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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

ACQUISITION OF 5% OF THE ENTIRE ISSUED SHARE CAPITAL OF PURAPHARM CORPORATION LIMITED

The Acquisition

The Board is pleased to announce that on 13 June 2013, Cosy Good, a wholly-owned subsidiary of the Company, FDL, the Key Shareholder and PuraPharm entered into the Share Purchase Agreement, pursuant to which Cosy Good has conditionally agreed to acquire from FDL, and FDL has conditionally agreed to sell to Cosy Good, the Sale Shares, representing 5% of the entire issued share capital of PuraPharm, for a total consideration of US\$3,400,000 (equivalent to approximately HK\$26,520,000).

The terms and conditions of the Acquisition are set out in the Share Purchase Agreement. Completion of the Acquisition is expected to take place on the Closing Date (being on or before 14 June 2013 or such other date as agreed between Cosy Good and FDL).

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the each of the Acquisition and the FDL's Repurchase Option exceed 5% but all the percentage ratios are less than 25%, each of the Acquisition and 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.

DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 24 May 2013 in relation to the Acquisition.

Introduction

The Board is pleased to announce that on 13 June 2013, Cosy Good, a wholly-owned subsidiary of the Company, FDL, the Key Shareholder and PuraPharm entered into the Share Purchase Agreement, pursuant to which Cosy Good has conditionally agreed to acquire from FDL, and FDL has conditionally agreed to sell to Cosy Good, the Sale Shares, representing 5% of the entire issued share capital of PuraPharm, for a total consideration of US\$3,400,000 (equivalent to approximately HK\$26,520,000).

Details of the Share Purchase Agreement

Date : 13 June 2013

Parties

The Target : PuraPharm Corporation Limited

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, PuraPharm and its controlling shareholders (who are a group of persons entitled to control the exercise of more than 30% of the voting rights of PuraPharm) are third parties independent of the Company and its connected persons.

The Seller : Fullgold Development Limited
The Investor : Cosy Good Limited
The Guarantor and Key Shareholder : Chan Yu Ling Abraham

Subject matter

Pursuant to the Share Purchase Agreement, Cosy Good has conditionally agreed to acquire from FDL the Sale Shares, free from all encumbrances and together with all rights attaching to them or becoming attached or accruing thereto on or after Completion.

Details of PuraPharm are set out in the section headed “Information of the Group, FDL, the Key Shareholder and PuraPharm” in this announcement.

The Consideration

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The consideration for the Sale Shares payable to FDL shall be US\$3,400,000 (equivalent to approximately HK\$26,520,000), which shall be settled by Cosy Good at Completion, subject to satisfaction of conditions referred to in the “Conditions to the Completion of the Share Purchase Agreement” below, by payment via wire transfer in immediately available funds to a bank account designated by FDL.

Basis of Determination of Consideration

The consideration for the Acquisition was agreed between Cosy Good and FDL after arm’s length negotiations on normal commercial terms with reference to, among others, (i) the unaudited consolidated net asset value of PuraPharm as at 31 December 2012 of approximately HK\$36,199,000; (ii) the unaudited consolidated net profit before taxation of PuraPharm for the year ended 31 December 2012 of approximately HK\$47,092,000; and (iii) the business potential of the PuraPharm Group.

The Directors consider that the consideration for the Acquisition is fair and reasonable.

Conditions to the Completion of the Share Purchase Agreement

Completion of the Acquisition is conditional upon, among others:

- (a) all corporate approvals of FDL and PuraPharm required for the transfer of the Sale Shares having been acquired and such approvals having not imposed any conditions that have not been accepted in writing by Cosy Good;

- (b) all necessary consents having been granted by third parties in relation to the Acquisition and the transactions contemplated under the Share Purchase Agreement;
- (c) the execution, delivery and performance of the Share Purchase Agreement not having violated any applicable laws or any order of any government authority affecting PuraPharm and the Sale Shares;
- (d) receipt by Cosy Good of (i) the unaudited consolidated management account of PuraPharm as at and for the fiscal year ended 31 December 2012 (or the latest) and (ii) the draft consolidated financial statements of the Company as at and for the fiscal year ended 31 December 2010 and 31 December 2011 audited by an audit firm, with a confirmation letter issued by the audit firm to the board of directors of PuraPharm; and
- (e) there being no occurrence of any event or series of events that reasonably could have or result in a material adverse effect.

Cosy Good may waive all or any of the Conditions at any time by notice in writing to the other parties to the Share Purchase Agreement. In the event that any of the Conditions shall not have been satisfied or waived by Cosy Good on or before 14 June 2013, then Cosy Good shall not be bound to proceed with the purchase of the Sale Shares.

Completion

Completion will take place at a place to be agreed between Cosy Good and FDL on or before 14 June 2013 after the last outstanding Conditions have been satisfied or waived by Cosy Good or such later date as Cosy Good and FDL may mutually agree in writing.

Indemnity

FDL and the Key Shareholder agree to jointly and severally indemnify and hold harmless Cosy Good from and against any and all losses, liabilities, costs, charges, expenses, interest, surcharges, penalties and fines incurred or suffered by Cosy Good (collectively, “Losses”) arising from:

- (a) any and all claims, actions, demands, awards, liabilities, proceedings, arbitration, litigation or judgments brought or established against any of them;
- (b) any breach of the representations and warranties under the Share Purchase Agreement;
- (c) any action taken by any lender to enforce any charges on any of the PuraPharm Group’s assets; and

any and all Losses suffered by any PuraPharm Group Company arising from its failure to renew or obtain the material authorizations, approvals, registrations, permits, certificates and licences necessary for its business and operation prior to the Closing Date.

Guarantee

The Key Shareholder is a controlling shareholder of PuraPharm and the sole shareholder of FDL. The Key Shareholder has irrevocably and unconditionally agreed to (i) guarantee to Cosy Good the due and punctual observance and performance by FDL and PuraPharm of all their obligations, commitments, undertakings and covenants (together, the “**Obligations**”) under or pursuant to the Share Purchase Agreement, whether now in existence or thereafter arising, and (ii) discharge the Obligations of all parties (other than Cosy Good) to the Share Purchase Agreement and (iii) undertake to indemnify and keep indemnified Cosy Good against all losses, damages, costs and expenses of whatsoever nature which may be suffered or incurred by FDL or PuraPharm from any default on the part of any of the Obligations.

Cosy Good’s Redemption Option

Cosy Good may (but shall not be obliged to) require FDL to repurchase all ordinary shares of PuraPharm then held by Cosy Good (the “**Investor’s Redemption Option**”) at the Investor Redemption Price (as defined below) upon the occurrence of certain events of default after the Closing Date, including, among others:

- (a) any bankruptcy, liquidation, winding-up, or dissolution of PuraPharm, whether voluntary or involuntary;
- (b) any consolidation, amalgamation or merger of material subsidiaries of PuraPharm or shareholders of such PuraPharm Group Company with or into any person;
- (c) the breach of certain undertakings specified under the Share Purchase Agreement by FDL, PuraPharm and/or the Key Shareholder; and
- (d) any breach of any representation and warranties under the Share Purchase Agreement by FDL, PuraPharm and/or the Key Shareholder.

Upon the occurrence of any event of default under the Share Purchase Agreement, Cosy Good may exercise its redemption rights, upon which FDL shall be bound to repurchase all the ordinary shares then held by Cosy Good for a total consideration calculated in accordance with the following formula (“**Investor’s Redemption Price**”):

$$\text{Investor's Redemption Price} = C \times R$$

Where

$$C = \frac{\text{Number of Ordinary Shares then held by Cosy Good}}{\text{number of Sale Shares}} \times \text{Consideration for the Acquisition}$$

$$R = (1.25)^d$$

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

FDL’s Repurchase Option

FDL may (but shall not be obliged to) repurchase all the ordinary shares of PuraPharm held by Cosy Good (“**FDL’s Repurchase Option**”) at any time, among others, after 12 months of the Closing Date for a total consideration calculated in accordance with the following formula (“**FDL Repurchase Price**”)

$$\text{FDL Repurchase Price} = C \times R$$

Where

$$C = \frac{\text{Number of Ordinary Shares then held by Cosy Good}}{\text{number of Sale Shares}} \times \text{Consideration for the Acquisition}$$

$$R = (1.25)^d$$

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

FINANCIAL INFORMATION OF PURAPHARM

A summary of the unaudited consolidated financial information of PuraPharm prepared in accordance with the Hong Kong Financial Reporting Standards, as provided by PuraPharm, is as follows:

	For the year ended 31 December 2011	For the year ended 31 December 2012
	<i>Unaudited HK\$'000</i>	<i>Unaudited HK\$'000</i>
Net profit before taxation and extraordinary items	18,071	47,092
Net profit after taxation and extraordinary items	15,331	41,247
	As at 31 December 2011	As at 31 December 2012
	<i>Unaudited HK\$'000</i>	<i>Unaudited HK\$'000</i>
Net (liabilities)/ assets	(4,468)	36,199

REASONS FOR AND BENEFITS OF THE TRANSACTION

As part of the Group's business plan, the Group has been identifying and exploring suitable projects and/or investments with good profit potential for acquisition. One of the Group's strategies is to look for investment opportunities with good potential in order to enhance the Group's value and profitability. The Board is optimistic towards the prospects and development of Chinese medicine industry and related business and believes that the Acquisition will bring attractive return to the Group and is in line with the Group's business plan.

The Directors consider that the terms and conditions of the Share Purchase Agreement are on normal commercial terms, and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP, FDL, THE KEY SHAREHOLDER AND PURAPHARM

The Group

The Group is principally engaged in the wholesale and retail of fashion wear and accessories, the operation of resorts and recreational clubs, investment holding and securities trading.

FDL (the seller)

FDL is a controlling shareholder of PuraPharm and its principal activity is investment holding.

Chan Yu Ling Abraham (the Key Shareholder)

The Key Shareholder is a natural person and the chairman, chief executive officer and controlling shareholder of PuraPharm.

PuraPharm (the target company)

PuraPharm is an investment holding company incorporated in the British Virgin Islands with limited liability. The PuraPharm Group principally engages in the research and development, manufacturing and sale of Chinese medicines products and health food products, as well as the operation of Chinese medicine clinics, dispensaries of Chinese medicines and Chinese herbal plantation.

The PuraPharm Group is the only foreign-funded enterprise among the six pilot manufacturers of concentrated Chinese medicine granules selected by the State Food and Drug Administration in the PRC. With its superior technologies and quality assurance, the PuraPharm Group has been the only Chinese medicinal granule supplier of the Hospital Authority of Hong Kong for the past 7 consecutive years.

Developed from the PuraPharm Group's research, Nong's Chinese Medicine Clinic System ("NCMCS") integrates Chinese medicinal granules, digital dispensaries and comprehensive database. In collaboration with universities in Hong Kong, NCMCS is a reputedly systematic and comprehensive traditional Chinese medicine clinic management system, which can provide an ideal digital platform for traditional Chinese medicine theoretical research as well as facilitate evidence-based clinical studies.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the each of the Acquisition and the FDL's Repurchase Option exceed 5% but all the percentage ratios are less than 25%, each of the Acquisition and 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.

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GENERAL

If any of the Conditions is not fulfilled or waived pursuant to the Share Purchase Agreement, the Acquisition may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any other securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by Cosy Good from FDL as contemplated under the Share Purchase Agreement
“Board”	the board of Directors
“Closing Date”	the date on which completion of the Acquisition takes place
“Company”	ENM Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 128)
“Completion”	the completion of the Acquisition
“Conditions”	the conditions of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Cosy Good”	Cosy Good Limited, a company incorporated in the British Virgin Islands with limited liability and which is a wholly-owned subsidiary of the Company

“Directors”	the directors of the Company
“FDL”	Fullgold Development Limited, a company incorporated in the British Virgin Islands with limited liability and which is directly wholly-owned by the Key Shareholder
“FDL’s Repurchase Option”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option” of this announcement
“FDL Repurchase Price”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Investor’s Redemption Option”	has the meaning given to it in the paragraph headed “Cosy Good’s Redemption Option” of this announcement
“Investor’s Redemption Price”	has the meaning given to it in the paragraph headed “Cosy Good’s Redemption Option” of this announcement
“JPIL”	Joint Partners Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Key Shareholder”	Mr. CHAN Yu Ling Abraham, the chairman and chief executive officer of PuraPharm and who currently indirectly owns as to 80.5% of PuraPharm through his interests in JPIL and FDL respectively
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Losses”	has the meaning given to it in the paragraph headed “Indemnity” of this announcement
“NCMCS”	has the meaning given to it in the paragraph headed “Information of the Group, FDL, the Key Shareholder and PuraPharm - PuraPharm (the target company)” of this announcement
“PRC”	The People’s Republic of China

“PuraPharm”	PuraPharm Corporation Limited, a company incorporated in the British Virgin Islands with limited liability and which is held as to 35% and 63% by JPIL and FDL respectively
“PuraPharm Group”	PuraPharm and its current or future direct and indirect subsidiaries, and “ PuraPharm Group Company ” shall be construed accordingly
“Sale Shares”	43,642 paid-up ordinary shares of par value US\$1.00 per share of PuraPharm, representing 5% of the entire issued share capital of PuraPharm
“Share Purchase Agreement”	the conditional sale and purchase agreement dated 13 June 2013 entered into between Cosy Good, FDL, the Key Shareholder and PuraPharm in relation to, among others, the Acquisition
“Shareholders”	holders of shares of the Company

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, 13 June 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.