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PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1498)

**RESULTS OF THE RIGHTS ISSUE
ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE
AND
ADJUSTMENTS TO EXERCISE PRICES OF AND NUMBER OF
SHARES SUBJECT TO THE OUTSTANDING SHARE OPTIONS**

RESULTS OF THE RIGHTS ISSUE

The Board wishes to announce that at 4:00 p.m. on Friday, 21 February 2020, being the Latest Time for Acceptance of and the payment for the Rights Shares and application and payment for excess Rights Shares, a total of 99 valid applications and acceptances had been received, which comprised:

- (i) a total of 59 valid acceptances of provisional allotments under the PALs in respect of 93,757,621 Rights Shares have been received, representing approximately 71.2% of the total number of the Rights Shares available under the Rights Issue; and
- (ii) a total of 40 valid applications for excess Rights Shares under the EAFs in respect of 7,515,920 excess Rights Shares have been received, representing approximately 5.7% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the 101,273,541 Rights Shares validly accepted and applied for under the PALs and the EAFs represented approximately 76.9% of the total number of 131,630,980 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 30,357,439 Rights Shares, representing approximately 23.1% of the total number of 131,630,980 Rights Shares available for subscription under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination of the Underwriting Agreement, the Underwriting Agreement became unconditional at 4:00 p.m. on Monday, 24 February 2020.

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for 30,357,439 Untaken Shares, representing approximately 23.1% of the total number of 131,630,980 Rights Shares available for subscription under the Rights Issue.

As confirmed by the Underwriter, all subscribers procured by it are Independent Third Parties.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Monday, 2 March 2020.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 3 March 2020.

Reference is made to the prospectus of PuraPharm Corporation Limited (“**Company**”) dated 7 February 2020 (“**Prospectus**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

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- (ii) a total of 40 valid applications for excess Rights Shares under the EAFs in respect of 7,515,920 excess Rights Shares have been received, representing approximately 5.7% of the total number of Rights Shares available under the Rights Issue.

Pursuant to the Irrevocable Undertakings, each of Mr. Chan, Fullgold, Gold Sparkle and PuraPharm BVI has subscribed for 9,315,770, 31,143,000, 6,525,360 and 25,783,250 Rights Shares respectively provisionally allotted to him/it.

In aggregate, the 101,273,541 Rights Shares validly accepted and applied for under the PALs and the EAFs represented approximately 76.9% of the total number of 131,630,980 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 30,357,439 Rights Shares (“**Untaken Shares**”), representing approximately 23.1% of the total number of 131,630,980 Rights Shares available for subscription under the Rights Issue.

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DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Monday, 2 March 2020. Each such entitled will receive one share certificate for all the Rights Shares in fully-paid form, except HKSCC Nominees Limited.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 3 March 2020.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and immediately after completion of the Rights Issue will be as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate percentage (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate percentage (Note 1)</i>
Controlling Shareholders				
Mr. Chan	18,631,541	7.08%	27,947,311	7.08%
Fullgold	62,286,000	23.66%	93,429,000	23.66%
Gold Sparkle	13,050,720	4.96%	19,576,080	4.96%
PuraPharm BVI	51,566,500	19.59%	77,349,750	19.59%
Other non-public Shareholders				
Other directors of the Company <i>(Note 2)</i>	3,325,000	1.26%	4,148,750	1.05%
Share Award Scheme	2,206,000	0.84%	2,206,000	0.56%
Public Shareholders				
Subscribers procured by the Underwriter <i>(Note 3)</i>	—	—	30,357,439	7.69%
Other public shareholders	<u>112,196,200</u>	<u>42.62%</u>	<u>139,878,611</u>	<u>35.42%</u>
TOTAL	<u><u>263,261,961</u></u>	<u><u>100.00%</u></u>	<u><u>394,892,941</u></u>	<u><u>100.00%</u></u>

Notes:

1. The percentages may not add up to subtotal or total due to rounding.
2. This includes companies controlled by Mr. Chan Kin Man, Eddie (a Director of the Company), namely Best Revenue Investments Limited and K.M. Chan & Co. Limited.
3. Pursuant to the Underwriting Agreement, each of the subscribers of the Untaken Shares procured by the Underwriter is an Independent Third Party, and none of them will become a substantial shareholder of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, will not be holding 30.0% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue.

ADJUSTMENTS TO EXERCISE PRICES OF AND NUMBER OF SHARES SUBJECT TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, the Company has 6,376,000 Share Options. Immediately before the completion of the Rights Issue, holders of the Share Options under the Share Option Scheme are entitled to subscribe for a total of 6,376,000 Shares. As a result of the completion of the Rights Issue, assuming no other adjustment events under the terms and conditions of the Share Option Scheme having been triggered and pursuant to (i) the terms and conditions of Share Option Scheme; and (ii) Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of the Share Options and the number of Shares which may fall to be issued upon exercise of the subscription rights attaching to the Share Options will be adjusted in the following manner:

Name of grantee	Date of grant	Vesting date	Exercise period	Immediately prior to the adjustments as a result of the completion of the Rights Issue		Immediately after the adjustments as a result of the completion of the Rights Issue	
				Exercise price HK\$ per Share	Number of underlying Shares subject to outstanding Share options	Exercise price	Number of underlying Shares subject to outstanding Share Options
Directors							
Mr. Chan	9 May 2019	10 May 2020	From vesting date to 9 May 2029	2.4	1,041,500	2.3	1,085,228
	9 May 2019	10 May 2021	From vesting date to 9 May 2029	2.4	1,041,500	2.3	1,085,228
					<u>2,083,000</u>		<u>2,170,456</u>
Dr. Tsoi Kam Biu, Alvin	9 May 2019	10 May 2020	From vesting date to 9 May 2029	2.4	340,000	2.3	354,275
	9 May 2019	10 May 2021	From vesting date to 9 May 2029	2.4	340,000	2.3	354,275
					<u>680,000</u>		<u>708,550</u>
Mr. Chan Kin Man, Eddie	9 May 2019	10 May 2020	From vesting date to 9 May 2029	2.4	1,041,500	2.3	1,085,228
	9 May 2019	10 May 2021	From vesting date to 9 May 2029	2.4	1,041,500	2.3	1,085,228
					<u>2,083,000</u>		<u>2,170,456</u>

Name of grantee	Date of grant	Vesting date	Exercise period	Immediately prior to the adjustments as a result of the completion of the Rights Issue		Immediately after the adjustments as a result of the completion of the Rights Issue	
				Exercise price <i>HK\$ per Share</i>	Number of underlying Shares subject to outstanding Share options	Exercise price	Number of underlying Shares subject to outstanding Share Options
Ms. Man Yee Wai, Viola	9 May 2019	10 May 2020	From vesting date to 9 May 2029	2.4	340,000	2.3	354,275
	9 May 2019	10 May 2021	From vesting date to 9 May 2029	2.4	340,000	2.3	354,275
					680,000		708,550
Others							
Employee	9 May 2019	10 May 2020	From vesting date to 9 May 2029	2.4	212,500	2.3	221,422
	9 May 2019	10 May 2021	From vesting date to 9 May 2029	2.4	212,500	2.3	221,422
	9 May 2019	10 May 2022	From vesting date to 9 May 2029	2.4	212,500	2.3	221,422
	9 May 2019	10 May 2023	From vesting date to 9 May 2029	2.4	212,500	2.3	221,422
					850,000		885,688
Total					6,376,000		6,643,700

On behalf of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman

Hong Kong, 28 February 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chan Yu Ling, Abraham, Dr. Tsoi Kam Biu, Alvin, Mr. Chan Kin Man, Eddie, and Ms. Man Yee Wai, Viola; non-executive director of the Company is Mr. Chow, Stanley; and the independent non-executive directors of the Company are Dr. Chan Kin Keung, Eugene, Mr. Ho Kwok Wah, George, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.