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**WANG ON GROUP LIMITED**

**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**ANNOUNCEMENT**

**MAJOR TRANSACTION  
REGARDING  
LOAN ADVANCE TO PNG RESOURCES HOLDINGS LIMITED  
AND  
RESUMPTION OF TRADING**

On 7 June 2011, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower the Loan Facility. The Loan Facility is secured by the Share Charges. The full principal amount of the Loan Facility may be drawn down by the Borrower during the Availability Period.

The entering into the Loan Agreement, when aggregated with the Previous Loan Facilities advanced by the Lender to the Borrower pursuant to the Previous Loan Agreements, constitutes a major transaction for the Company under Rule 14.06(2) of the Listing Rules and the grant of the Loan Facility by the Company is subject to the satisfaction of conditions set out under the paragraph of “Conditions of the Loan Agreement” in this announcement. The grant of the Loan Facility by the Company also constitutes a financial assistance to an affiliated company of the Company under Rule 13.16 of the Listing Rules and details of which are disclosed herein in compliance with Rule 13.16 of the Listing Rules.

\* *For identification purpose only*

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Loan Agreement and the transactions contemplated thereunder. As at the date of this announcement, WYT, which, through its subsidiaries, holds 2.16% equity interest in the Company, is also a substantial shareholder of the Borrower holding 49.59% equity interest, and, therefore, WYT and its associates will abstain from voting on the resolution(s) to approve the Loan Agreement and the transactions contemplated thereunder.

A circular containing further details of, among other things, (i) the Loan Agreement and the Share Charges together with the Previous Loan Agreements; and (ii) a notice to convene the SGM will be despatched to the Shareholders on or before 30 June 2011.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 8 June 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 9 June 2011.

### **THE LOAN AGREEMENT**

Date	:	7 June 2011
Lender	:	Fully Finance Limited, an indirect wholly-owned subsidiary of the Company, is principally engaged in investment holding
Borrower	:	PNG Resources Holdings Limited
Loan Facility	:	Maximum of HK\$135 million
Availability Period	:	During the period commencing upon satisfaction or waiver of conditions set out under the paragraph of “Conditions of the Loan Agreement” in this announcement and expiring on 30 September 2011

The Loan Agreement was entered into between the Borrower and the Lender on 7 June 2011, pursuant to which the Lender agreed to grant the Loan Facility to the Borrower. The Loan Facility is secured by the Share Charges and carries an interest rate of 8.0% per annum which was determined with reference to factors including, among others, (i) the 8.0% interest rate of the Previous Loan Facilities; (ii) the prevailing Hong Kong prime lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5.0% per annum; and (iii) the financial position of the Borrower. The full principal amount of the Loan Facility and all outstanding interest thereon (if any) will be repayable by the Borrower no later than the Repayment Date. The full principal amount of the Loan Facility may be drawn down by the Borrower during the Availability Period. As at the date of this announcement, no drawdown has been made under the Loan Facility.

The Borrower undertakes to and agrees with the Lender that the proceeds of the Loan Facility shall be used by the Borrower exclusively for the purpose of subscription of new shares of CAP pursuant to the Rights Issue. The Borrower also promises to the Lender that it will repay, procure or cause to be repaid, to the Lender such amount of the drawdown as exceeds the total amount payable under the Rights Issue for the Rights Shares to be received by the Borrower pursuant to the acceptance and excess application to be made under the Rights Issue no later than ten business days immediately following the date on which the results of the Rights Issue are announced by CAP.

As at the date of this announcement, the Borrower is indebted to the Lender in aggregate of HK\$170 million under the Previous Loan Facilities. The Previous Loan Facilities carry an interest rate of 8.0% per annum which was determined at the time they were advanced with reference to (i) the then Hong Kong prime lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5.0% per annum; and (ii) the financial position of the Borrower.

As at the date of this announcement, the Company holds an equity interest of approximately 9.15% in WYT, which is a substantial shareholder of the Borrower holding 49.59% equity interest, which in turn is the major shareholder of CAP, holding approximately 3.32% of its entire issued share capital, and a Shareholder of the Company holding 2.16% equity interest. Furthermore, as at the date of this announcement, the Company, through its wholly-owned subsidiary, holds approximately 0.52% and approximately 1.39% interest in the Borrower and CAP, respectively. As at the date hereof, Mr. Tang Ching Ho, the chairman and an executive Director, is also the chairman and an executive director of WYT. Mr. Chan Chun Hong, Thomas, the managing Director, is also the managing director of WYT and the

chairman of the Borrower and CAP, respectively. Save for the foregoing, to the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, the Borrower and its ultimate beneficial owners are third parties independent of and not connected with the Company and its subsidiaries.

### **Conditions of the Loan Agreement**

The drawdown of the Loan Facility under the Loan Agreement is conditional upon, among others, the following conditions having been fulfilled or waived (as the case may be):

- (1) the passing of the necessary resolution(s) by the shareholders of CAP (or, where applicable, the independent shareholders of CAP) at a special general meeting of CAP to approve, inter alia, the Rights Issue and the transactions contemplated thereunder;
- (2) the passing of the necessary resolution(s) by the shareholders of the Borrower (or, where applicable, the independent shareholders of the Borrower) at its extraordinary general meeting to approve, among others, the subscription of the shares (including excess application) of CAP (as defined in the Underwriting Agreement);
- (3) all representations and warranties made by the Borrower in the Loan Agreement shall be valid as of the drawdown date;
- (4) no event of default shall have occurred or potential event of default shall have occurred (or would be likely to occur as a result of the Loan Facility being made);
- (5) each of the Share Charges (details of which is set out below) between the respective chargors and chargee having been entered into; and
- (6) the passing by the Independent Shareholders of an ordinary resolution approving the transactions contemplated under the Loan Agreement.

## PRINCIPAL TERMS OF THE SHARE CHARGES

The Loan Facility is secured by the following Share Charges:

- (1) the Golden Maker Share Charge to be entered into between Brightest Investments as chargor and the Lender as chargee after fulfillment (or, waived as the case may be) of the conditions set out in the “Conditions of the Loan Agreement” in which Brightest Investments will charge in favour of the Lender by way of a first legal charge over 10,000 shares of HK\$1.00 in the capital of Golden Maker, being the entire issued share capital of Golden Maker, which directly holds 100% equity interest in 金億利(東莞)房地產開發有限公司 (Golden Marker (Dongguan) Property Development Company Limited<sup>#</sup>) which in turn holds the property development project in Dongguan, Guangdong Province, the PRC;
- (2) the Vast Time Share Charge to be entered into between Strengthen Investments and Jumbo Sun as chargors and the Lender as chargee after fulfillment (or, waived as the case may be) of the conditions set out in the “Conditions of the Loan Agreement” in which Strengthen Investments and Jumbo Sun will charge in favour of the Lender by way of a first legal charge over in aggregate 1,000 shares of HK\$1.00 in the capital of Vast Time, being the entire issued share capital of Vast Time, which directly holds 100% equity interest in 撫州宏安房地產開發有限公司 (Fuzhou Wang On Property Development Co., Ltd.<sup>#</sup>) which in turn holds the property development project in Fuzhou, Jiangxi Province, the PRC; and
- (3) the Onger Investments Share Charge to be entered into between Loyal Fame as chargor and the Lender as chargee after fulfillment (or, waived as the case may be) of the conditions set out in the “Conditions of the Loan Agreement” in which Loyal Fame will charge in favour of the Lender by way of a first legal charge over one share of US\$1.00 in the capital of Onger Investments, being the entire issued share capital of Onger Investments, which currently holds 3.32% equity interest in CAP as at the date of this announcement.

<sup>#</sup> *Denotes English translation of a Chinese name and is provided for identification purpose only.*

## PREVIOUS LOAN AGREEMENTS

The Lender has entered into five loans agreements with the Borrower between November 2008 and March 2011, details of which are as follow:

<b>Agreement Date</b>	<b>Loan amount</b> <i>HK\$ (million)</i>	<b>Interest</b> <b>rate</b> %	<b>Repayment due date</b>	<b>Duration</b> <b>of the loan</b>
21 November 2008	40	8.0	10 March 2014 <sup>(Note 1)</sup>	5 years
16 June 2009	20	8.0	14 June 2014 <sup>(Note 2)</sup>	5 years
4 November 2009	10	8.0	2 November 2014 <sup>(Note 3)</sup>	5 years
11 January 2010	65	8.0	10 January 2013	3 years
11 March 2011	35	8.0	12 April 2014	3 years

*Notes:*

- (1) The loan was made available to the Borrower by the Lender under the loan agreements dated 21 November 2008, which was amended by two supplemental loan agreements dated 14 January 2011 and 11 March 2011 to extend the repayment date to 10 March 2014 and to increase the interest rate from 6% to 8% per annum.*
- (2) The loan was made available to the Borrower by the Lender under the loan agreements dated 16 June 2009, which was amended by a supplemental loan agreement dated 11 March 2011 to extend the repayment date to 14 June 2014 upon its maturity date and to increase the interest rate from 6% to 8% per annum.*
- (3) The loan was made available to the Borrower by the Lender under the loan agreement dated 4 November 2009, which was amended by a supplemental loan agreement dated 11 March 2011 to extend the repayment date to 2 November 2014 upon its maturity date and to increase the interest rate from 6% to 8% per annum.*

## REASONS FOR THE LOAN FACILITY

The Group is principally engaged in property investment and development in Hong Kong, management and sub-licensing of wet markets in Hong Kong and the PRC, management and sub-licensing shopping centers in Hong Kong and management of agricultural by-products wholesaling business in Hong Kong.

The Borrower together with its subsidiaries are principally engaged in the businesses of forestry and logging operations, property development in the PRC and retailing of fresh pork meat and related products. The Loan Facility granted to the Borrower under the Loan Agreement will be used by the Borrower exclusively for the financing of its subscription of Rights Shares under the Rights Issue proposed by CAP.

The Directors believe that the Loan Agreement, together with the Previous Loan Agreements, can generate a higher return to the Group comparing with the interest earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong. Given the Loan Facility is secured and the Borrower indirectly owns two property development projects in Fuzhou, Jiangxi Province and Dongguan, Guangdong Province, respectively, with a total site area of approximately 3.1 million square feet which had an aggregate market value of approximately HK\$701.8 million as at 30 September 2010, the Directors consider that the credit risk of the Loan Facility is relatively low. The Directors are confident of the long-term prospects of the PRC property market, which showed satisfactory performance in the recent pre-sales of two property development projects in Fuzhou, Jiangxi Province and Dongguan, Guangdong Province.

Given the factors aforesaid, the Directors consider that the Loan Agreement and the Share Charges are on normal commercial terms and that the conditions and terms of the Loan Agreement and the Share Charges are fair and reasonable and are in the interests of the Shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

The entering into of the Loan Agreement, when aggregate with the Previous Loan Facilities advanced by the Lender to the Borrower pursuant to the Previous Loan Agreements, constitutes a major transaction for the Company under Rule 14.06(2) of the Listing Rules and the grant of the Loan Facility by the Company is subject to the satisfaction of conditions set out under the paragraph headed “Conditions of the Loan Agreement” in the section “The Loan Agreement” in this announcement. The grant of the Loan Facility by the Company also constitutes financial assistance to an affiliated company of the Company under Rule 13.16 of the Listing Rules.

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Loan Agreement and the transactions contemplated thereunder. As at the date of this announcement, WYT, which, through its subsidiaries, holds 2.16% equity interest in the Company, is also a substantial shareholder of the Borrower holding 49.59% equity interest, and, therefore, WYT and its associates will abstain from voting on the resolution(s) to approve the Loan Agreement and the transactions contemplated thereunder.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 8 June 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 9 June 2011.

## **GENERAL**

A circular containing further details of, among other things, (i) the Loan Agreement and the Share Charges together with the Previous Loan Agreements; and (ii) a notice to convene the SGM will be despatched to the Shareholders on or before 30 June 2011.

## **DEFINITIONS**

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

“Availability Period”	during the period commencing upon satisfaction of all conditions set out under the paragraph headed “Conditions of the Loan Agreement” in the section “The Loan Agreement” in this announcement and expiring on 30 September 2011
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“Borrower”	PNG Resources Holdings Limited PNG 資源控股有限公司 (formerly and then known as “LeRoi Holdings Limited 利來控股有限公司”), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 221)
“Brightest Investments”	Brightest Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement



“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the main board of the Stock Exchange (Stock Code: 149)
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 1222)
“Director(s)”	the director(s) of the Company
“Golden Maker”	Golden Maker Investment Limited, an investment holding company incorporated in Hong Kong with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement
“Golden Maker Share Charge”	the deed of share charge to be executed by Brightest Investments by way of a first legal charge of all its rights, title and interest in and to 10,000 shares in the capital of Golden Maker beneficially owned by Brightest Investments in favour of the Lender
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholders other than WYT and its associates
“Jumbo Sun”	Jumbo Sun Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement
“Lender”	Fully Finance Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company as of the date of this announcement

\* *For identification purpose only*

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into between the Lender and the Borrower on 7 June 2011 in relation to the advance of the Loan Facility
“Loan Facility”	a loan facility of not exceeding a sum of HK\$135 million granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loyal Fame”	Loyal Fame International Limited an investment holding company incorporated in the British Virgin Islands with limited liability and is directly wholly owned by the Borrower as of the date of this announcement
“Onger Investments”	Onger Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement
“Onger Investments Share Charge”	the deed of share charge to be executed by Loyal Fame by way of a first legal charge of all its rights, title and interest in and to one share in the capital of Onger Investments beneficially owned by Loyal Fame in favour of the Lender
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Previous Loan Agreements”	five loan agreements dated 21 November 2008 (as amended by supplemental loan agreements dated 14 January 2011 and 11 March 2011), 16 June 2009 (as amended by a supplemental loan agreement dated 11 March 2011), 4 November 2009 (as amended by a supplemental loan agreement dated 11 March 2011), 11 January 2010 and 11 March 2011, respectively, entered into between the Lender and the Borrower pursuant to which the Lender agreed to advance the Previous Loan Facilities to the Borrower

“Previous Loan Facilities”	five loans in the aggregate sum of HK\$170 million advanced by the Lender to the Borrower pursuant to the Previous Loan Agreements
“Repayment Date”	a three-year period from the date of drawdown
“Rights Issue”	the proposed issue of new shares of CAP by way of rights to the registered shareholders of CAP for subscription on the terms as set out in the prospectus to be issued by CAP, details of which are set out in the announcement issued by CAP dated 9 June 2011
“Rights Shares”	the new shares of CAP proposed to be offered to the qualified shareholders for subscription pursuant to the Rights Issue
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, among others, the Loan Agreement and the transaction(s) contemplated thereunder
“Share Charges”	collectively, the Golden Maker Share Charge, the Vast Time Share Charge and the Onger Investments Share Charge
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strengthen Investments”	Strengthen Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Underwriting Agreement”	the underwriting agreement dated 7 June 2011 entered into between CAP and an underwriter in relation to the Rights Issue, details of which are set out in the announcement issued by CAP dated 9 June 2011

“Vast Time”	Vast Time Limited, an investment holding company incorporated in Hong Kong with limited liability and is indirectly wholly owned by the Borrower as of the date of this announcement
“Vast Time Share Charge”	the deed of share charge to be executed by Strengthen Investments and Jumbo Sun by way of a first legal charge of all their rights, title and interest in and to in an aggregate 1,000 shares in the capital of Vast Time beneficially owned by Strengthen Investments and Jumbo Sun, respectively in favour of the Lender
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 897)
“%”	per cent.

By Order of the Board  
**WANG ON GROUP LIMITED**  
(宏安集團有限公司)\*  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 9 June 2011

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

\* *For identification purpose only*