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ENM Holdings Limited

安寧控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 128)

**DISCLOSEABLE TRANSACTION
TRANSFER OF “BRUNELLO CUCINELLI” BRAND
RETAIL BUSINESS**

The Board announces that on 23 September 2013, the Seller, an indirect wholly-owned subsidiary of the Company, entered into the Business Transfer Agreement with the Purchaser, under which the Seller has agreed to sell, and the Purchaser has agreed to conditionally purchase, the Subject Business for a total consideration of HK\$31,125,742, subject to adjustments. Subject to satisfaction of the conditions precedent contained in the Business Transfer Agreement, the Business Transfer is expected to be completed on the Closing Date.

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Business Transfer are above 5% but less than 25%, the Business Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the Company’s announcement dated 30 August 2013 in respect of the possible transfer of “Brunello Cucinelli” fashion wear and accessories retail business currently carried out by the Seller in its three standalone “Brunello Cucinelli” stores in Hong Kong.

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Details of the Business Transfer Agreement are summarised below:

THE BUSINESS TRANSFER AGREEMENT

Date	23 September 2013
Parties	<p>Seller: The Swank Shop Limited, an indirect wholly-owned subsidiary of the Company.</p> <p>Purchaser: Brunello Cucinelli Hong Kong Limited, an associate of the Company, which is beneficially owned by the Seller as to 49% and by BC as to 51%. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries: (i) save for being an associate of the Company, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company and (ii) there was no previous transaction between the Company and the Purchaser which may require aggregation under Rule 14.22 of the Listing Rules.</p>
Subject matter	<p>The Subject Business as a going concern, including, inter alia, the Transferred Assets on an “as is” basis. Save for the Assumed Employment Liabilities, the Seller will transfer the Subject Business to the Purchaser free and clear of all debts, liabilities, obligations and other outgoings (including but not limited to financial debts, accounts payable, tax liabilities and liabilities with respect to the Employees) related to the Subject Business or the Transferred Assets which existed, occurred or arose prior to Closing.</p>
Employees	<p>The Seller shall use its commercially reasonable endeavours to persuade the Employees to accept employment with the Purchaser with effect from Closing to be offered pursuant to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) before the Closing Date.</p>

Consideration

HK\$31,125,742, which shall be payable by the Purchaser in clear and immediate available funds on the Closing Date (the “**Base Value**”). The Base Value was determined after arm’s length negotiations between the Seller and the Purchaser by reference to (i) the estimate net book value of the fixed assets to be transferred as at 30 September 2013 amounting to HK\$4,020,067; (ii) the estimate value of the landed cost of the trading stock to be transferred as at 30 September 2013 amounting to HK\$15,670,830; (iii) the agreed value of the intangible asset to be transferred amounting to €400,000 (approximately HK\$4,194,400), (iv) the quantum of the Assumed Employment Liabilities and (v) the long-term business prospects of the Subject Business.

The Base Value will be adjusted after the Seller has conducted a post-completion audit on the net book value of the fixed assets and the landed cost of the trading stock as at 30 September 2013 as soon as practicable following Closing (the “**Post-Completion Audit**”). The adjusted total consideration shall be no more than 120% of the Base Value. Within seven days after the Purchaser has approved the results of the Post-Completion Audit, the Seller is required to repay to the Purchaser an amount equal to the deficit in case of downward adjustments, or the Purchaser is required to pay to the Seller an additional amount equal to the surplus in case of upward adjustments, as the case may be.

Conditions precedent

Closing of the Business Transfer is conditional upon the satisfaction of the following conditions:

- (i) the right to occupy and use the Premises as tenant for operation of the Subject Business after Closing has been granted to the Purchaser by the respective landlords; and

- (ii) a notice of transfer of business having been published pursuant to the Transfer of Businesses (Protection of Creditors) Ordinance (Cap. 49 of the Laws of Hong Kong) for a period of 30 days and no legal proceedings being issued against the Seller in respect of the carrying on of the Subject Business before such notice has become complete.

Completion

Closing is expected to take place on the Closing Date provided that the conditions precedent set out above shall have been satisfied on or prior to the Closing Date.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE BUSINESS TRANSFER AGREEMENT

The principal business activities of the Company are investment holding and securities trading. The principal business activities of its subsidiaries comprise the wholesale and retail of fashion wear and accessories, as well as the operation of resorts and recreational clubs, investment holding and securities trading. The principal business activity of the Purchaser is the operation of the “Brunello Cucinelli” fashion wear and accessories retail business in Hong Kong after completion of the Business Transfer. The formation of the Purchaser, either individually or when aggregated with the Business Transfer, is not discloseable under Chapter 14 of the Listing Rules.

Since 2011, the Seller has been appointed by BC as the exclusive distributor of the “Brunello Cucinelli” brand products (the “**Products**”) in Hong Kong and has been selling the Products in three standalone “Brunello Cucinelli” stores at the Premises and its multi-brand stores. The sales of the Products have generated satisfactory results for the Group.

Given that the existing commercial cooperation arrangements relating to the Products will expire in 2015, the Seller and BC have decided to adopt a new collaboration model to maintain their business partnership and to better compliment BC’s global distribution strategy by setting up the Purchaser as the operating entity in Hong Kong to carry out the Subject Business. After the Business Transfer, the Seller will continue to act as the exclusive distributor of the Products in Hong Kong, except for the Subject Business.

Having considered the factors described above, the Board considers (i) the Business Transfer is on normal commercial terms and (ii) the terms of the Business Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE BUSINESS TRANSFER

The Group expects to recognise a gain from the Business Transfer of approximately HK\$4,155,000, net of professional fees and relevant expenses. The Company intends to apply the net proceeds from the Business Transfer for the Group's general working capital.

The net profit both before and after taxation attributable to the Transferred Assets for the financial year ended 31 December 2012 was HK\$4,995,000. The net profit both before and after taxation attributable to the Transferred Assets for the financial year ended 31 December 2011 was HK\$4,489,000.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Business Transfer are above 5% but less than 25%, the Business Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Assumed Employment Liabilities”	certain employment related liabilities to be assumed by the Purchaser with respect to those Employees who has accepted employment with the Purchaser with effect from Closing
“BC”	Brunello Cucinelli S.p.A., a company incorporated in Italy which is principally engaged in design, manufacturing and distribution of luxury clothing and accessories collections globally
“Board”	the board of Directors
“Business Transfer”	the transfer of the Subject Business from the Seller to the Purchaser pursuant to the Business Transfer Agreement
“Business Transfer Agreement”	the Business Transfer Agreement dated 23 September 2013 entered into by the Seller and the Purchaser in relation to the transfer of the Subject Business

“Closing”	the completion of the transfer of the Subject Business contemplated under the Business Transfer Agreement in relation to the transfer of the Subject Business
“Closing Date”	means 1 October 2013 (or such later date on or before 30 November 2013 as either party may defer) on which the transfer of the Subject Business is completed
“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”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employees”	the employees currently employed by the Seller for the operation of the Subject Business
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	the three shop spaces in Hong Kong currently occupied and used by the Seller as tenant for operation of the Subject Business located in the International Finance Centre, the Harbour City and the New World Tower respectively
“Purchaser”	Brunello Cucinelli Hong Kong Limited, a company incorporated in Hong Kong with limited liability which is owned by the Seller as to 49% and by BC as to 51%
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Business”	the “Brunello Cucinelli” brand fashion wear and accessories retail business currently carried out by the Seller in Hong Kong at the Premises

“Transferred Assets”	the assets of the Seller used exclusively for the operation of the Subject Business to be transferred to the Purchaser pursuant to the Business Transfer Agreement, including equipments, furniture, fittings, trading stock, intangible assets and other assets but excluding all other assets of the Seller that are unrelated to the Subject Business
“Seller”	The Swank Shop Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 23 September 2013

As at the date of this announcement, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman and Acting Chief Executive Officer), Mr. Raymond Siu Wing CHAN, Mr. Victor Yiu Keung CHIANG, Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG, and the Independent Non-executive Directors are Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG.

For the purpose of this announcement, unless otherwise indicated, conversion of € into HK\$ is calculated at the exchange rate of €1 to HK\$10.486. This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.