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ENM HOLDINGS LIMITED

安寧控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00128)

INSIDE INFORMATION UPDATE ON PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (1) the profit warning announcement of the Company dated 22 December 2020 (the “Profit Warning Announcement”), which disclosed, inter alia, that the Group expected to record a net loss for the year ended 31 December 2020 as compared to a profit attributable to shareholders of the Company of HK\$46.2 million for the year ended 31 December 2019; and (2) the announcements of the Company dated 19 January 2018, 1 September 2020, 18 September 2020 and 26 February 2021 in respect of the Rezoning Application and the Rezoning Approval (collectively the “Announcements”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Board wishes to update the shareholders of the Company and potential investors that based on the latest assessment by the Board with reference to the information currently available, it is expected that the Group will record a profit of HK\$11.9 million for the year ended 31 December 2020 as compared to a profit attributable to shareholders of the Company of HK\$46.2 million for the year ended 31 December 2019.

The turnaround from expected loss to expected profit for the year ended 31 December 2020 was mainly attributable to the following factors:

- (i) Upon review of the draft valuation report received from the Group’s independent professional qualified valuers on 23 March 2021, there was a revaluation increase arising on the revaluation of the Group’s Hill Top Country Club property (“Club Property”) as at 31 December 2020 of approximately HK\$219 million, in which approximately HK\$30.3 million will be credited to the Consolidated Statement of Profit or Loss as deficit write-

back on revaluation and approximately HK\$188.7 million will be recognised as other comprehensive income and accumulated in the properties revaluation reserve. In accordance with Hong Kong Financial Reporting Standard 13 “Fair Value Measurement”, the valuation technique used for the Group’s Club Property as at 31 December 2020 has been changed from “open market and existing use basis with the use of discounted cash flow” to “open market and highest and best use basis with the use of residual method based on the Rezoning Approval”; and

- (ii) the total net realised and unrealised return contributed by the investment portfolio of the Group for the month of December 2020 of approximately HK\$25 million.

However, other adverse factors as mentioned in the Profit Warning Announcement have persisted.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2020, the information contained in this announcement is only based on the latest assessment by the Board with reference to the information currently available including the unaudited management accounts of the Group for the year ended 31 December 2020, which have not been reviewed or audited by the independent auditors of the Company, nor reviewed by the Audit Committee of the Company. The Group’s actual results may be subject to changes and adjustments. The Company will make further announcements to provide further updates on a timely basis as and when necessary.

Shareholders of the Company and potential investors should carefully read the Group’s annual results announcement for the year ended 31 December 2020, which is expected to be published on or about 26 March 2021.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
David Parker
Executive Director
and Chief Executive Officer

Hong Kong, 23 March 2021

As at the date of this announcement, the Executive Director is Mr. David Charles PARKER (Chief Executive Officer), the Non-executive Directors are Mr. Derek Wai Choi LEUNG (Non-executive Chairman) and Mr. Hing Lun Dennis AU, and the Independent Non-executive Directors are Mr. Kin Wing CHEUNG, Mr. Kiu Sang Baldwin LEE, Mr. Ted Tak Tai LEE and Ms. Sarah Young O’DONNELL.