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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)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF FUND**

The Board is pleased to announce that on 21 November 2018 (after trading hours), the Subscriber, a wholly-owned subsidiary of the Company, entered into the Second Subscription Agreement with the General Partner, pursuant to which, the Subscriber agreed to subscribe for Class A Limited Partner Interests in ACIF IV Fund with a capital commitment of USD4,000,000.

Pursuant to the relevant requirements of Chapter 14 of the Listing Rules, each of the First Subscription and the Second Subscription itself did not constitute a discloseable transaction of the Company under the Listing Rules at the date of entering into the respective subscription agreement on a stand-alone basis. However, the Second Subscription is required to be aggregated with the First Subscription for the purpose of computing the relevant Percentage Ratios pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules.

As the highest applicable Percentage Ratio for the Company upon aggregation of the First Subscription and the Second Subscription is above 5% but less than 25%, the Second Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

The Board is pleased to announce that on 21 November 2018 (after trading hours), the Subscriber, a wholly-owned subsidiary of the Company, entered into the Second Subscription Agreement with the General Partner, pursuant to which, the Subscriber agreed to subscribe for Class A Limited Partner Interests in ACIF IV Fund with a capital commitment of USD4,000,000. The Subscriber's capital commitment to ACIF III Fund has been, and ACIF IV Fund will be, funded by the internal resources of the Group.

PRINCIPAL TERMS OF THE FUNDS

First Subscription

Date of Subscription Agreement: 13 July 2016

Fund: Asean China Investment Fund III L.P.

Subscriber: ENM Wealth Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

The First Subscription was initially subscribed by Wintalent International Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. Due to group re-structuring, the Class A Limited Partner Interests in ACIF III Fund was assigned from Wintalent International Ltd. to ENM Wealth Management Limited on 20 December 2017.

Capital Commitment: USD4,000,000, the terms and conditions surrounding which were determined on the basis of at arm's length commercial terms

General Partner: ACIF GP Ltd.

Investment Advisor: UOB Venture Management Private Limited, a company incorporated in Singapore with limited liability

Administrator: Horseshoe Fund Services Ltd, an exempted company incorporated in Bermuda with limited liability and licensed by the Bermuda Monetary Authority under the Investment Funds Act 2006

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| Final Closing Date: | 15 July 2016 |
| Drawdowns: | Capital commitment can be drawn down as capital contributions at the discretion of the General Partner for the purpose of funding proposed portfolio company investments and for meeting the expenses, liabilities and obligations of ACIF III Fund. As at the date of this announcement, only USD3,504,279 out of the agreed USD4,000,000 capital commitment under the First Subscription has been drawn down and contributed to ACIF III Fund by the Subscriber at the request of the General Partner, therefore the First Subscription Agreement has not yet been completed. |
| Term: | The term of ACIF III Fund will continue for eight years from its final closing date, which may be extended by (a) the General Partner, in its discretion, for up to two additional periods of one year each and (b) thereafter, by the General Partner with the consent of 90% of the Class A Limited Partners (excluding for these purposes any Class A Limited Partner interest held by the General Partner and Class A Limited Partners that are affiliates of the General Partner), in order to permit an orderly termination and liquidation of portfolio company investments. |
| Investment Objective: | The investment objective of ACIF III Fund is to generate attractive returns from capital gains. ACIF III Fund will seek to attain this objective primarily through privately-negotiated equity and equity-related investments in growth-oriented companies operating in the Region. |
| Investment Strategy: | ACIF III Fund's investment strategy seeks to: <ul style="list-style-type: none"> • Capitalise selectively on new investment opportunities that continue to arise in the Region by actively targeting investments in growth-oriented companies, primarily medium-sized companies, seeking capital to finance expansion, acquisitions, joint ventures or corporate restructuring; and |

- Focus on investing in sectors that are well positioned in terms of competitiveness and growth prospects, where particular attention will be paid to investments in sectors likely to benefit from increased intra-regional trade and inter-regional trade.

Typically, it is anticipated that the average size of individual investments will be in the order of USD10 million to USD20 million, and will typically represent a minority equity stake. A portfolio company investment will generally be held by ACIF III Fund for three to five years prior to realisation.

Transfer of Class A Limited Partner Interests:

Subject to the prior written consent of the General Partner of ACIF III Fund, limited partners are entitled to transfer their Class A Limited Partner Interests.

Fees, charges and expenses:

ACIF III Fund will pay an amount of up to 1% of the aggregate capital commitments or USD1,000,000, whichever is higher, to cover the organisational expenses of ACIF III Fund, including initial establishment and marketing expenses incurred and professional fees for legal, tax, audit and other professional advice received from external advisers. The General Partner will be responsible for organisational expenses in excess of the maximum organisational expenses.

ACIF III Fund will pay management fees to the General Partner as follows:

- During the commitment period : 2.00% per annum
- After the commitment period until the tenth anniversary of the final closing date: 2.00% per annum
- After the tenth anniversary of the final closing date until dissolution: 1.00% per annum

Distribution Policy: The General Partner will distribute the net cash proceeds generated by investment sales and other realisations.

Distribution to each class of Limited Partnership Interests will be made in the defined priority as set out in the confidential private placement memorandum in respect of ACIF III Fund.

Second Subscription

Date of Subscription Agreement: 21 November 2018

Fund: Asean China Investment Fund IV L.P.

Subscriber: ENM Wealth Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

Capital Commitment: USD4,000,000, the terms and conditions surrounding which were determined on the basis of at arm's length commercial terms

General Partner: ACIF GP Ltd.

Investment Advisor: UOB Venture Management Private Limited, a company incorporated in Singapore with limited liability

Administrator: Horseshoe Fund Services Ltd, an exempted company incorporated in Bermuda with limited liability and licensed by the Bermuda Monetary Authority under the Investment Funds Act 2006

Drawdowns: Capital commitment can be drawn down as capital contributions at the discretion of the General Partner for the purpose of funding proposed portfolio company investments and for meeting the expenses, liabilities, and obligations of ACIF IV Fund.

Term: The term of ACIF IV Fund will continue for eight years from the final closing date, which may be extended by (a) the General Partner, in its discretion, for up to two additional periods of one year each, and (b) thereafter, by the General Partner with the consent of 75% of the Class A Limited Partners (excluding for these purposes any Class A Limited Partner interest held by the General Partner and Class A Limited Partners that are affiliates of the General Partner), in order to permit an orderly termination and liquidation of portfolio company investments.

Investment Objective: The investment objective of ACIF IV Fund is to generate attractive returns from capital gains. ACIF IV Fund will seek to attain this objective primarily through privately-negotiated equity and equity-related investments in growth-oriented companies operating in the Region, with a special emphasis on the ASEAN-China Growth Corridor.

Investment Strategy: ACIF IV Fund's investment strategy seeks to:

- Capitalise selectively on new investment opportunities that continue to arise in the Region by actively targeting investments in growth-oriented companies, primarily medium-sized companies, seeking capital to finance expansion, acquisitions, joint ventures or corporate restructuring; and
- Focus on investing in sectors that are well positioned in terms of competitiveness and growth prospects, where particular attention will be paid to investments in sectors likely to benefit from increased intra-regional trade and inter-regional trade.

Typically, it is anticipated that the average size of individual investments will be in the order of USD10 million to USD40 million, and will typically represent a minority equity stake or a majority stake as part of a consortium in a buyout transaction. A portfolio company investment will generally be held by ACIF IV Fund for three to five years prior to realisation.

Transfer of Class A Limited Partner Interests: Subject to the prior written consent of the General Partner of ACIF IV Fund, limited partners are entitled to transfer their Class A Limited Partner Interests.

Fees, charges and expenses: ACIF IV Fund will pay an amount of up to 1% of the aggregate capital commitments or USD1,000,000, whichever is higher, to cover the organisational expenses of ACIF IV Fund, including initial establishment and marketing expenses incurred and professional fees for legal, tax, audit and other professional advice received from external advisers. The General Partner will be responsible for organisational expenses in excess of the maximum organisational expenses.

ACIF IV Fund will pay management fees to the General Partner as follows:

- During the commitment period : 2.00% per annum
- After the commitment period until the tenth anniversary of the final closing date: 2.00% per annum
- After the tenth anniversary of the final closing date until dissolution: 1.00% per annum

Distribution Policy: The General Partner will distribute the net cash proceeds generated by investment sales and other realisations.

Distribution to each class of Limited Partnership Interests will be made in the defined priority as set out in the Private Placement Memorandum.

INFORMATION OF ACIF III FUND, GENERAL PARTNER AND INVESTMENT ADVISOR

ACIF III Fund is an exempted limited partnership incorporated in the Cayman Islands on 21 November 2014, which is a close-ended private equity fund with aggregate capital commitments of USD261.12 million. The Subscriber currently holds approximately 1.532% partner interest in ACIF III Fund.

According to the audited financial information of ACIF III Fund which has been prepared in accordance with the accounting principles generally accepted in the United States of America, the net profit before and after taxation of ACIF III Fund for the two financial years ended 31 December 2016 and 2017 are as follows:

| | For the year ended 31 December 2016 | For the year ended 31 December 2017 |
|-----------------------------------|--|--|
| | <i>USD'M</i> | <i>USD'M</i> |
| Net profit before taxation | 6.49 | 89.73 |
| Net profit after taxation | 6.49 | 89.73 |

As at 30 June 2018, the unaudited total assets and net assets of ACIF III Fund amounted to USD360.77 million and USD360.65 million respectively.

As at the date of this announcement, the capital commitment that has been drawn down and contributed to ACIF III Fund by the Subscriber amounted to USD3,504,279 out of its capital commitment to ACIF III Fund of USD4,000,000.

ACIF III Fund's general partner is ACIF GP Ltd., a Cayman Islands exempted limited company, which is responsible for the overall management of ACIF III Fund, and in particular for making all investment and divestment decisions relating to portfolio company investments.

The General Partner has appointed the Investment Advisor to act an investor advisor to ACIF III Fund. Operating under contract to the General Partner, the Investment Advisor's role includes identification, screening, valuation, structuring, closing, monitoring and exit of portfolio company investments. The Investment Advisor is a private company incorporated in Singapore with limited liability and is principally engaged in the investment management. The Investment Advisor holds a capital markets services license for fund management activities under the Securities and Futures Act, Chapter 289 of Singapore and is regulated by the Monetary Authority of Singapore. The Investment Advisor is a wholly-owned subsidiary of United Overseas Bank Limited. United Overseas Bank Limited is listed on the Singapore Stock Exchange.

ACIF III Fund has appointed the Administrator as the administrator of ACIF III Fund to perform certain administrative, accounting, transfer agency and investor relations services, and other services on its behalf.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, save and except the

Subscriber is a limited partner of ACIF III Fund holding approximately 1.532% partner interest thereof, ACIF III Fund, the General Partner, the Investment Advisor, the Administrator and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF ACIF IV FUND, GENERAL PARTNER AND INVESTMENT ADVISOR

ACIF IV Fund is an exempted limited partnership incorporated in the Cayman Islands on 20 February 2018, which is a close-ended private equity fund. As set out in the Private Placement Memorandum, ACIF IV Fund is seeking to place USD500 million of Class A Limited Partner Interests on a private basis, and will not accept aggregate capital commitments in excess of USD550 million.

The first closing of ACIF IV Fund was on 8 June 2018 and an initial capital call was made to the participants in the first closing in the 3rd Quarter of 2018. Accordingly, no financial statements have been prepared and hence no financial information of ACIF IV Fund is provided in this announcement.

ACIF IV Fund's general partner is ACIF GP Ltd., a Cayman Islands exempted limited company, which is responsible for the overall management of ACIF IV Fund, and in particular for making all investment and divestment decisions relating to portfolio company investments.

The General Partner has appointed the Investment Advisor to act an investor advisor to ACIF IV Fund. Operating under contract to the General Partner, the Investment Advisor's role includes identification, screening, valuation, structuring, closing, monitoring and exit of portfolio company investments. The Investment Advisor is a private company incorporated in Singapore with limited liability and is principally engaged in the investment management. The Investment Advisor holds a capital markets services license for fund management activities under the Securities and Futures Act, Chapter 289 of Singapore and is regulated by the Monetary Authority of Singapore. The Investment Advisor is a wholly-owned subsidiary of United Overseas Bank Limited. United Overseas Bank Limited is listed on the Singapore Stock Exchange.

ACIF IV Fund has appointed the Administrator as the administrator of ACIF IV Fund to perform certain administrative, accounting, transfer agency and investor relations services, and other services on its behalf.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, ACIF IV Fund, the General Partner, the Investment Advisor, the Administrator and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Company has been seeking investment opportunities with a view to enhance the return of its investment portfolio and maximize returns to the Shareholders. The Directors consider that the Subscriptions, with the reputable investment track record of the General Partner, can offer satisfactory returns to the Group.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, the capital commitment under the First Subscription has not been fully drawn down and contributed to ACIF III Fund by the Subscriber, therefore the First Subscription Agreement has not been completed.

Pursuant to the relevant requirements of Chapter 14 of the Listing Rules, each of the First Subscription and the Second Subscription itself did not constitute a discloseable transaction of the Company under the Listing Rules at the date of entering into the respective subscription agreement on a stand-alone basis. However, the Second Subscription is required to be aggregated with the First Subscription for the purpose of computing the relevant Percentage Ratios pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules.

As the highest applicable Percentage Ratio for the Company upon aggregation of the First Subscription and the Second Subscription is above 5% but less than 25%, the Second Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

INFORMATION 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.

The Subscriber is a wholly-owned subsidiary of the Company and is principally engaged in investment holding and securities trading.

DEFINITIONS

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

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| “ACIF III Fund” | Asean China Investment Fund III L.P., a Cayman Islands exempted limited partnership |
| “ACIF IV Fund” | Asean China Investment Fund IV L.P., a Cayman Islands exempted limited partnership |
| “Administrator” | Horseshoe Fund Services Ltd, an exempted company incorporated in Bermuda with limited liability, which is licensed by the Bermuda Monetary Authority under the Investment Funds Act 2006 and is the administrator of both ACIF III Fund and ACIF IV Fund |
| “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” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “First Subscription” | the subscription for Class A Limited Partner Interests in ACIF III Fund with a capital commitment of USD4,000,000 pursuant to the First Subscription Agreement |
| “First Subscription Agreement” | the subscription agreement dated 13 July 2016 in respect of the First Subscription entered into between the General Partner and Wintalent International Ltd., an indirect wholly-owned subsidiary of the Company |
| “General Partner” | ACIF GP Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the general partner and investment manager of both ACIF III Fund and ACIF IV Fund |
| “Group” | the Company and its subsidiaries |

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| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company |
| “Investment Advisor” | UOB Venture Management Private Limited, a company incorporated in Singapore with limited liability, the investment advisor of both ACIF III Fund and ACIF IV Fund |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Percentage Ratio(s)” | the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction under the Listing Rules |
| “Region” | the geographical area comprising East and South East Asia |
| “Private Placement Memorandum” | the Confidential Private Placement Memorandum issued by ACIF IV Fund and the General Partner in relation to the private placing of USD500 million Class A Limited Partner Interests of ACIF IV Fund |
| “Second Subscription” | the subscription for Class A Limited Partner Interests in ACIF IV Fund with a capital commitment of USD4,000,000 by the Subscriber pursuant to the Second Subscription Agreement |
| “Second Subscription Agreement” | the subscription agreement dated 21 November 2018 in respect of the Second Subscription entered into between the General Partner and the Subscriber |
| “Shareholder(s)” | the shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “Subscriber” | ENM Wealth Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “Subscriptions” | the First Subscription and the Second Subscription |
| “USD” | the lawful currency of United States of America |
| “%” | per cent |

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

Hong Kong, 21 November 2018

As 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.