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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
SUPPLEMENTAL AGREEMENT IN RESPECT OF
THE ACQUISITION OF 5% OF THE ENTIRE ISSUED SHARE CAPITAL OF
PURAPHARM CORPORATION LIMITED**

The Supplemental Agreement

On 7 August 2013, in order to maintain its shareholding level of 5% in PuraPharm, Cosy Good, a wholly-owned subsidiary of the Company, FDL, the Key Shareholder and PuraPharm entered into the Supplemental Agreement, pursuant to which, among others, Cosy Good has conditionally agreed to purchase and FDL has conditionally agreed to sell an additional 1,604 paid-up ordinary shares in PuraPharm for a consideration of US\$124,962 (equivalent to approximately HK\$974,704). Completion of the Share Transfer shall take place within five business days upon closing of the transactions contemplated under the Third Party Share Purchase Agreement, or on such later date as Cosy Good and FDL may agree in writing.

The Supplemental Agreement also amends certain terms of the Share Purchase Agreement including the Investor's Redemption Option and the FDL's Repurchase Option.

Implications under the Listing Rules

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of (i) the Acquisition of the Sale Shares (when aggregated with the Share Transfer); and (ii) the FDL's Repurchase Option (as amended by the Supplemental Agreement) exceed 5% but all the percentage ratios are less than 25%, each of the (i) Acquisition of the Sale Shares (when aggregated with the Share Transfer) and (ii) the FDL's Repurchase Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to the reporting and announcement requirements thereunder.

The Investor's Redemption Option, if exercised, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will comply with the reporting and announcement requirements thereunder upon the exercise of the Investor's Redemption Option, if applicable.

Reference is made to the announcement of the Company dated 13 June 2013 in relation to the Acquisition ("the **Announcement**"). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined.

THE SUPPLEMENTAL AGREEMENT

On 7 August 2013, Cosy Good, a wholly-owned subsidiary of the Company, FDL, the Key Shareholder and PuraPharm entered into a supplemental agreement to the agreement in relation to the acquisition of 5% of the entire issued share capital of PuraPharm Corporation Limited dated 13 June 2013 (the "**Supplemental Agreement**"). The Share Purchase Agreement shall be read and construed as supplemented, amended and modified by the Supplemental Agreement (the Share Purchase Agreement together with the Supplemental Agreement, the "**Acquisition Agreement**").

Additional Shares to be acquired by Cosy Good

Pursuant to the Share Purchase Agreement, Cosy Good has a pre-emptive right with respect to, among others, any further issuance of shares or securities by PuraPharm on a pro-rata basis with all the other shareholders of PuraPharm, subject to certain conditions and exceptions. Cosy Good has been informed by PuraPharm that PuraPharm has recently entered into a share purchase agreement with a third party investor (the “**Third Party Share Purchase Agreement**”), pursuant to which, among others, new shares of PuraPharm will be issued to such third party investor. In order to maintain its shareholding level of 5% in PuraPharm, Cosy Good agreed to waive its pre-emptive right under the Share Purchase Agreement by entering into the Supplemental Agreement, pursuant to which, among others, Cosy Good has conditionally agreed to purchase and FDL has conditionally agreed to sell an additional 1,604 paid-up ordinary shares in PuraPharm (the “**New Sale Shares**”) for a consideration of US\$124,962 (equivalent to approximately HK\$974,704) (the “**Share Transfer**”). Completion of the Share Transfer shall take place within five business days upon closing of the transactions contemplated under the Third Party Share Purchase Agreement, or on such later date as Cosy Good and FDL may agree in writing.

Additional Indemnity Clause

In addition to the indemnities provided by FDL and the Key Shareholder under the Share Purchase Agreement, pursuant to the Supplemental Agreement, FDL, the Key Shareholder and PuraPharm have agreed to jointly and severally indemnify Cosy Good forthwith, upon the occurrence of any event of default under the Supplemental Agreement, in cash a total amount calculated according to the following formula (the “**Investor’s Indemnity**”):

Investor’s Indemnity = Summation of (C x R) for each transaction completed under the Acquisition Agreement

Where

C = Relevant consideration for each transaction completed under the Acquisition Agreement (For the avoidance of doubt, “C” for the Sale Shares is US\$3,400,000, and “C” for the New Sale Shares is US\$124,962.).

R = $(1.25)^d$
Number of days from the relevant Closing Date to the date Cosy Good receives the Investor’s Indemnity in full

d = $\frac{\text{Number of days from the relevant Closing Date to the date Cosy Good receives the Investor’s Indemnity in full}}{365}$

The events of default referred to above which will trigger the Investor's Indemnity are, among others:

- (i) any bankruptcy, liquidation, winding-up, or dissolution of PuraPharm, whether voluntary or involuntary, except for the purpose of reorganization or restructuring;
- (ii) any consolidation, amalgamation or merger of material subsidiaries of PuraPharm or shareholders of such PuraPharm Group Company with or into any person;
- (iii) breach of certain undertakings under the Acquisition Agreement by FDL, PuraPharm and/or the Key Shareholder; and
- (iv) any breach of any representations and warranties under the Acquisition Agreement by FDL, PuraPharm and/or the Key Shareholder.

Revised Cosy Good's Redemption Option

Pursuant to the Supplemental Agreement, the parties have agreed to amend the Investor's Redemption Option such that Cosy Good may (but shall not be obliged to) require FDL to repurchase all ordinary shares of PuraPharm then held by Cosy Good at the Investor Redemption Price (as defined below), among others, after 36 months from the Closing Date for the Sale Shares (i.e. the Investor's Redemption Option is exercisable after 14 June 2016). The events of default giving rise to Cosy Good's right to exercise the Investor Redemption Option have been deleted, to the effect that Cosy Good can no longer exercise the Investor Redemption Option at the occurrence of such events.

The formula for the calculation of the Investor's Redemption Price has been amended as follows:

Investor's Redemption Price = Summation of (C x R) for each transaction completed under the Acquisition Agreement

Where

C = Relevant consideration for each transaction completed under the Acquisition Agreement (For the avoidance of doubt, "C" for the Sale Shares is US\$3,400,000, and "C" for the New Sale Shares is US\$124,962.)

R = (1.25)^d

Number of days from the relevant Closing Date to the date of the completion of the redemption

d = $\frac{\text{Number of days from the relevant Closing Date to the date of the completion of the redemption}}{365}$

Revised FDL's Repurchase Option

Pursuant to the Supplemental Agreement, the parties have agreed to amend FDL's Repurchase Option such that FDL may (but shall not be obliged to) repurchase all ordinary shares of PuraPharm held by Cosy Good at, among others, any time after 12 months of the Closing Date for the Sale Shares (i.e. the FDL's Repurchase Option is exercisable after 14 June 2014) for a total consideration of the FDL Repurchase Price.

The formula for the calculation of the FDL Repurchase Price has been amended as follows:

FDL Repurchase Price = Summation of (C x R) for each transaction completed under the Acquisition Agreement

Where

C = Relevant consideration for each transaction completed under the Acquisition Agreement. (For the avoidance of doubt, "C" for the Sale Shares is US\$3,400,000, and "C" for the New Sale Shares is US\$124,962.)

R = (1.25)^d

Number of days from the relevant Closing Date to the date of the completion of the repurchase

d =
$$\frac{\text{Number of days from the relevant Closing Date to the date of the completion of the repurchase}}{365}$$

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of (i) the Acquisition of the Sale Shares (when aggregated with the Share Transfer); and (ii) the FDL's Repurchase Option (as amended by the Supplemental Agreement) exceed 5% but all the percentage ratios are less than 25%, each of (i) the Acquisition of the Sale Shares (when aggregated with the Share Transfer) and the (ii) FDL's Repurchase Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to the reporting and announcement requirements thereunder.

The Investor's Redemption Option, if exercised, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will comply with the reporting and announcement requirements thereunder upon the exercise of the Investor's Redemption Option, if applicable.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1 to HK\$7.8. 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.

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

Hong Kong, 7 August 2013

As of 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.