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CHINACHEM GROUP

華懋集團

SOLUTION BRIDGE LIMITED

(incorporated in the British Virgin Islands with limited liability)



ENM HOLDINGS LIMITED

安寧控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 128)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
ENM HOLDINGS LIMITED BY SOLUTION BRIDGE LIMITED
BY WAY OF
A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
ENM HOLDINGS LIMITED**

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

(4) RESUMPTION OF TRADING IN SHARES

Exclusive Financial Adviser to the Offeror

ALTUS CAPITAL LIMITED

INTRODUCTION

The respective directors of the Offeror and the Company jointly announce that on 2 June 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance involving the cancellation of the Scheme Shares and, in consideration for such cancellation, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share.

TERMS OF THE PROPOSAL

Under the Scheme, and if the Proposal is approved and implemented, the Scheme Shares will be cancelled and, in consideration for such cancellation, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.58 in cash for each Scheme Share cancelled.

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed “*Terms of the Proposal – Conditions of the Proposal*” in this announcement. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the date of this announcement:

- (a) the issued share capital of the Company is 1,650,658,676 Shares;
- (b) the Offeror legally and beneficially owns, controls or has direction over 408,757,642 Shares, representing approximately 24.76% of the issued share capital of the Company;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 322,216,503 Shares, representing approximately 19.52% of the issued share capital of the Company;
- (d) members of the Altus Capital group, being Offeror Concert Parties, do not beneficially own, control or have direction over any Shares; and
- (e) the Scheme Shareholders hold 919,684,531 Shares, representing approximately 55.72% of the issued share capital of the Company.

Shares held by the Offeror and the Offeror Concert Parties will not form part of the Scheme Shares. As at the date of this announcement, the Scheme Shares comprise a total of 919,684,531 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 55.72% of the issued share capital of the Company.

As at the date of this announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,650,658,676 Shares.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 80.48% of the issued share capital of the Company.

INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser will be appointed by the Board with the approval of the Independent Board Committee in due course to advise the Independent Board Committee on the Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from or as soon as practicable after the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the High Court may direct). If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 1:00 p.m. on Thursday, 25 May 2023 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 5 June 2023.

WARNINGS

Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and/or potential investors should therefore exercise

caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institutions in securities, bank manager, solicitor or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law.

The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

Notice to US investors

The Proposal is being made to cancel the securities of a Hong Kong company by means of a scheme of arrangement provided for under the Companies Ordinance and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of the relevant Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. US holders of Scheme Shares are urged to consult their independent professional adviser immediately regarding the tax consequences of the Proposal applicable to them.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

INTRODUCTION

On 2 June 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance involving the cancellation of the Scheme Shares and, in consideration for such cancellation, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share cancelled;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount immediately before the cancellation by the allotment and issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of account of the Company as a result of the capital reduction will be applied in paying up the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from or as soon as practicable after the Effective Date.

Following implementation of the Proposal, the sole director of the Offeror expressed that the Offeror intends to work together with the Company's management to review the structure, operation and business of the Group and, subject to funding availability and prevailing market conditions, implement appropriate strategies to preserve and enhance the value of the Group's business and assets.

TERMS OF THE PROPOSAL

Cancellation Price for the Scheme Shares

Under the Scheme, and if the Proposal is approved and implemented, the Scheme Shares will be cancelled and, in consideration for such cancellation, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.58 in cash for each Scheme Share cancelled.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

Comparison of value

The Cancellation Price of HK\$0.58 per Scheme Share represents:

- (a) a premium of approximately 24.7% over the closing price of HK\$0.465 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 54.7% over the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the Last Full Trading Date;

- (c) a premium of approximately 46.5% over the average closing price of approximately HK\$0.396 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 46.5% over the average closing price of approximately HK\$0.396 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 49.5% over the average closing price of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 43.9% over the average closing price of approximately HK\$0.403 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date; and
- (g) a discount of approximately 16.2% to the audited consolidated net asset value per Share of approximately HK\$0.692 as at 31 December 2022.

The Cancellation Price has been determined after taking into account the recently traded prices of the Shares, the publicly available historic traded prices of the Shares, financial performance of the Group, the trading multiples of comparable businesses listed on the Stock Exchange and the factors set out in the section headed “Reasons for and benefits of the Proposal” below, and with reference to other similar privatisation transactions in Hong Kong in recent years.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.465 on 6 and 22 December 2022 and 25 May 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.355 on 11, 13 and 17 April 2023.

During the twelve-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.620 on 26 May 2022 and 1, 2, 6, 7, 8 and 13 June 2022 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.345 on 24 October 2022.

Total consideration and financial resources

On the basis of the Cancellation Price of HK\$0.58 per Scheme Share and 919,684,531 Scheme Shares in issue as at the date of this announcement, the amount of cash payable to the Scheme Shareholders under the Proposal would be approximately HK\$533.4 million.

The Offeror intends to finance the cash required for the Proposal through internal cash resources.

Altus Capital, the exclusive financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal.

Reduction in capital and issue of new Shares

The issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled.

Shares held by the Offeror and the Offeror Concert Parties will not be cancelled under the Scheme and will continue to be held by them upon the Scheme becoming effective.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 80.48% of the issued share capital of the Company.

Conditions of the Proposal

The Proposal is, and the Scheme will become effective and binding on the Company and all the Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the Scheme being approved by the Disinterested Shareholders (by way of poll) representing at least 75% of the voting rights of the Disinterested Shareholders present and voting, in person or by proxy, at the Court Meeting, with votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all disinterested Shares (as respectively defined in Note 6 to Rule 2 of the Takeovers Code and section 674(3) of the Companies Ordinance);
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled;
- (c) the sanction of the Scheme (with or without modification) under section 673 of the Companies Ordinance and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme under section 229 of the Companies Ordinance by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with

the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;

- (f) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms; and
- (h) since the date of this announcement:
 - (i) there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and
 - (ii) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any such member is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive all or any of the Conditions (except for the Conditions in paragraphs (a) to (d) above) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

With reference to the Condition in paragraph (e), as at the date of this announcement, neither the sole director of the Offeror nor the Company are aware of any requirement for such authorisations, approvals, permissions, waivers, consents, enquiry, registrations or filings other than those set out in the Conditions in paragraphs (a) to (d). With reference to the Condition in paragraph (f), as at the date of this announcement, neither the sole director of the Offeror nor the Company are aware of any such action,

proceeding, suit, investigation, statute, regulation, demand or order. With reference to the Condition in paragraph (g), as at the date of this announcement, neither the sole director of the Offeror nor the Company are aware of any such non-compliance or legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d).

The Scheme is subject to the requirement under section 674(2) of the Companies Ordinance that members representing at least 75% of the voting rights of the members present and voting (in person or by proxy) at the Court Meeting agree to the Scheme, and the requirement under Rule 2.10 of the Takeovers Code that the Scheme must be approved by at least 75% of the votes attaching to the disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) that are cast (in person or by proxy) at the meeting of the holders of the disinterested Shares. Accordingly:

- (a) for the purpose of the Companies Ordinance, the 75% approval threshold will be determined by reference to the voting rights of the Scheme Shareholders, who attend and vote (in person or by proxy) at the Court Meeting; and
- (b) for the purpose of the Takeovers Code, the 75% approval threshold will be determined by reference to the votes attaching to all the Scheme Shares held by the Disinterested Shareholders which are cast (in person or by proxy) at the Court Meeting.

Therefore, in order to satisfy the requirements under both the Companies Ordinance and the Takeovers Code, the 75% approval threshold will be determined by reference to the Shares held by the Scheme Shareholders (all of which are also Disinterested Shareholders) who attend and vote at the Court Meeting.

The Scheme is also subject to the requirement under section 674(2) of the Companies Ordinance that the votes cast against the Scheme at the Court Meeting shall not exceed 10% of the voting rights attached to all disinterested Shares (as defined in section 674(3) of the Companies Ordinance), and the requirement under Rule 2.10 of the Takeovers Code that the number of votes cast against the resolution to approve the Scheme at the meeting of the holders of disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) shall not be more than 10% of the votes attaching to all disinterested Shares. Accordingly, all Scheme Shares (i.e. all the Shares in issue as at the Record Date, other than any held or beneficially owned by the Offeror and the Offeror Concert Parties) will be regarded as disinterested Shares for the purpose of both the Companies Ordinance and the Takeovers Code.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Offeror which might be material to the Proposal;
- (b) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal; and
- (c) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY AND VOTING

As at the date of this announcement:

- (a) the issued share capital of the Company is 1,650,658,676 Shares;
- (b) the Offeror legally and beneficially owns, controls or has direction over 408,757,642 Shares, representing approximately 24.76% of the issued share capital of the Company;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 322,216,503 Shares, representing approximately 19.52% of the issued share capital of the Company;
- (d) members of the Altus Capital group, being Offeror Concert Parties, do not beneficially own, control or have direction over any Shares;
- (e) the Scheme Shareholders hold 919,684,531 Shares, representing approximately 55.72% of the issued share capital of the Company;
- (f) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (g) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (h) neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Shares held by the Offeror and the Offeror Concert Parties will not form part of the Scheme Shares.

The shareholding structure of the Company as at the date of this announcement and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto) is set out below.

Shareholder	As at the date of this announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
(A) Offeror⁽¹⁾	408,757,642	24.76	1,328,442,173	80.48
(B) Offeror Concert Parties⁽¹⁾⁽²⁾⁽³⁾				
Diamond Leaf Limited ⁽⁴⁾	162,216,503	9.83	162,216,503	9.83
Mr. Jong Yat Kit and Mr. Wong Tak Wai ⁽⁵⁾	160,000,000	9.69	160,000,000	9.69
Sub-total	322,216,503	19.52	322,216,503	19.52
(C) Offeror and the Offeror Concert Parties				
(A) + (B)	730,974,145	44.28	1,650,658,676	100.00
(D) Scheme Shareholders⁽⁶⁾	919,684,531	55.72	-	-
TOTAL				
(A) + (B) + (D)	1,650,658,676	100.00	1,650,658,676	100.00

Note (1): Please refer to the section headed "Information on the Offeror" for details on the relationship between the Offeror and the Offeror Concert Parties.

Note (2): Upon the Scheme becoming effective, Shares held by the Offeror and the Offeror Concert Parties will not be cancelled, and the Offeror Concert Parties will directly or indirectly hold Shares in the Company and also indirectly hold Shares in the Company through the Offeror.

Note (3): For the purpose of this table, Shares owned by the Offeror Concert Parties through the Offeror are not included.

Note (4): Diamond Leaf Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by Chime Corporation Limited, a company incorporated in Hong Kong with limited liability. Chime Corporation Limited is owned as to 99.77% by the estate of Ms. Nina Kung and 0.23% by the unadministered estate of Mr. Wang Teh Huei.

Note (5): As the joint and several administrators of the estate of Ms. Nina Kung, in which they are not personally interested. For the purpose of this table, shares owned by Mr. Jong Yat Kit and Mr. Wong Tak Wai as the joint and several administrators of the estate of Ms. Nina Kung through the Offeror and Diamond Leaf Limited are not included.

Note (6): All Scheme Shareholders are Disinterested Shareholders.

As at the date of this announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,650,658,676 Shares.

All Shareholders will be entitled to vote on the special resolution to be proposed at the EGM to approve and give effect to the reduction of capital and the implementation of the Scheme. The Offeror and the Offeror Concert Parties (except Mr. Jong Yat Kit and Mr. Wong Tak Wai) have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties (except Mr. Jong Yat Kit and Mr. Wong Tak Wai) will vote in favour of the special resolution to be proposed at the EGM to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled. Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold 80.48% of the issued share capital of the Company.

Mr. Jong Yat Kit and Mr. Wong Tak Wai, who hold 160,000,000 Shares (representing approximately 9.69% of the issued share capital of the Company) as the joint and several administrators of the estate of Ms. Nina Kung, will not vote on the special resolution to be proposed at the EGM to approve and give effect to the reduction of capital and the implementation of the Scheme.

EXCLUSIVE FINANCIAL ADVISER TO THE OFFEROR, COMMON DIRECTORSHIPS, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Altus Capital as its exclusive financial adviser in connection with the Proposal.

Mr Wong Hung Han, a director of each of Milestone Management Limited, the sole director of the Offeror, and Chime Corporation Limited, the ultimate holding company of the Offeror, is a Non-executive Director and the Non-executive Chairman of the Company. To avoid conflict of interests, Mr. Wong has not participated in any decision, including determination of the Cancellation Price, of Milestone Management Limited or Chime Corporation Limited in relation to the Proposal. Mr. Wong has not given any views on the Proposal, including the reasons for and benefits of the Proposal by the Offeror set out in the section headed "*Reasons for and benefits of the Proposal*", and the intentions of the Offeror set out in the section headed "*Intention of the Offeror with regards to the Company*" in this announcement.

The Independent Board Committee, which comprises (i) Mr. Kin Wing CHEUNG, Mr. Kiu Sang Baldwin LEE, Mr. Ted Tak Tai LEE and Ms. Sarah Young O'DONNELL, being all the independent non-executive Directors; and (ii) Mr. David Charles PARKER, being one of the two non-executive Directors, has been established by the Board to make a recommendation to the Scheme Shareholders as to whether the Proposal is, or is not, fair and reasonable and as to voting in respect of the Scheme at the Court Meeting and the Proposal at the EGM.

Mr. Wong Hung Han, being the other non-executive Director, does not form part of the Independent Board Committee as he is a director of Milestone Management Limited, the sole director of the Offeror, and Chime Corporation Limited, the ultimate holding company of the Offeror. He is therefore one of the Offeror Concert Parties.

The Independent Financial Adviser will be appointed by the Board with the approval of the Independent Board Committee in due course to advise the Independent Board Committee on the Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

Mr. Wong Hung Han, as one of the Offeror Concert Parties by virtue of being a director of Milestone Management Limited and Chime Corporation Limited, is considered to be interested in the Proposal and has therefore not participated in any vote of the Board in relation to the Proposal.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The sole director of the Offeror expressed the Offeror's views on the reasons for and benefits of the Proposal as follows.

Direct and peripheral impact of COVID-19 has resulted in consecutive years of losses in the Group's businesses in recent years.

Uncertain macro development and consequences of recent epidemiological and geopolitical events continue to pose a challenging business environment and cloud the visibility of overall future prospects. The Offeror believes it is uncertain as to whether the Group, under its current scale, can effectively transform the existing businesses and achieve a turnaround to meaningful profitability to offset the accumulated losses in the near future.

The Offeror acknowledges that the Company has sought to transform its value creation strategy by repurposing the property at Hilltop Road for redevelopment, which is currently undergoing a land grant exchange application. However, in line with other land grant exchange applications, the process has been time-consuming and progress slowed by the combined impact of various governmental departments (i) only gradually returning to normal operation rate post COVID-19; and (ii) facing high staff turnover. There remain uncertainty surrounding the timing and implementation of the remaining steps required to carry out the redevelopment, including application for exchange of land grant and the assessment of the change of land use premium before the Land can be used for residential development. Such execution risks, if materialised, will in turn impact the quantum of potential value to be captured.

Weak financial performance and the uncertainty over the Company's development have suppressed the Company's share price, which in turn has hindered the Company's ability to raise funds from the equity capital markets. Coupled with low liquidity of the Shares, the ongoing costs of compliance required of company listed on the Main Board of the Stock Exchange, the usefulness of a listed platform for the company is limited.

In light of the above, the Offeror believes any restructuring and re-strategising efforts after the aforementioned review of the structure, operation and business of the Group will be more effectively implemented away from the public equity markets.

The Scheme provides an attractive opportunity for the Scheme Shareholders to monetise their Shares at a premium to the current market price of the Company as opposed to retaining a stake in the Company which will continue to face strong headwinds.

Low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without exerting downward pressure on the price of the Shares. The Proposal presents an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds.

INFORMATION ON THE OFFEROR

Each of the Offeror and Diamond Leaf Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by Chime Corporation Limited, a company incorporated in Hong Kong with limited liability. Chime Corporation Limited is owned as to 99.77% by the estate of Ms. Nina Kung and 0.23% by the unadministered estate of Mr. Wang Teh Huei (together with the estate of Ms. Nina Kung, the “**Estates**”). Two professional administrators, namely Mr. Jong Yat Kit and Mr. Wong Tak Wai, were appointed by the High Court of Hong Kong as the joint and several administrators of each of the Estates and they are not personally interested in the Estates.

Chime Corporation Limited is the ultimate holding company of the Chinachem Group. Chinachem Group is a privately-owned property developer based in Hong Kong and it mainly develops residential, commercial, retail and industrial properties, owns and manages hotels, provides elderly care services and invests in businesses that improves people’s lives and the environment.

INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in Hong Kong with limited liability. As set out in the Company’s 2022 annual report, the principal activities of the Company are investment holding and securities trading, whereas the principal activities of its subsidiaries comprise of the retail of fashion wear and accessories, resort and recreational club operations, investment holding and securities trading.

Further, as disclosed in the Company's 2022 annual report and previous announcements, the Company's rezoning application in relation to the property at Hilltop Road from “Other Specified Uses” annotated “Sports and Recreation Club” to “Residential (Group B) 8”, with stipulation of a maximum gross floor area of 49,300m², was approved by the Chief Executive in Council in February 2022. The Company has since engaged the service of a land consultant to commence the application for land exchange to the Lands Department. As at the date of this announcement, the process is still ongoing.

Set out below is the summary of the audited financial information of the Group for the financial years ended 31 December 2021 and 2022 as extracted from the Company’s 2022 annual report:

	Year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
REVENUE	94,387	109,501
(LOSS) FROM OPERATION ACTIVITIES	(149,800)	(19,291)
Finance costs	(1,352)	(2,045)
(LOSS) BEFORE TAX	(151,152)	(21,336)
Tax	—	—
(LOSS) FOR THE YEAR	(151,152)	(21,336)
Attributable to:		
Equity holders of the Company	(150,663)	(21,280)
Non-controlling interests	(489)	(56)
	(151,152)	(21,336)
TOTAL ASSETS	1,185,911	1,256,179
TOTAL LIABILITIES	(43,896)	(47,860)
NON-CONTROLLING INTERESTS	1,115	591
	1,143,130	1,208,910

INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

Following implementation of the Proposal, the sole director of the Offeror expressed that the Offeror intends to work together with the Company's management to review the structure, operation and business of the Group and, subject to funding availability and prevailing market conditions, implement appropriate strategies to preserve and enhance the value of the Group's business and assets.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from or as soon as practicable after the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to, and the acceptance of the Proposal by, Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Altus Capital, the exclusive financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be

unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders.

TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Altus Capital or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal.

DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM.

DISCLOSURE OF DEALINGS

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including shareholders holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the foregoing, are hereby reminded to disclose their dealings in the relevant securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

References are made to the announcement of the Company dated 25 May 2023 in respect of the trading halt in the Shares related to inside information.

The Board of the Company has noted significant increases in the price and trading volume of the Shares on 25 May 2023. Having made such enquiries with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed in this announcement, the Board is not aware of any other reasons for these price and trading volume movements or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 1:00 p.m. on Thursday, 25 May 2023 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 5 June 2023.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the exclusive financial adviser to the Offeror in connection with the Proposal
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.58 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
“Chinachem Group”	Chime Corporation Limited and its subsidiaries
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“Company”	ENM Holdings Limited (安寧控股有限公司), a company incorporated in Hong Kong with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 128)
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “ <i>Terms of the Proposal – Conditions of the Proposal</i> ” of this announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at which the Scheme will be voted upon
“Directors”	the directors of the Company
“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“EGM”	an extraordinary general meeting of the Company to be held after the Court Meeting for the purpose of approving the reduction of the share capital of the Company and implementing the Scheme
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising (i) Mr. Kin Wing CHEUNG, Mr. Kiu Sang Baldwin LEE, Mr. Ted Tak Tai LEE and Ms. Sarah Young O’DONNELL, being all the independent non-executive Directors; and (ii) Mr. David Charles PARKER, being one of the two non-executive Directors
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee on the Proposal

“Last Full Trading Date”	24 May 2023, being the last full trading day on which Shares were traded on the Stock Exchange prior to the publication of this announcement
“Last Trading Date”	25 May 2023, being the last day on which Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	six months from the date of this announcement or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and/or the High Court may direct
“Offeror”	Solution Bridge Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly wholly-owned by Chime Corporation Limited
“Offeror Concert Parties”	persons acting, or presumed to be acting, in concert with the Offeror under the Takeovers Code (including Chime Corporation Limited, Parasia Limited, Milestone Management Limited, Diamond Leaf Limited, Mr. Wong Hung Han, Mr. Choi Wun Hing, Donald, Mr. Tsang Tin For, Mr. Jong Yat Kit and Mr. Wong Tak Wai)
“Offeror Concert Group Shares”	Shares in issue on the Record Date (unless otherwise specified) held or beneficially owned by the Offeror and the Offeror Concert Parties
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement on the terms and subject to the conditions to be set out in the Scheme Document
“Record Date”	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Scheme”	the scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal

“Scheme Document”	the composite scheme document to be jointly issued by the Offeror and the Company containing, among other things, further details of the Proposal together with the additional information specified in the section of this announcement headed “ <i>Despatch of the Scheme Document</i> ” above
“Scheme Shareholders”	the registered holders of the Scheme Shares
“Scheme Shares”	Shares in issue on the Record Date other than the Offeror Concert Group Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US” or “United States”	United States of America

By order of the sole director of
SOLUTION BRIDGE LIMITED

Milestone Management Limited
Director

By order of the Board of
ENM HOLDINGS LIMITED

安寧控股有限公司
Penny Soh Peng CROSBIE-WALSH
Executive Director and Chief Executive Officer

Hong Kong, 2 June 2023

As at the date of this joint announcement, the sole director of the Offeror is Milestone Management Limited, whose directors are Mr. Wong Hung Han and Mr. Tsang Tin For. The directors of Chime Corporation Limited, which is the ultimate parent company of the Offeror, are Mr. Choi Wun Hing, Donald, Mr. Wong Hung Han and Mr. Tsang Tin For.

The sole director of the Offeror, the directors of Milestone Management Limited together with the directors of Chime Corporation Limited, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group) and confirm, having made all

reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Executive Director of the Company is Mrs. Penny Soh Peng CROSBIE-WALSH (Chief Executive Officer), the Non-executive Directors of the Company are Mr. Hung Han WONG (Non-executive Chairman) and Mr. David Charles PARKER, and the Independent Non-executive Directors of the Company are Mr. Kin Wing CHEUNG, Mr. Kiu Sang Baldwin LEE, Mr. Ted Tak Tai LEE and Ms. Sarah Young O'DONNELL.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the sole director of the Offeror, the directors of Milestone Management Limited and the directors of Chime Corporation Limited) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.