entire equity interest in Shanghai Landis is RMB66,430,000 (equivalent to approximately HK\$81,709,000) and among which the consideration for the Second Sale Interest payable by the Purchaser to Jackpot is RMB23,250,500 (equivalent to approximately HK\$28,598,000) (the “**Second Consideration**”).

The Aggregate Consideration shall be satisfied in cash. Shareholders may refer to the Board Letter for the respective payment terms of the First Consideration and the Second Consideration.

### *Basis of the Aggregate Consideration*

The Company confirmed that the Aggregate Consideration was arrived at after arm’s length negotiations with reference to various factors, including: (i) the unaudited Adjusted NAV of SH of HK\$69,494,000 as at 31 December 2011 and of HK\$69,317,000 as at 31 December 2010; (ii) the unaudited net loss before taxation of Shanghai Hilltop of HK\$1,753,000 for the year ended 31 December 2011; (iii) the unaudited net profit before taxation of Shanghai Hilltop of HK\$1,447,000 for the year ended 31 December 2010; (iv) the unaudited NAV of SL of HK\$41,791,000 as at 31 December 2011 and of HK\$46,114,000 as at 31 December 2010; (v) the unaudited net loss before taxation of Shanghai Landis of HK\$6,277,000 for the year ended 31 December 2011; and (vi) the unaudited net profit before taxation of Shanghai Landis of HK\$3,973,000 for the year ended 31 December 2010.

### *Trading multiple analysis for the Aggregate Consideration*

For the purpose of assessing the fairness and reasonableness of the Aggregate Consideration, we have performed a trading multiple analysis which includes the price to book ratio (“**PBR**”) only since the Disposal Companies have been loss making in their latest financial year. We have searched for companies listed on the main board of the Stock Exchange which are in similar lines of business as the Disposal Companies (for details, please refer to the below table) and derive a majority of their revenue from such business (the “**Comparables**”) for comparison. To the best of our knowledge and endeavor, we found seven companies which met the said criteria. It should be noted that the operations and prospects of the Disposal Companies are not exactly the same as the Comparables even though the Comparables are engaged in similar lines of business as the Disposal Companies and we have not conducted any in-depth investigation into the businesses and operations of the Comparables.

---

## LETTER FROM GUANGDONG SECURITIES

---

Set out below are the PBRs of the Comparables based on their closing prices as at 3 August 2012, being the last trading day prior to the date of the Disposal Agreements, and their latest published financial information:

Company name	Stock Code	Principal business	Year end date	PBR
Tak Sing Alliance Holdings Limited	126	Property investment and development, the operations of hotel, restaurant and food businesses.	31/3/2012	0.28
Fujian Holdings Limited	181	Property investment & development, hotel operation and investment holding.	31/12/2011	1.31 <i>(Note 1)</i>
Capital Estate Limited	193	Property investment and development, hotel operation, financial investment and related activities.	31/7/2011	0.39
Shun Cheong Holdings Limited	650	Hotel and restaurant operations.	31/3/2012	0.71
Jiuzhou Development Co. Ltd.	908	Investment and property holding, management of holiday resort, theme park and amusement park, and provision of port facilities and ticketing services in Zhuhai, the PRC.	31/12/2011	0.47 <i>(Note 1)</i>
Rosedale Hotel Holdings Limited	1189	Hotel operation and trading of securities.	31/12/2011	0.12 <i>(Note 1)</i>
Shanghai Jin Jiang Int'l Hotels (Group) Co. Ltd.	2006	Star-rated hotel operation and management, budget hotel operation and franchising, food and restaurants, vehicle and logistics, travel agency and other businesses.	31/12/2011	0.39 <i>(Note 1)</i>
<b>Maximum</b>				1.31
<b>Minimum</b>				0.12
<b>Average</b>				0.52
<b>The First Consideration</b>				0.85 <i>(Note 2)</i>
<b>The Second Consideration</b>				2.24 <i>(Note 3)</i>

Source: the Stock Exchange web-site ([www.hkex.com.hk](http://www.hkex.com.hk))

---

## LETTER FROM GUANGDONG SECURITIES

---

*Notes:*

1. The P/Bs of the selected companies were calculated based on their respective latest published interim results announcements for the six months ended 30 June 2012.
2. Pursuant to the First Disposal Agreement, the existing HK\$100,546,000 loan owing by Shanghai Hilltop to the Company will either be capitalised as registered capital of Shanghai Hilltop or be waived by the Company. Hence, the implied PBR of the First Consideration was calculated based on the Adjusted NAV of SH as at 30 June 2012.
3. Pursuant to the Second Disposal Agreement, the existing loan owing by Shanghai Landis to Jackpot and the Other Vendors shall be settled by Shanghai Landis itself. Hence, the implied PBR of the Second Consideration was calculated based on the NAV of SL as at 30 June 2012.

As shown by the above table, the PBRs of the Comparables ranged relatively widely from approximately 0.12 times to 1.31 times, with average of approximately 0.52 times. If we exclude the PBR of approximately 1.31 times of Fujian Holdings Limited, the range of PBR would become approximately 0.12 times to 0.71 times, with an average of approximately 0.39 times. Given that the implied PBR of the First Consideration and the Second Consideration are approximately 0.85 times and 2.24 times respectively, the implied PBRs of the Aggregate Consideration are either within or above the said PBR ranges of the Comparables.

Taking into account that (i) the Disposal Companies have been loss making since 2011; and (ii) the implied PBRs of the Aggregate Consideration are either within or above the PBR ranges of the Comparables, we are of the opinion that the Aggregate Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

### **The Disposal Agreements are inter-conditional**

The Disposal Agreements are conditional upon passing of the respective requisite resolution(s) by the Independent Shareholders approving the Disposal Agreements and the respective transactions contemplated thereunder at the EGM. Such condition to each of the Disposal Agreements cannot be waived by any party to the Disposal Agreements. If the above conditions are not fulfilled within 90 days from the date of the Disposal Agreements, the Disposal Agreements shall automatically be terminated and shall cease to have any further force and effect save and except antecedent breach. In other words, pursuant to the Disposal Agreements, the Disposal Agreements are inter-conditional.

In light of the close cooperative relationship between the Disposal Companies and the management and operations of VivaSha by Shanghai Landis under the Subcontracting Agreement, together with the fact that as at the Latest Practicable Date, Shanghai Landis did not have any business other than the operations of VivaSha, we concur with the Company that it is fair and reasonable for the Disposal Agreements to be inter-conditional.

---

## LETTER FROM GUANGDONG SECURITIES

---

Having considered and analysed the aforesaid terms of the Disposal Agreements, we are of the view that the terms of the Disposal Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### 3. Possible financial effects of the Disposal

As extracted from the Board Letter, upon completion of the Disposal, Shanghai Hilltop will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's consolidated financial statements; whereas Shanghai Landis will cease to be an associate of the Group and its financial results will no longer be equity accounted for in the Group's consolidated financial statements.

#### Effect on net asset value

Based on the 2012 Interim Results Announcement, the unaudited consolidated net assets of the Group were approximately HK\$1,105.3 million as at 30 June 2012. The Company expected that the Disposal would reduce the net assets of the Group.

#### Effect on earnings

As stated in the Board Letter and mentioned under the section headed "Reasons for the Disposal" of this letter, the Disposal would result in an expected gain from the Disposal of approximately HK\$7,561,000 (subject to audit) for the Group.

#### Effect on gearing

Based on the 2012 Interim Results Announcement, the Group's gearing ratio (being a comparison of total borrowings with equity attributable to equity holders of the Company) was approximately 1.2% as at 30 June 2012. The Company expected that the gearing level of the Group would not be materially changed due to the Disposal.

#### Effect on working capital

As mentioned under the section headed "Reasons for the Disposal" of this letter, the Company intends to apply the net proceeds from the Disposal for general working capital of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Disposal.

---

## LETTER FROM GUANGDONG SECURITIES

---

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Disposal Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Disposal Agreements and the respective transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Guangdong Securities Limited**  
**Graham Lam**  
*Managing Director*

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the property interest held in the PRC as at 30 June 2012.



16th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

4 September 2012

The Directors  
ENM Holdings Limited  
Suites 3301-03, 33/F  
Tower 2, Nina Tower  
8 Yeung Uk Road  
Tsuen Wan  
New Territories  
Hong Kong

Dear Sirs,

**Re: The Interest of Shanghai Hilltop Resort Hotel Ltd. in Viva Shanghai Club Resort,  
2737-2779 Jiaotong Road, Putuo District, Shanghai, the People's Republic of China**

#### **Instructions, Purpose & Date of Valuation**

In accordance with your instructions for us to carry out a market valuation in existing state of the captioned property interest of ENM Holdings Limited (the "Company") or its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the captioned property interest as at 30 June 2012.

#### **Definition of Market Value**

Our valuation of the property interest represents its Market Value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) of The Hong Kong Institute of Surveyors is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".



**Valuation Basis and Assumption**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In valuing the property interest which is situated in the PRC, we have prepared our valuation on the basis that transferable land use rights in respect of the property interest for its specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Group and the PRC legal opinion of the legal adviser, Fangda Partners (方達律師事務所) dated 28 August 2012, regarding the title to the property interest and the interests in the property. In valuing the property interest, we have prepared our valuation on the basis that the owners have enforceable title to the property interest and have free and uninterrupted rights to use, occupy or assign the property interest for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

**Method of Valuation**

Shanghai Hilltop Resort Hotel Ltd. is a Co-operative Joint Venture established by the Company and a PRC Party till 2022. A fixed profit is payable to the PRC party under the Co-operative Joint Venture Agreement of Shanghai Hilltop Resort Hotel Ltd.

Shanghai Hilltop Resort Hotel Ltd. has sub-contracted the property interest to Shanghai Landis Hospitality Management Co. Ltd. till 2016 and will be entitled to a fixed operating fee during the said sub-contract period.

Shanghai Hilltop Resort Hotel Ltd. will then self-operate the property interest thereafter till 2022.

In the course of our valuation, we have valued the property interest in its existing state as a hotel. We have taken into account the fixed profit payable to the PRC party under the Co-operative Joint Venture Agreement of Shanghai Hilltop Resort Hotel Ltd.; we have also taken into account the fixed operating fee receivable under the Sub-Contracting Agreement with Shanghai Landis Hospitality Management Co. Ltd.

In arriving at our opinion of the market value of the property interest, we have valued it by Direct Comparison Method by making reference to comparable sales evidences as available in the relevant market, or, wherever appropriate, by Direct Capitalization Method on the basis of capitalization of fixed operating fee receivable from the Sub-Contracting Agreement, and the fixed profit payable to the PRC party under the Co-operative Joint Venture Agreement.

In valuing the property interest, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institutes of Surveyors.

**Source of Information**

We have relied to a very considerable extent on the information given by the Group and the opinion of the PRC legal adviser as to PRC laws. We have accepted advice given to us on such matters as statutory notices, easements, tenure, fixed profit and fixed operating fee, site and floor areas and all other relevant matters.

Dimensions, measurements and areas stated in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which are material to the valuation. We have also been advised by the Group that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

**Title Investigation**

We have been provided by the Group with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments to any documents. We have not been able to cause title searches for the properties in the PRC but we have made reference to the copies of the title documents and the opinion of the PRC legal adviser which have been made available to us by your Group. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

**Site Inspection**

Our DTZ Shanghai Office valuer Eric Fan and Eis Yao, whom is Member of RICS or China Real Estate Appraiser, have inspected the exterior and, where possible, the interior of the property interest on 9 August 2012. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report whether the property interest is free of rot, infestation or any other structural defects. No test was carried out on any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the property interest and we have assumed that the areas shown on the copies of the documents handed to us are correct.

**Currency**

Unless otherwise stated, all sums stated in our valuation are in Renminbi, the official currency of the PRC.

**Remark**

Please note that the Company has also appointed us to value the property interest at the same valuation date as at 30 June 2012 for accounting reference purpose.

We attach herewith our valuation certificate for your attention.

Yours faithfully,  
for and on behalf of  
**DTZ Debenham Tie Leung Limited**  
**Philip C Y Tsang**  
*Registered Professional Surveyor*  
*(General Practice)*  
*Registered China Real Estate Appraiser*  
*MSc, MRICS, MHKIS*  
*Director*

Note: *Mr. Philip C Y Tsang is Registered Professional Surveyor (General Practice) who has over 19 years' experience in the valuation of properties in the PRC.*

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2012
The Interest of Shanghai Hilltop Resort Hotel Ltd. in Viva Shanghai Club Resort, 2737-2779 Jiaotong Road, Putuo District, Shanghai, the PRC	<p>The property interest comprises Viva Shanghai Club Resort erected on an irregular-shaped piece of land with an area of approximately 36,039 sq m.</p> <p>The existing buildings completed the renovation in 2005.</p> <p>The property interest mainly comprises a Hotel Building including the south tower and the north tower, a Clubhouse Building, other ancillary structures and certain outdoor recreational facilities including a golf driving range, tennis court, badminton court, and outdoor swimming pool.</p> <p>The Clubhouse Building is facilitated with indoor swimming pools, spa, gymnasium, squash court, conference room, restaurant and activity center, etc.</p> <p>The Hotel Building provides a total of 298 guest rooms, including 213 twins, 84 suites, and 1 president suites. It is facilitated with Chinese and Western restaurants, multi-purpose conference rooms, etc.</p> <p>According to Real Estate Title Certificate, the existing buildings have a total gross floor area of 35,569.33 sq m.</p>	<p>The property interest has been renovated and operated as a resort hotel.</p> <p>The property interest has been sub-contracted to Shanghai Landis Hospitality Management Co. Ltd. (上海麗致育樂經營管理有限公司) for operation for a term of 13 years up to 30 June 2016.</p>	RMB63,000,000

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2012
(cont'd)	<p>As advised by the Group, the total gross floor area of the property interest after renovation and alteration is approximately 41,717 sq m.</p> <p>The property interest is located at Jiaotong Road in Putuo District, which is in urban area of Shanghai nearby are mainly residential development. According to the Company, the property interest is planned for hotel use; there is no environmental issues and litigation dispute; there is no plan for renovation, to dispose of or change the use of the property interest.</p> <p>The land use rights of the property interest are in collective nature for a term due to expire on 27 December 2022 (Re: Note 1).</p>	—	—

*Notes:-*

- (1) According to Real Estate Title Certificate No. (2000) 005523 dated 8 September 2000 and issued by Shanghai Municipal Housing and Land Administration Bureau, the land use rights of the property interest in collective nature, comprising a site area of 36,039 sq m and the housing ownership of the property interest, comprising a total gross floor area of 35,569.33 sq m, are vested in Shanghai Hilltop Country Club Limited (上海顯達鄉村俱樂部有限公司) (now known as "Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司)") for a term due to expire on 27 December 2022 for cultural, sports and recreational uses.
- (2) According to Planning Permit for Construction Project No. (2004) 0013 dated 20 January 2004 and issued by Shanghai Putuo District City Planning Administrative Bureau, the property interest (after renovation and alteration works) is permitted with a gross floor area of 41,717 sq m.

In the course of our valuation, we have assumed that the property interest with planned total gross floor area of 41,717 sq m (after renovation and alteration works) will be issued with a new Real Estate Title Certificate.

- (3) According to the Co-operative Joint Venture Agreement, entered into in 1992 and Supplementary Agreements entered into between 1996 and 2010 in respect of Shanghai Hilltop Resort Hotel Ltd. between Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) (Party A) and the Company (Party B):-
  - (i) Name of co-operative joint venture : Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) (formerly known as Shanghai Hilltop Country Club Limited (上海顯達鄉村俱樂部有限公司) and Shanghai Xian Da Country Club Co., Ltd. (上海顯達鄉村俱樂部有限公司)) (the "CJV")

- (ii) Scope of operation : The construction and management of swimming pool, tennis court, golf putting green and golf driving range, badminton court, squash court, gymnasium, billiard room, karaoke, Chinese and Western restaurants, commercial / residential / office building and shop.
- (iii) Co-operation period : 30 years from the date of issue of the business licence
- (iv) Total investment amount : US\$12,500,000
- (v) Registered capital : US\$7,200,000
- (vi) Co-operation condition : Party A shall provide the land use right of a parcel of land with an area of 54.058 Mu (36,039 sq m) while Party B shall provide the capital in the amount of US\$7,200,000.
- (vii) Profit sharing : (a) The distribution of profit from 2001 to 2008 is stated as follows:-  
The CJV shall pay to Party A a fixed profit in the amount of RMB1,650,000 or 30% of the distributable profit after deducting the taxes and funds, whichever is the higher.
- (b) The distribution of profit from 28 December 2008 to 27 December 2022 is stated as follows:-  
The CJV shall pay to Party A a fixed profit in the amount of RMB2,250,000 or US\$268,000 or 30% of the distributable profit after deducting the taxes and funds, whichever is the higher.
- (4) According to the extracts of the Sub-Contracting Agreement entered into between Shanghai Hilltop Resort Hotel Ltd. (Party A) and Shanghai Landis Hospitality Management Co. Ltd. (Party B) on 16 June 2003:-
- (i) The property interest : Now known as Viva Shanghai Club Resort located at 2779 Jiaotong Road in Putuo District, Shanghai, the People's Republic of China.
- (ii) Scope of operation : The renovation, alteration and management of Viva Shanghai Club Resort
- (iii) Operation period : 13 years from 1 July 2003 (as advised by the Group)
- (iv) Total alteration cost : Not less than RMB30,000,000 provided by Party B
- (v) Profit sharing : The fee payable by Party B to Party A from completion of the renovation and alteration to 30 June 2016 (as advised by the Group) is stated as follows:-
- (a) Fixed Operating Fee  
Party B shall pay Party A a fixed annual amount of RMB800,000 from year 4 to year 5 whilst a fixed annual amount of RMB1,340,000 from year 6 to year 13.
- (b) Operating Fee based on Turnover  
For the Hotel related portion, Party B shall pay Party A 2.5% of the total revenue before deducting any operating costs and expenses.  
For the Clubhouse portion, Party B shall pay Party A 4% of the Net Operating Profit (NOP) if NOP is less than RMB50,000,000; 3.5% of the NOP if NOP is more than RMB50,000,000 but less than RMB70,000,000; 3% of NOP if NOP is more than RMB70,000,000.

As advised by the Group, Viva Shanghai Club Resort (excluding the moveable furniture and equipment) will be handed over to Party A after 30 June 2016.

- (5) According to Business Licence No. 010426 dated 18 May 2007, Shanghai Hilltop Resort Hotel Ltd. was incorporated with a registered capital of US\$7,200,000 and has an operation period from 28 December 1992 to 27 December 2022.
- (6) According to the PRC legal opinion:-
- (i) Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) is the legal holder of the land use right to the plot of land with 36,039 sq m and the legal owner of the eight buildings with 35,569.33 sq m;
- (ii) Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) changed its legal name from Shanghai Hilltop Country Club Limited (上海顯達鄉村俱樂部有限公司) to Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) on 15 June 2005, while it hasn't updated its Building Ownership Certificate to reflect such change;
- (iii) Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) is free from and clear of registered mortgage;
- (iv) Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) has obtained the business license and special trades license (hotel industry) to operate its business, such license are valid under the PRC Laws;
- (v) Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) is a Sino-foreign co-operative joint venture; ENM Holdings Limited is the registered owner of 100% interest in the registered capital of Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司). Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) is the Chinese party of the Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) which provided the land use right as cooperative condition to Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司). ENM Holdings Limited and Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) entered into a co-operative joint venture agreement in 1992 and supplementary agreements between 1996 and 2010 in respect of Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) as joint venture partners (the "JV Agreement");
- (vi) The cooperation term is thirty (30) years, starting from 28 December 1992 to 27 December 2022. Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) provided the land use right as cooperative condition to Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) for its use within the duration of Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司), provided, however, Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) has no right to dispose of such land use right, and upon expiry of duration of Shanghai Hilltop, such land use right shall be returned to Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) automatically. Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) is entitled to receive a fixed profit guaranteed by ENM Holdings Limited from Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) each year, and ENM Holdings Limited is entitled to the remaining profit; and
- (vii) According to the Sub-Contracting Agreement entered into between Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) and Shanghai Landis Hospitality Management Co. Ltd. (上海麗致育樂經營管理有限公司) on June 16, 2003, Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司) subcontracted the club operation to Shanghai Landis Hospitality Management Co. Ltd. (上海麗致育樂經營管理有限公司) till year 2016.

- (7) The status of title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal adviser are as follows:-

Real Estate Title Certificate	Yes (Part)
Planning Permit for Construction Project	Yes
Co-operative Joint Venture Agreement	Yes
Sub-Contracting Agreement	Yes
Business Licence	Yes



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (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 the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (“Model Code”) or (c) which were required to be entered into the register pursuant to section 352 of the SFO were as follows:

*Long position in ordinary shares of HK\$0.01 each of the Company:*

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or the Model Code or were required to be entered into the register required to be kept under section 352 of the SFO.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group.

### 3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, the following are details of the persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company 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 (including any option in respect of such capital) carrying rights to vote in all circumstances at general meeting of any other member of the Group:

(i) Long positions in ordinary shares of HK\$0.01 each of the Company:

Name	Capacity	Number of shares held			Total	Percentage of issued share capital
		Personal Interest	Corporate Interest	Other Interest		
Diamond Leaf Limited	Beneficial owner	162,216,503	—	—	162,216,503	9.83%
Solution Bridge Limited	Beneficial owner	408,757,642	—	—	408,757,642	24.76%
KUNG, Nina (deceased) (Note 1)	Interest of controlled corporations	—	570,974,145	—	570,974,145	34.59%
LAM, Hok Chung Rainier (Notes 2 and 3)	Trustee	—	—	570,974,145	570,974,145	34.59%
JONG, Yat Kit (Notes 2 and 4)	Trustee	—	—	570,974,145	570,974,145	34.59%

Notes:

- The interest disclosed under Ms KUNG, Nina (deceased) represents her deemed interests in the shares of the Company by virtue of her interests in Diamond Leaf Limited and Solution Bridge Limited.
- Both Diamond Leaf Limited and Solution Bridge Limited are wholly owned by Mr. LAM, Hok Chung Rainier and Mr. JONG, Yat Kit, as joint and several administrators of the estate of Kung, Nina.
- The interest disclosed under Mr. LAM, Hok Chung Rainier represents his deemed interests in the shares of the Company by virtue of his interests in Diamond Leaf Limited and Solution Bridge Limited.
- The interest disclosed under Mr. JONG, Yat Kit represents his deemed interests in the shares of the Company by virtue of his interests in Diamond Leaf Limited and Solution Bridge Limited.

## (ii) Other member of the Group

Name of subsidiary	Name of shareholder	Percentage of issued share capital
Powerbridge Limited	LIANG, Hong	10%

Save as disclosed above, the Directors are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company 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 Shares.

**4. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**5. COMPETING INTERESTS**

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

**6. EXPERT AND CONSENTS**

The following is the qualification of the experts who has been named in this circular or has given opinion or advice contained in this circular:

Name	Qualification
Guangdong Securities	a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
DTZ Debenham Tie Leung Limited (“DTZ”)	Independent Professional Valuer

Each of Guangdong Securities and DTZ has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Guangdong Securities and DTZ did not have any shareholding directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Guangdong Securities and DTZ did not have any direct or indirect interest in any assets which had since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest published audited consolidated financial statements of the Group were made up.

## **8. MISCELLANEOUS**

- (a) The registered office of the Company is located at Suites 3301-03, 33/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong.
- (b) The share register of the Company is Computershare Hong Kong Investor Services Ltd at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Ms. Pui Man CHENG. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. She is also a member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the First Disposal Agreement and the Second Disposal Agreement are available for inspection during normal business hours at the registered office of the Company at Suites 3301-03, 33/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong on any weekday (except public holidays) for a period of 14 days from the date hereof.

---

## NOTICE OF EGM

---



### ENM HOLDINGS LIMITED

### 安寧控股有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 128)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of ENM Holdings Limited (“the **Company**”) will be held at 11:30 a.m., on Monday, 24 September 2012 at Hilltop Country Club, 10 Hilltop Road, Lo Wai, Tsuen Wan, New Territories, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

(1) “**THAT,**

- (a) the agreement for transfer of equity interest dated 4 August 2012 (“**First Disposal Agreement**”), a copy of which, signed by the Chairman of the meeting for the purpose of identification, has been produced to the meeting marked “A”, entered into between 上海興遠實業有限公司 (Shanghai Xingyuan Shiyei Company Limited) (“**Purchaser**”) and the Company whereby the Company has conditionally agreed to dispose to the Purchaser the entire registered capital in Shanghai Hilltop Resort Hotel Ltd. (“**Shanghai Hilltop**”) at the consideration of RMB46,750,000 (equivalent to approximately HK\$57,503,000) and the transactions contemplated thereunder including the Company agreeing to bear indebtedness of Shanghai Hilltop and Shanghai Landis Hospitality Management Co. Ltd. to third parties of not more than RMB5,000,000 (equivalent to approximately HK\$6,150,000), and the execution of the First Disposal Agreement be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to do all such acts and things and sign all such documents and to take such steps as they consider necessary or expedient or desirable in connection with or to give effect to the First Disposal Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

(2) “**THAT,**

- (a) the agreement for transfer of equity interest dated 4 August 2012 (“**Second Disposal Agreement**”), a copy of which, signed by the Chairman of the meeting for the purpose of identification, has been produced to the meeting marked “B”, entered into between the Purchaser and Jackpot International Business Inc. (“**Jackpot**”), an indirect wholly-owned subsidiary of the Company, and four other vendors whereby Jackpot conditionally agreed

---

## NOTICE OF EGM

---

to dispose to the Purchaser 35% equity interest in Shanghai Landis Hospitality Management Co. Ltd. at the consideration of RMB23,250,500 (equivalent to approximately HK\$28,598,000) and the transactions contemplated thereunder, and the execution of the Second Disposal Agreement be and are hereby approved, confirmed and ratified; and

- (b) the directors of the Company be and are hereby authorised to do all such acts and things and sign all such documents and to take such steps as they consider necessary or expedient or desirable in connection with or to give effect to the Second Disposal Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

By Order of the Board  
**ENM HOLDINGS LIMITED**  
**Joseph Wing Kong LEUNG**  
*Chairman and*  
*Acting Chief Executive Officer*

Hong Kong, 4 September 2012

***Registered Office:***

Suites 3301-03, 33/F,  
Tower 2, Nina Tower, 8 Yeung Uk Road,  
Tsuen Wan, New Territories, Hong Kong

*Notes:*

- (1) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (2) Where there are joint holders of any share, any one of such holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled to vote, but if more than one of such joint holders are present at the EGM in person or by proxy, the person so present whose name stands first in the register of shareholders of the Company in respect of such share shall alone be entitled to vote in respect of it.
- (3) A form of proxy for use at the EGM is enclosed. To be valid, this completed and signed proxy form and the relevant notarised power of attorney (if any) and other relevant document of authorisation (if any), must be lodged with the Company at Suites 3301-03, 33/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong by not less than 48 hours before the time appointed for the holding of the EGM or any adjournment of it (as the case may be).
- (4) To facilitate the processing of proxy voting, the register of shareholders will be closed from 20 September 2012 to 24 September 2012, both days inclusive, during which period the registration of transfers of shares will be suspended. To be entitled to attend and vote at the EGM, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 19 September 2012.

---

## NOTICE OF EGM

---

- (5) Pursuant to Rule 13.39 of the Listing Rules and Article 73 of the Articles of Association of the Company, all resolutions set out in the Notice will be decided by poll at the EGM.
- (6) Shareholders are requested to telephone the Company's hotline on (852) 2594 0600 for arrangements of the EGM in the event that a No. 8 (or above) typhoon or black rainstorm warning is hoisted on the day of the EGM.
- (7) As at the date hereof, 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.