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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)

CONNECTED TRANSACTION

**FULL ACCEPTANCE OF ENTITLEMENT UNDER THE RIGHTS ISSUE
OF GENOVATE BIOTECHNOLOGY CO., LTD.**

The Board announces that Wintalent, an indirect wholly-owned subsidiary of the Company, took up its full entitlement of 184,764 Genovate Rights Shares under the Genovate Rights Issue, representing approximately 0.18% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase, on 9 January 2015.

According to the Genovate Announcement, Genovate proposed to raise capital by way of the issue of 3,850,000 new Genovate Shares at the Subscription Price of NT\$56 per Genovate Share. There were 96,956,000 Genovate Shares in issue as at the date of this announcement and such 3,850,000 new Genovate Shares represent 3.97% of the existing share capital of Genovate and 3.82% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase.

Pursuant to the Genovate Capital Increase, (i) the employees of Genovate will be allotted 577,500 new Genovate Shares, representing 15% of the Genovate Capital Increase, in accordance with the laws and regulations in Taiwan; (ii) Genovate Shareholders will be allotted 2,887,500 new Genovate Shares by way of the Genovate Rights Issue, representing 75% of the Genovate Capital Increase, on the basis of 29.78155039 Genovate Rights Shares for every 1,000 existing Genovate Shares held by the Genovate Shareholders on the Record Date; and (iii) 385,000 new Genovate Shares, representing 10% of the Genovate Capital Increase, will be publically underwritten in the open market in accordance with the laws and regulations in Taiwan.

The new Genovate Shares to be issued under the Genovate Capital Increase (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Genovate Shares in issue and will be listed on the Taiwan Securities Market.

As at the date of this announcement, the Company, through Wintalent, is interested in a total of 6,204,000 Genovate Shares, representing approximately 6.40% of the total issued share capital of Genovate. Under the Genovate Rights Issue, Wintalent is entitled to accept 184,764 Genovate Rights Shares under its own entitlement. On the basis of NT\$56 per Genovate Rights Share, the total consideration payable by the Company through Wintalent for such 184,764 Genovate Rights Shares upon Full Acceptance of the Genovate Rights Issue amounts to NT\$10,346,784 (equivalent to approximately HK\$2,586,696) and will be satisfied by payment in cash from internal resources of the Group. Wintalent will not apply for any excess Genovate Rights Shares.

Upon Full Acceptance of the Genovate Rights Issue by Wintalent, the Company will, through Wintalent, hold 6,388,764 Genovate Shares, representing approximately 6.34% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase.

The Directors (including the independent non-executive Directors) consider the Full Acceptance of the Genovate Rights Issue is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung jointly hold approximately 34.59% of the issued shares of the Company. In addition, Mr. JONG, Yat Kit holds another approximately 9.69% of the issued shares of the Company jointly with Mr. CHAN, Wai Tong Christopher and Mr. WONG, Tak Wai as at the date of this announcement. Each of Mr. CHAN, Wai Tong Christopher, Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier, Mr. WONG, Tak Wai and Mr. YU, Sai Hung is a trustee of the Estate of Kung, Nina also known as Nina Kung and Nina T H Wang and Nina Teh Huei Wang.

Since Taiwan Chinachem is a company controlled by Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung as joint and several administrators of the Estate of Nina Kung, Taiwan Chinachem is an associate of connected persons under Chapter 14A of the Listing Rules.

As at the date of this announcement, since Taiwan Chinachem is a substantial shareholder (as defined under the Listing Rules) of Genovate holding 10,721,328 Genovate Shares, representing approximately 11.06 % of the total issued share capital of Genovate and an associate of connected persons of the Company, the Full Acceptance of the Genovate Rights Issue by Wintalent will constitute a connected transaction for the Company under Rule 14A.28 of the Listing Rules.

As certain applicable percentage ratios set out in the Listing Rules in respect of the Full Acceptance of the Genovate Rights Issue by Wintalent are more than 0.1% but less than 5%, the Full Acceptance of the Genovate Rights Issue by Wintalent is subject to reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that Wintalent, an indirect wholly-owned subsidiary of the Company, took up its full entitlement of 184,764 Genovate Rights Shares under the Genovate Rights Issue, representing approximately 0.18% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase, on 9 January 2015. As at the date of this announcement, the Company, through Wintalent, is interested in a total of 6,204,000 Genovate Shares, representing approximately 6.40% of the total issued share capital of Genovate.

GENOVATE CAPITAL INCREASE AND GENOVATE RIGHTS ISSUE

According to the Genovate Announcement, Genovate proposed to raise capital by way of the issue of 3,850,000 new Genovate Shares at the Subscription Price of NT\$56 per Genovate Share. There were 96,956,000 Genovate Shares in issue as at the date of this announcement and such 3,850,000 new Genovate Shares represent 3.97% of the existing share capital of Genovate and 3.82% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase.

Pursuant to the Genovate Capital Increase, (i) the employees of Genovate will be allotted 577,500 new Genovate Shares, representing 15% of the Genovate Capital Increase, in accordance with the laws and regulations in Taiwan; (ii) Genovate Shareholders will be allotted 2,887,500 new Genovate Shares by way of the Genovate Rights Issue, representing 75% of the Genovate Capital Increase, on the basis of 29.78155039 Genovate Rights Shares for every 1,000 existing Genovate Shares held by the Genovate Shareholders on the Record Date; and (iii) 385,000 new Genovate Shares, representing 10% of the Genovate Capital Increase, will be publically underwritten in the open market in accordance with the laws and regulations in Taiwan.

The new Genovate Shares to be issued under the Genovate Capital Increase (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Genovate Shares in issue and will be listed on the Taiwan Securities Market.

According to the Genovate Announcement, Genovate intends to use the proceeds of the Genovate Capital Increase to build a new sterile products factory and carry out new medicine development.

The Subscription Price represents:

- (a) a discount of approximately 19.31% to the closing price of NT\$69.40 per Genovate Share as quoted on the Taiwan Securities Market on the Last Trading Day;
- (b) a discount of approximately 20.39% to the average of the closing prices per Genovate Share as quoted on the Taiwan Securities Market for the five previous consecutive trading days up to and including the Last Trading Day of NT\$70.34;
- (c) a discount of approximately 19.18% to the average of the closing prices per Genovate Share as quoted on the Taiwan Securities Market for the ten previous consecutive trading days up to and including the Last Trading Day of NT\$69.29;
- (d) a discount of approximately 18.71% to the theoretical ex-rights price of approximately NT\$68.89 per Genovate Share based on the closing price of NT\$69.40 per Genovate Share as quoted on the Taiwan Securities Market on the Last Trading Day; and
- (e) a premium of approximately 420.45% to the unaudited consolidated net asset value attributable to the Genovate Shareholders as at 30 June 2014 of approximately NT\$10.76 per Genovate Share.

Each new Genovate Share to be issued under the Genovate Capital Increase (including the Genovate Rights Shares to be issued under the Genovate Rights Issue) has a par value of NT\$10.

Each Genovate Shareholder will be entitled to subscribe for the Genovate Rights Shares at the same Subscription Price in proportion to his/ her/its shareholding held on the Record Date.

The Directors consider the terms of the Genovate Rights Issue, including the Subscription Price (and the discounts/premium to the relative values as indicated above), to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FULL ACCEPTANCE OF THE GENOVATE RIGHTS ISSUE

As at the date of this announcement, the Company, through Wintalent, is interested in a total of 6,204,000 Genovate Shares, representing approximately 6.40% of the total issued share capital of Genovate. Under the Genovate Rights Issue, Wintalent is entitled to accept 184,764 Genovate Rights Shares under its own entitlement. On the basis of NT\$56 per Genovate Rights Share, the total consideration payable by the Company through Wintalent for such 184,764 Genovate Rights Shares upon Full Acceptance of the Genovate Rights Issue amounts to NT\$10,346,784 (equivalent to approximately HK\$2,586,696) and will be satisfied by payment in cash from internal resources of the Group. Wintalent will not apply for any excess Genovate Rights Shares.

Upon Full Acceptance of the Genovate Rights Issue by Wintalent, the Company will, through Wintalent, hold 6,388,764 Genovate Shares, representing approximately 6.34% of the enlarged share capital of Genovate after completion of the Genovate Capital Increase.

As at the date of this announcement, except for the Full Acceptance of the Genovate Rights Issue, the Company did not sign or propose to sign any agreement or undertaking in respect of the Genovate Rights Issue.

REASONS FOR THE FULL ACCEPTANCE OF THE GENOVATE RIGHTS ISSUE

The Directors consider that in view of (i) the current positive development of Genovate; (ii) the opportunity to buy Genovate Shares at discount to market price; and (iii) the limited additional exposure to maintain the Group's long term holding position in Genovate, the Full Acceptance of the Genovate Rights Issue is beneficial to the Group.

The Directors (including the independent non-executive Directors) consider the Full Acceptance of the Genovate Rights Issue is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON GENOVATE

Genovate's activities include, inter alia, the research, development, manufacture and sales of pharmaceuticals and biological products, the provision of advisory services in respect of pharmaceuticals and biological products, the import and sales of raw materials for medicine, antibiotics, serum, vaccines and medical equipment and the trading, import and export of general consumer products. Genovate's principal assets include land properties, plants and machinery.

Based on the annual report of Genovate for the year ended 31 December 2013 prepared in accordance with Taiwan accounting standards, the audited net asset value of the Genovate Group was approximately NT\$1,024,109,000. The net asset value per Genovate Shares based on 96,956,000 Genovate Shares in issue at the date of this announcement was NT\$10.56 (equivalent to approximately HK\$2.64).

The audited net profits before and after taxation of Genovate for the two financial years ended 31 December 2012 and 2013 respectively were as follows:

	For the year ended 31 December	
	2012	2013
Profit before taxation	NT\$65,957,000	NT\$51,891,000
Profit after taxation	NT\$60,670,000	NT\$45,662,000

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung jointly hold approximately 34.59% of the issued shares of the Company. In addition, Mr. JONG, Yat Kit holds another approximately 9.69% of the issued shares of the Company jointly with Mr. CHAN, Wai Tong Christopher and Mr. WONG, Tak Wai as at the date of this announcement. Each of Mr. CHAN, Wai Tong Christopher, Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier, Mr. WONG, Tak Wai and Mr. YU, Sai Hung is a trustee of the Estate of Kung, Nina also known as Nina Kung and Nina T H Wang and Nina Teh Huei Wang.

Since Taiwan Chinachem is a company controlled by Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung as joint and several administrators of the Estate of Nina Kung, Taiwan Chinachem is an associate of connected persons under Chapter 14A of the Listing Rules.

As at the date of this announcement, since Taiwan Chinachem is a substantial shareholder (as defined under the Listing Rules) of Genovate holding 10,721,328 Genovate Shares, representing approximately 11.06 % of the total issued share capital of Genovate and an associate of connected persons of the Company, the Full Acceptance of the Genovate Rights Issue by Wintalent will constitute a connected transaction for the Company under Rule 14A.28 of the Listing Rules.

As certain applicable percentage ratios set out in the Listing Rules in respect of the Full Acceptance of the Genovate Rights Issue by Wintalent are more than 0.1% but less than 5%, the Full Acceptance of the Genovate Rights Issue by Wintalent is subject to reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The resolution regarding the Full Acceptance of the Genovate Rights Issue has been passed at the meeting of the Board. Mr. Joseph Wing Kong LEUNG, an executive Director, Chairman and Acting Chief Executive Officer of the Company is the chairman of each of Genovate and Taiwan Chinachem. As such, Mr. Joseph Wing Kong LEUNG has abstained from voting at the meeting of the Board convened for the purpose of approving the Full Acceptance of the Genovate Rights Issue. Dr. Jen Chen, an independent non-executive Director of the Company is the general manager of Genovate and currently holds 186,680 Genovate Shares, representing approximately 0.19% of the total issued share capital of Genovate as at the date of this announcement. Dr. Jen CHEN did not attend the meeting of the Board convened for the purpose of approving the Full Acceptance of the Genovate Rights Issue. Save as aforesaid, none of the Directors has any material interests in the Full Acceptance of the Genovate Rights Issue and is required to abstain from voting on the relevant Board resolution.

GENERAL

The principal activities of the Company are investment holding and securities trading. The principal activities of its subsidiaries comprise the wholesale and retail of fashion wear and accessories, resort and recreational club operations, investment holding and securities trading.

The principal activity of Taiwan Chinachem is investment holding. As far as the Directors are aware, Taiwan Chinachem intends to take up the Genovate Rights Shares under its own entitlement.

DEFINITIONS

“Board”	the board of directors of the Company
“Taiwan Chinachem”	臺灣華懋投資股份有限公司 (Taiwan Chinachem Investments Company Limited), a company incorporated in Taiwan with limited liability

“Company”	ENM Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Full Acceptance of the Genovate Rights Issue”	the acceptance of the full entitlement of 184,764 Genovate Rights Shares and payment in full pursuant to the Genovate Rights Issue by Wintalent
“Genovate”	Genovate Biotechnology Co., Ltd., a company incorporated in Taiwan with limited liability, the shares of which are listed in the Taiwan Securities Market
“Genovate Announcement”	the announcement of Genovate dated 18 December 2014 in relation to the Genovate Capital Increase published on the Taiwan Securities Market
“Genovate Capital Increase”	the issue of 3,850,000 new Genovate Shares (including the Genovate Rights Shares) at the Subscription Price as disclosed in the Genovate Announcement
“Genovate Rights Issue”	the issue of 2,887,500 Genovate Rights Shares at the Subscription Price on the basis of 29.78155039 Genovate Rights Share for every 1,000 existing Genovate Shares held on the Record Date payable in full on acceptance
“Genovate Rights Share(s)”	the new Genovate Shares to be allotted and issued in respect of the Genovate Rights Issue
“Genovate Share(s)”	the ordinary share(s) of Genovate with a par value of NT\$10 each
“Genovate Shareholder(s)”	the shareholders of Genovate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	17 December 2014, being the last trading day of the Genovate Shares on the Taiwan Securities Market immediately prior to the publication of the Genovate Announcement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Record Date”	Wednesday, 31 December 2014, being the record date to determine entitlements to the Genovate Rights Issue
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of NT\$56 per Genovate Share/Genovate Rights Share under the Genovate Capital Increase and the Genovate Rights Issue
“Taiwan Securities Market”	Taiwan GreTai Securities Market
“Wintalent”	Wintalent International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NT\$”	Taiwan dollars, the lawful currency of Taiwan
“%”	per cent or percentage

(In this announcement, NT\$ are converted into HK\$ amounts at the rate of HK\$1 = NT\$4. 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 order of the Board
ENM Holdings Limited
Joseph Wing Kong LEUNG
Chairman and Acting Chief Executive Officer

Hong Kong, 9 January 2015

As at the date of this announcement, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman and Acting Chief Executive Officer), 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.