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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 AND ACQUISITION OF FURTHER SHARES IN THE  
CAPITAL OF PURAPHARM CORPORATION LIMITED**

**The Acquisition and the Subscription**

The Board is pleased to announce that on 31 December 2014, 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 approximately 1.33% of the entire issued share capital of PuraPharm immediately after the Completion, for a total consideration of HK\$10,000,000.

In addition, pursuant to the Share Purchase Agreement, Cosy Good has conditionally agreed to subscribe for, and PuraPharm has conditionally agreed to issue and allot to Cosy Good, the Subscription Shares, representing approximately 4% of the entire issued share capital of PuraPharm immediately after the Completion, for a total consideration of HK\$30,000,000.

Immediately following the Completion, Cosy Good will hold an aggregate of 95,475 ordinary shares of par value US\$1.00 per share of PuraPharm, representing approximately 10.13% of the then entire issued share capital of PuraPharm.

The terms and conditions of the Transactions are set out in the Share Purchase Agreement. Completion of the Transactions is expected to take place on the Closing Date (being on or before 31 December 2014 or such later date as agreed between Cosy Good, PuraPharm 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 each of (i) the Transactions and the Previous Acquisition in aggregate and (ii) the FDL's Repurchase Option or the PuraPharm's Repurchase Option and FDL's Existing Repurchase Option in aggregate, exceed 5% but all the percentage ratios are less than 25%, each of them 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, or the Investor's Indemnity, if triggered, 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 or the triggering of the Investor's Indemnity (as the case may be), if applicable.

Reference is made to the announcements of the Company dated 13 June 2013 and 7 August 2013 in relation to, among other things, the Previous Acquisition and FDL's Existing Repurchase Option.

## **SHARE PURCHASE AGREEMENT**

The Board is pleased to announce that on 31 December 2014, 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 approximately 1.33% of the entire issued share capital of PuraPharm immediately after the Completion, for a total consideration of HK\$10,000,000.

In addition, pursuant to the Share Purchase Agreement, Cosy Good has conditionally agreed to subscribe for, and PuraPharm has conditionally agreed to issue and allot to Cosy Good, the Subscription Shares, representing approximately 4% of the entire issued share capital of PuraPharm immediately after the Completion, for a total consideration of HK\$30,000,000.

Cosy Good currently holds 45,246 ordinary shares of par value US\$1.00 per share of PuraPharm. Immediately following the Completion, Cosy Good will hold an aggregate of 95,475 ordinary shares of par value US\$1.00 per share of PuraPharm, representing approximately 10.13% of the then entire issued share capital of PuraPharm.

## **Details of the Share Purchase Agreement**

Date : 31 December 2014

### **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, and has conditionally agreed to subscribe for the Subscription Shares, in each case free from all encumbrances.

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**

#### *The Consideration*

The consideration for the Sale Shares payable to FDL shall be HK\$10,000,000, 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.

The consideration for the Subscription Shares payable to PuraPharm shall be HK\$30,000,000, 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 PuraPharm.

### *Basis of Determination of Consideration*

The consideration for the Transactions was agreed between Cosy Good, PuraPharm and FDL after arm's length negotiations on normal commercial terms with reference to, among others, (i) the fair values of the existing 5% of the entire issued share capital of PuraPharm held by Cosy Good and the financial derivatives attached to redemption/repurchase options as at 30 November 2014 of USD5,786,965 (equivalent to approximately HK\$44,848,979) according to an independent valuation performed by CBRE Limited, a firm of independent professional qualified valuers; (ii) the unaudited consolidated net asset value of PuraPharm as at 31 December 2013 of approximately HK\$53,841,000; (iii) the unaudited consolidated net profit before taxation of PuraPharm for the year ended 31 December 2013 of approximately HK\$22,558,000; and (iv) the business potential of the PuraPharm Group.

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

### **Conditions to the Completion of the Share Purchase Agreement**

Completion of the Transactions is conditional upon, among others:

- (a) all corporate approvals of FDL and PuraPharm required for the allotment, issue and subscription of the Subscription Shares and 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 (if any) having been granted by third parties in relation to the Transactions 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 or the Sale Shares or the Subscription Shares;
- (d) receipt by Cosy Good of (i) the unaudited consolidated management account of PuraPharm for the period from 1 January 2014 to 31 October 2014 and (ii) the draft consolidated financial statements of PuraPharm as at and for the fiscal year ended 31 December 2013 (with comparative figures of the fiscal year ended 31 December 2012) audited by an audit firm, with a confirmation letter issued by the audit firm to the board of directors of PuraPharm;

- (e) there being no occurrence of any event or series of events that reasonably could have or result in a material adverse effect; and
- (f) the waiver by an existing shareholder of PuraPharm of its pre-emptive right in respect of PuraPharm's further issuance of shares or securities.

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 31 December 2014, then Cosy Good shall not be bound to proceed with the Subscription and the Acquisition.

### **Completion**

Completion will take place at a place to be agreed between Cosy Good, PuraPharm and FDL on or before 31 December 2014 after the last outstanding Condition shall have been fulfilled or waived by Cosy Good or such later date as Cosy Good and FDL may mutually agree in writing.

### **Indemnity**

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, or any other corporate reorganization;
- (c) the breach of certain undertakings specified under the Share Purchase Agreement by FDL, PuraPharm and/or the Key Shareholder;
- (d) any breach of any representation and warranties under the Share Purchase Agreement by FDL, PuraPharm and/or the Key Shareholder; and
- (e) any material disciplinary actions or penalties imposed by the relevant government authorities as a result of any PuraPharm Group Company breaching the drug safety standards and other relevant regulations, materially affect the PuraPharm Group's business,

at the election of Cosy Good, FDL, the Key Shareholder and PuraPharm shall jointly and severally indemnify Cosy Good in cash a total amount calculated according to the following formula (“**Investor’s Indemnity**”):

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

Where

C = Total consideration for the Transactions <sup>(Note)</sup>

$$R = (1.25)^d$$

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

*Note: Where the number of the ordinary shares of PuraPharm then held by Cosy Good is less than the total number of the Subscription Shares and the Sale Shares (other than due to share consolidation), the value represented by “C” above shall be reduced on a pro-rata basis accordingly.*

Upon full receipt of the Investor’s Indemnity by Cosy Good, FDL, the Key Shareholder and PuraPharm shall have the rights to repurchase all the Subscription Shares and Sale Shares then held by Cosy Good at a nominal consideration of HK\$1.00.

In addition, FDL, the Key Shareholder and PuraPharm agree to jointly and severally indemnify and hold harmless Cosy Good from and against any and all losses, liabilities, costs, charges, expenses, interests, 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; and
- (c) 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, (ii) discharge the Obligations of all the 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 and/or PuraPharm to repurchase all the Subscription Shares and the Sale Shares then held by Cosy Good (the “**Investor’s Redemption Option**”) at the Investor Redemption Price (as defined below) if an IPO is not completed within 36 months from 9 August 2013. In such case, Cosy Good may exercise its redemption rights, upon which FDL and/or PuraPharm shall be bound to repurchase all the Subscription Shares and the Sale 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

$$C = \text{Total consideration for the Transaction}^{(Note)}$$

$$R = (1.25)^d$$

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

*Note: Where the number of the ordinary shares of PuraPharm then held by Cosy Good is less than the total number of the Subscription Shares and the Sale Shares (other than due to share consolidation), the value represented by “C” above shall be reduced on a pro-rata basis accordingly.*

## **FDL’s Repurchase Option and PuraPharm’s Repurchase Option**

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

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

Where

C = Total consideration for the Transactions<sup>(Note)</sup>

$$R = (1.25)^d$$

$$d = \frac{\text{Number of days from the Closing Date to the date of completion of FDL’s Repurchase Option or PuraPharm’s Repurchase Option}}{365}$$

*Note: Where the number of the ordinary shares of PuraPharm then held by Cosy Good is less than the total number of the Subscription Shares and the Sale Shares (other than due to share consolidation), the value represented by “C” above shall be reduced on a pro-rata basis accordingly.*

## **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:

	<b>For the year ended 31 December 2012 Unaudited HK\$’000</b>	<b>For the year ended 31 December 2013 Unaudited HK\$’000</b>	<b>For the six months ended 30 June 2014 Unaudited HK\$’000</b>
Net profit before taxation and extraordinary items	49,091	22,558	11,921
Net profit after taxation and extraordinary items	43,180	18,847	9,964



	<b>As at 31 December 2012 Unaudited HK\$'000</b>	<b>As at 31 December 2013 Unaudited HK\$'000</b>	<b>As at 30 June 2014 Unaudited HK\$'000</b>
Net assets	33,907	53,841	61,300

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

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 further investment in PuraPharm through the Transactions 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 club, 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 and dispensaries of Chinese medicines.

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 10 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**

The transactions under the Share Purchase Agreement and the Previous Share Purchase Agreements are to be aggregated pursuant to Rule 14.22 of 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 Transactions and the Previous Acquisition in aggregate, and (ii) the FDL's Repurchase Option or the PuraPharm's Repurchase Option and FDL's Existing Repurchase Option in aggregate, exceed 5% but all the percentage ratios are less than 25%, each of them 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, or the Investor's Indemnity, if triggered, 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 or the triggering of the Investor's Indemnity (as the case may be), if applicable.

## GENERAL

**If any of the Conditions is not fulfilled or waived pursuant to the Share Purchase Agreement, the Transactions 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 the Completion 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: 00128)
“Completion”	the completion of the Transactions
“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 Existing Repurchase Option”	has the meaning given to it under the definition of “FDL’s Repurchase Option” set out in the announcement of the Company dated 13 June 2013 as revised in the announcement of the Company 7 August 2013
“FDL’s Repurchase Option”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option and PuraPharm’s Repurchase Option” of this announcement
“FDL Repurchase Price”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option and PuraPharm’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 80.92% 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
“Obligations”	has the meaning given to it in the paragraph headed “Guarantee” of this announcement
“PRC”	The People’s Republic of China
“Previous Acquisition”	Cosy Good’s previous acquisition of an aggregate of 45,246 ordinary shares of par value US\$1.00 per share of PuraPharm as disclosed in the announcements of the Company dated 13 June 2013 and 7 August 2013
“Previous Share Purchase Agreements”	collectively, the sale and purchase agreement dated 13 June 2013 entered into between Cosy Good, FDL, the Key Shareholder and PuraPharm as supplemented by the supplemental agreement dated 7 August 2013 entered into between Cosy Good, FDL, the Key Shareholder and PuraPharm in relation to, among others, the Previous Acquisition and the FDL’s Existing Repurchase Option
“PuraPharm”	PuraPharm Corporation Limited, a company incorporated in the British Virgin Islands with limited liability and which is currently held as to approximately 31.83% and 49.09% by JPIL and FDL respectively
“PuraPharm Group”	PuraPharm and its current or future direct and indirect subsidiaries, and “ <b>PuraPharm Group Company</b> ” shall be construed accordingly
“PuraPharm’s Repurchase Option”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option and PuraPharm’s Repurchase Option” of this announcement
“PuraPharm Repurchase Price”	has the meaning given to it in the paragraph headed “FDL’s Repurchase Option and PuraPharm’s Repurchase Option” of this announcement
“Sale Shares”	12,557 fully paid-up ordinary shares of par value US\$1.00 per share of PuraPharm, representing approximately 1.33% of the entire issued share capital of PuraPharm immediately after the Completion

“Share Purchase Agreement”	the conditional agreement dated 31 December 2014 entered into between Cosy Good, FDL, the Key Shareholder and PuraPharm in relation to, among others, the Transactions
“Shareholders”	holders of shares of the Company
“Subscription”	the subscription of the Subscription Shares by Cosy Good from PuraPharm as contemplated under the Share Purchase Agreement
“Subscription Shares”	37,672 fully paid-up ordinary shares of par value of US\$1.00 per share of PuraPharm, representing approximately 4% of the entire issued share capital of PuraPharm immediately after the Completion
“Transactions”	the Acquisition and the Subscription

*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\$7.75. 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, 31 December 2014

*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.*