

## CHAIRMAN'S STATEMENT

I am pleased to present the annual report of ENM Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2005.

In June 2005, the Company's name was changed from "e-New Media Company Limited 安寧數碼科技有限公司" to "ENM Holdings Limited 安寧控股有限公司". The Group is currently engaged in different lines of businesses including the wholesale and retail of fashion wear and accessories, securities trading and investment holding, resort and recreational club operations and provision of telecommunications services. The new name better reflects the diversified business of the Company.

### RESULTS

For the year ended 31 December 2005, the Group recorded a turnover of HK\$242,536,000, representing an increase of 10% as compared with HK\$221,273,000 for the previous year.

During the year under review, turnover from the retail fashion business increased by 20%, which was mainly attributable to the organic growth from its existing shops and the contribution from new shops opened during the year. Shops opened include Roberto Cavalli flagship at ifc mall, Christian Lacroix boutique at Harvey Nichols and Kenzo boutique at ifc mall.

The Group posted a net profit attributable to shareholders of HK\$10,923,000, an increase of 55% as compared with HK\$7,039,000 (as restated) for the previous year. Such increase in profit was mainly attributable to the substantial improvement in the performance of the Group's investments.

### LOOKING AHEAD

The Group has co-operated with a hotel management company, in which the Group owns 35% interest, to convert the Shanghai Hilltop Country Club ("Shanghai Hilltop") into a Spa and 4-Star resort hotel. Shanghai Hilltop has been renamed "VivaSha". VivaSha has its soft opening in March 2006. The Board believes that VivaSha shall benefit from the continuing robust travel demand in the Mainland, buoyant global tourisms, business travel and the economic growth in Shanghai.

On the fashion retail business, the Group currently has 12 shops and department store counters with a total shopping floor area of 22,000 square feet. The Group aims to continue providing premium services and introducing top and up-and-coming brands to our customers. Given the shop rental gone-up, the Group has exercised tight controls on all overheads and has also improved the merchandising process in order to further enhance the profitability of the retail fashion business.

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

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### **APPRECIATION**

I would like to take this opportunity to thank my fellow directors, dedicated employees, our supportive shareholders and our business partners for their confidence and continued support to the Group.

**Joseph Wing Kong LEUNG**

*Chairman*

Hong Kong, 7 April 2006