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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)

**CONTINUING CONNECTED TRANSACTION
TENANCY AGREEMENT**

The Board announces that on 30 November 2018, the Company entered into the Tenancy Agreement with the Landlords for the lease of the Premises.

As at the date of this announcement, Mr. CHAN, Wai Tong Christopher, Mr. JONG, Yat Kit and Mr. WONG, Tak Wai jointly hold approximately 44.28% of the issued shares of the Company. Each of them is a trustee of the Estate of Kung, Nina also known as Nina Kung and Nina T H Wang and Nina Teh Huei Wang. Since the Landlords are companies controlled by each of them as joint and several administrators of the Estate of Nina Kung and are associates of connected persons of the Company under Chapter 14A of the Listing Rules, therefore the Tenancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined in the Listing Rules) in respect of the Annual Caps for the transactions contemplated under the Tenancy Agreement are more than 0.1% but less than 5%, the Tenancy Agreement is subject to the reporting and announcement but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the Tenancy Agreement will be included in the annual report of the Company for each of the relevant financial years. The Company will also observe the annual review and other requirements regarding continuing connected transactions under Chapter 14A of the Listing Rules, if and when applicable, from time to time.

TENANCY AGREEMENT

The Board announces that on 30 November 2018, the Company entered into the Tenancy Agreement with the Landlords for the lease of the Premises. The principal terms of the Tenancy Agreement are as follows:

- Landlords : Ying Ho Company Limited,
Cheong Ming Investment Co., Limited,
Dorfolk Investments Limited,
Kwong Fook Investors And Developers Limited,
The World Realty Limited,
On Lee Investment Company Limited,
Yau Fook Hong Company Limited, and
Tsing Lung Investment Company Limited
- Tenant : ENM Holdings Limited
- Premises : Suites 3301-3302, 33rd Floor, Tower 2, Nina Tower, No. 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong with a total gross area of 10,418 square feet
- Lease term : Three years commencing from 1 December 2018 and expiring on 30 November 2021 (both days inclusive)
- Monthly Rent : HK\$218,778 per month (calculated at the rate of HK\$21 per square foot) exclusive of government rates, management fee and air-conditioning charges
- Rent free period : (i) from 1 December 2018 to 31 December 2018 (1 month);
(ii) from 1 June 2020 to 30 June 2020 (1 month);
and
(iii) from 1 November 2021 to 30 November 2021 (1 month)
- Management fee and air-conditioning charges : HK5.50 per square foot gross per month, which shall be subject to review based upon increase in the cost of supply
- Payment : Rent, management fee and air-conditioning charges payable monthly in advance on the 1st day of each calendar month

HISTORICAL FIGURES AND ANNUAL CAPS

Historical Figures

The actual payment made under the Existing Tenancy Agreement for the three financial years ended 31 December 2015, 2016 and 2017 and the six months ended 30 June 2018, which have not exceeded the annual cap amounts, were as follows:

For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2017	For the six months ended 30 June 2018
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
72	4,072	4,133	2,211

Annual Caps

The Annual Caps for the transactions contemplated under the Tenancy Agreement for each of the four financial years ending 31 December 2018, 2019, 2020 and 2021 will be as follows:

	For the year ending 31 December			
	2018	2019	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Tenancy Agreement	62	3,418	3,275	3,066

The annual cap for the Tenancy Agreement represents the aggregate of the annual rent, management fee, air-conditioning charges together with other charges payable by the Company to the Landlords under the Tenancy Agreement plus a cushion to cater for the possible increases in outgoing charges.

Payment of the rent, management fee, air-conditioning charges and other outgoing charges will be funded by the Group's internal resources.

REASONS FOR THE TENANCY AGREEMENT

Since December 2009, the Company has rented from the Landlords certain premises situated at 33rd Floor, Tower 2, Nina Tower, No. 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong as the Group's office premises. The Existing Tenancy Agreement will expire on 30 November 2018. After reviewing the Group's requirement for office space, the Board resolved to reduce the leased office space by 3,460 square feet. The Board has negotiated with and has reached the Tenancy Agreement with the Landlords to continue to use the Premises with a total gross area of 10,418 square feet as the Group's office premises. The Group will save the relocation and administration costs.

The terms of the Tenancy Agreement have been arrived at based on arm's length negotiations between the parties and are on normal commercial terms. The amounts of rent, management fee and air-conditioning charges stipulated under the Tenancy Agreement have been determined with reference to the rent and outgoing charges chargeable by the Landlords for similar leases in the same building and the prevailing market conditions. The Directors, including the Independent Non-executive Directors, consider that the Tenancy Agreement is on normal commercial terms, that its terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole, that the Annual Caps are fair and reasonable, and that the entering into of the Tenancy Agreement is in the ordinary and usual course of business of the Group.

Mr. Derek Wai Choi LEUNG is the Non-executive Director of the Company and also a member of the executive committee of the Landlords, therefore he has abstained from voting on the relevant Board resolutions approving the Tenancy Agreement. Saved as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Tenancy Agreement and is required to abstain from voting on the relevant Board resolutions.

CONTINUING CONNECTED TRANSACTION

As at the date of this announcement, Mr. CHAN, Wai Tong Christopher, Mr. JONG, Yat Kit and Mr. WONG, Tak Wai jointly hold approximately 44.28% of the issued shares of the Company. Each of them is a trustee of the Estate of Kung, Nina also known as Nina Kung and Nina T H Wang and Nina Teh Huei Wang. Since the Landlords are companies controlled by each of them as joint and several administrators of the Estate of Nina Kung and are associates of connected persons of the Company under Chapter 14A of the Listing Rules, therefore the Tenancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined in the Listing Rules) in respect of the Annual Caps for the transactions contemplated under the Tenancy Agreement are more than 0.1% but less than 5%, the Tenancy Agreement is subject to the reporting and announcement but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the Tenancy Agreement will be included in the annual report of the Company for each of the relevant financial years. The Company will also observe the annual review and other requirements regarding continuing connected transactions under Chapter 14A of the Listing Rules, if and when applicable, from time to time.

There are no agreements of the Company in the last 12 months which would require aggregation pursuant to Rule 14A.81 of the Listing Rules.

GENERAL

The principal activities of the Company are investment holding and securities trading. The principal activities of its subsidiaries comprise the wholesale and retail of fashion wear and accessories, resort and recreational club operations, investment holding and securities trading.

The Landlords are engaged in property investment for rental income.

DEFINITIONS

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

“Annual Caps”	the maximum annual amount of rent, management fee and air-conditioning charges and other charges payable by the Company under the Tenancy Agreement for each of the four financial years during the term of the Tenancy Agreement
“Board”	the board of Directors
“Company”	ENM Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 27 November 2015, entered into between the Company as tenant and the Landlords in relation to Suites 3301-3303A, 33rd Floor, Tower 2, Nina Tower, No. 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong for a term of three years from 1 December 2015 to 30 November 2018 at a monthly rent of HK\$291,438
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlords”	Ying Ho Company Limited, Cheong Ming Investment Co., Limited, Dorfolk Investments Limited, Kwong Fook Investors And Developers Limited, The World Realty Limited, On Lee Investment Company Limited, Yau Fook Hong Company Limited, and Tsing Lung Investment Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Suites 3301-3302, 33rd Floor, Tower 2, Nina Tower, No. 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 30 November 2018, entered into between the Company as tenant and the Landlords in relation to the Premises for a term of three years from 1 December 2018 to 30 November 2021 at a monthly rent of HK\$218,778

“HK\$”

Hong Kong dollar, the lawful currency of Hong Kong

“%”

per cent.

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

Hong Kong, 30 November 2018

At the date of this announcement, the Executive Directors are Mr. David Charles PARKER (Chief Executive Officer) and Mr. Wing Tung YEUNG, the Non-executive Director is Mr. Derek Wai Choi LEUNG (Non-executive Chairman), 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.