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JOINT ANNOUNCEMENT



CHINA AGRI-PRODUCTS EXCHANGE LIMITED

中國農產品交易有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)

ISSUE OF HKD DENOMINATED UNSECURED BONDS AND CONNECTED TRANSACTIONS



WAI YUEN TONG MEDICINE HOLDINGS LIMITED

(位元堂藥業控股有限公司*)

*(Incorporated in Bermuda
with limited liability)*

(Stock Code: 897)

**MAJOR TRANSACTION
IN RELATION TO
THE SUBSCRIPTION OF
THE BONDS**



WANG ON GROUP LIMITED

(宏安集團有限公司)*

*(Incorporated in Bermuda
with limited liability)*

(Stock Code: 1222)

**MAJOR TRANSACTION
IN RELATION TO
THE SUBSCRIPTION OF
THE BONDS**



PNG Resources

PNG Resources Holdings Limited PNG資源控股有限公司

*(Incorporated in the
Cayman Islands and
continued in Bermuda
with limited liability)*

(Stock code: 221)

**MAJOR TRANSACTION
IN RELATION TO
THE SUBSCRIPTION OF
THE BONDS**

PLACING AGENT OF THE BONDS ISSUE



建銀国际
CCB International

* For identification purpose only

ISSUE AND PLACING OF BONDS AND SUBSCRIPTION BY THE SUBSCRIBERS

On 4 October 2014, CAP entered into the Subscription Agreement with the Placing Agent and the Subscribers pursuant to which:

- (a) CAP has agreed to issue and the Placing Agent has agreed to use reasonable endeavours to procure Placees during the Placing Period to subscribe for the Bonds in the aggregate principal amount of HK\$1,400 million;
- (b) if the aggregate principal amount of the Bonds subscribed for by the Placees at the end of the Placing Period is less than HK\$1,400 million, the Subscribers have severally (and not jointly) agreed to subscribe for the remaining Bonds in the manner set out in paragraphs (c) and (d) below;
- (c) the 2016 Bonds will have a proposed issue size of HK\$200 million to HK\$400 million, and Double Leads has undertaken to subscribe for the 2016 Bonds in the following manner:
 - i. if the aggregate principal amount to be subscribed for by the Placees is equal to or more than HK\$200 million, Double Leads will not subscribe for any 2016 Bonds; and
 - ii. if the aggregate principal amount to be subscribed for by the Placees is less than HK\$200 million at the end of the Placing Period, Double Leads will subscribe for the 2016 Bonds in the principal amount equal to the difference between HK\$200 million and the amount subscribed for by the Placees; and
- (d) the 2019 Bonds will have a proposed issue size of HK\$1,000 million to HK\$1,200 million, and if the 2019 Bonds is not fully subscribed for by the Placees at the end of the Placing Period, the Subscribers have severally undertaken to subscribe for the 2019 Bonds in the following order and priority:
 - i. first, Peony Finance will subscribe for the portion of 2019 Bonds that is not subscribed for by the Placees up to a maximum principal amount of HK\$150 million;
 - ii. second, Winning Rich will subscribe for the remaining 2019 Bonds not subscribed for by the Placees and Peony Finance up to a maximum principal amount of HK\$720 million; and
 - iii. third, Double Leads will subscribe for all the remaining 2019 Bonds not subscribed for by the Placees, Peony Finance and Winning Rich.

The aggregate principal amount of the Bonds (comprising the 2016 Bonds and the 2019 Bonds) shall equal HK\$1,400 million.

USE OF PROCEEDS

The net proceeds to be raised from the Bonds Issue, which are estimated to be approximately HK\$1,354 million, are intended to be used for refinancing existing indebtedness (including the Outstanding Maturing Loans) of CAP owed to the Subscribers.

MAJOR TRANSACTION FOR WOG

As the highest of the applicable percentage ratios in respect of the WOG Subscription exceeds 25% but is less than 100%, the WOG Subscription constitutes a major transaction for WOG pursuant to the Listing Rules. Accordingly, the WOG Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements for WOG under the Listing Rules.

A circular containing, among other things, further details of the WOG Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the WOG SGM, will be despatched to the WOG Shareholders on or before 24 October 2014.

The WOG SGM will be convened and held for the WOG Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WOG Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

ADVANCE TO AN ENTITY FOR WOG

Under Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by WOG and its subsidiaries exceed 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules. The WOG Subscription is similar in nature to extending a loan to CAP under the terms of the Bonds Issue and, if materialized, may constitute an advance to entity under Rule 13.13 of the Listing Rules, the details of which are disclosed herein and will be included in the circular to the WOG Shareholders.

MAJOR TRANSACTION FOR PNG

As the highest of the applicable percentage ratios in respect of the PNG Subscription exceeds 25% but is less than 100%, the PNG Subscription constitutes a major transaction for PNG pursuant to the Listing Rules. Accordingly, the PNG Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, further details of the PNG Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the PNG SGM, will be despatched to the PNG Shareholders on or before 24 October 2014.

The PNG SGM will be convened and held for the PNG Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the PNG Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

MAJOR TRANSACTION FOR WYT

As the highest of the applicable percentage ratios in respect of the WYT Subscription exceeds 25% but is less than 100%, the WYT Subscription constitutes a major transaction for WYT pursuant to the Listing Rules. Accordingly, the WYT Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements for WYT under the Listing Rules.

A circular containing, among other things, further details of the WYT Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the WYT SGM, will be despatched to the WYT Shareholders on or before 24 October 2014.

The WYT SGM will be convened and held for the WYT Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WYT Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

ADVANCE TO AN ENTITY FOR WYT

Under Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by WYT and its subsidiaries exceed 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules. The WYT Subscription is similar in nature to extending a loan to CAP under the terms of the Bonds Issue and, if materialized, may constitute an advance to entity under Rule 13.13 of the Listing Rules, the details of which are disclosed herein and will be included in the circular to the WYT Shareholders.

CONNECTED TRANSACTIONS FOR CAP

Pursuant to the Subscription Agreement, CAP shall pay to each of the Subscribers the Subscription Fee of 2.5% of the total principal amount of the Bonds actually subscribed by the respective Subscribers.

As at the date of this joint announcement, PNG is a substantial shareholder of CAP and Peony Finance is a wholly-owned subsidiary of PNG. Accordingly, Peony Finance is a connected person of CAP under the Listing Rules.

Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang Ching Ho, who controls more than 50% of the total issued share capital of WOG. Double Leads is a wholly-owned subsidiary of WOG. Therefore, Double Leads is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

As the maximum Subscription Fee to be paid by CAP to Peony Finance and Double Leads of HK\$17 million (based on the maximum principal amount of the Bonds of HK\$680 million that may be subscribed by Peony Finance and Double Leads) is on normal commercial terms and all applicable percentage ratios are less than 5% but higher than 0.1%, the payment of the Subscription Fee by CAP to Peony Finance and Double Leads is therefore subject to reporting and announcement requirements only but exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

EXTENSION OF REPAYMENT DATE UNDER THE OUTSTANDING MATURING LOANS

On 30 September 2014, CAP entered into supplemental agreements with each of the lenders under the Outstanding Maturing Loans, pursuant to which the lenders agreed to extend the respective repayment date under the Outstanding Maturing Loans from 30 September 2014 to 30 November 2014 in consideration for the proposed use of the net proceeds from the Bonds Issue to repay the Outstanding Maturing Loans. Except for the extension of repayment date, all other terms and conditions of the Outstanding Maturing Loans remain unchanged. The terms of the supplemental agreements were arrived between the parties after arm's length negotiation.

In light of the proposed Bonds Issue and the intended use of net proceeds by CAP to repay the Outstanding Maturing Loans, the WOG Directors and the WYT Directors consider that the extension of respective repayment date under the relevant Outstanding Maturing Loans is fair and reasonable and are in the interests of the WOG Shareholders and the WYT Shareholders (as the case may be) as a whole.

CAP Shareholders, PNG Shareholders, WYT Shareholders and WOG Shareholders and potential investors should note that completion of the Bonds Issue and the Subscription Agreement is subject to certain Conditions Precedent and completion thereof may or may not proceed. CAP Shareholders, PNG Shareholders, WYT Shareholders and WOG Shareholders and potential investors are therefore reminded to exercise caution when dealing in the shares and any other securities of CAP, PNG, WYT and WOG.

PART A: ISSUE, PLACING AND SUBSCRIPTION OF THE BONDS

On 4 October 2014, CAP entered into the Subscription Agreement with the Placing Agent and the Subscribers pursuant to which:

- (a) CAP has agreed to issue and the Placing Agent has agreed to use reasonable endeavours to procure Placees during the Placing Period to subscribe for the Bonds in the aggregate principal amount of HK\$1,400 million;
- (b) if the aggregate principal amount of the Bonds subscribed for by the Placees at the end of the Placing Period is less than HK\$1,400 million, the Subscribers have severally (and not jointly) agreed to subscribe for the remaining Bonds in the manner set out in paragraphs (c) and (d) below;
- (c) the 2016 Bonds will have a proposed issue size of HK\$200 million to HK\$400 million, and Double Leads has undertaken to subscribe for the 2016 Bonds in the following manner:
 - i. if the aggregate principal amount to be subscribed for by the Placees is equal to or more than HK\$200 million, Double Leads will not subscribe for any 2016 Bonds; and
 - ii. if the aggregate principal amount to be subscribed for by the Placees is less than HK\$200 million at the end of the Placing Period, Double Leads will subscribe for the 2016 Bonds in the principal amount equal to the difference between HK\$200 million and the amount subscribed for by the Placees; and
- (d) the 2019 Bonds will have a proposed issue size of HK\$1,000 million to HK\$1,200 million, and if the 2019 Bonds is not fully subscribed for by the Placees at the end of the Placing Period, the Subscribers have severally undertaken to subscribe for the 2019 Bonds in the following order and priority:
 - i. first, Peony Finance will subscribe for the portion of 2019 Bonds that is not subscribed for by the Placees up to a maximum principal amount of HK\$150 million;
 - ii. second, Winning Rich will subscribe for the remaining 2019 Bonds not subscribed for by the Placees and Peony Finance up to a maximum principal amount of HK\$720 million; and
 - iii. third, Double Leads will subscribe for all the remaining 2019 Bonds not subscribed for by the Placees, Peony Finance and Winning Rich.

The aggregate principal amount of the Bonds (comprising the 2016 Bonds and the 2019 Bonds) shall equal HK\$1,400 million.

Principal terms of the Subscription Agreement are as follows:

Date: 4 October 2014

Parties: Issuer: CAP

Placing Agent: CCB International Capital Limited

Subscribers: Double Leads

Peony Finance

Winning Rich

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent, Winning Rich and their respective ultimate beneficial owner(s) are third parties independent of CAP and are not its connected persons.

As Peony Finance is a wholly-owned subsidiary of PNG, which is a substantial shareholder of CAP, Peony Finance is a connected person of CAP under the Listing Rules.

Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang Ching Ho, who controls more than 50% of the total issued share capital of WOG. Double Leads is a wholly-owned subsidiary of WOG. Therefore, Double Leads is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

Aggregate principal amount: The aggregate principal amount of the Bonds is HK\$1,400 million, among which:

- (a) the 2016 Bonds will have a proposed issue size of HK\$200 million to HK\$400 million; and
- (b) the 2019 Bonds will have a proposed issue size of HK\$1,000 million to HK\$1,200 million.

Issue price: 2016 Bonds: 100% of the principal amount of the 2016 Bonds.

2019 Bonds: 100% of the principal amount of the 2019 Bonds.

If none of the Bonds is subscribed for by the Placees, each of Double Leads, Winning Rich and Peony Finance will pay a maximum amount of HK\$530 million, HK\$720 million and HK\$150 million to subscribe for the Bonds, respectively, pursuant to the Subscription Agreement. As at the date of this joint announcement, the outstanding loan amounts owed by CAP to Double Leads, Winning Rich and Peony Finance amount to HK\$880 million, HK\$325 million and HK\$200 million respectively. CAP and the Subscribers have agreed to use the proceeds from the Bonds Issue (including the subscription considerations to be paid by the Subscribers) to refinance such outstanding loans. As such, the considerations to be paid by Double Leads and Peony Finance will be fully settled by setting off against the corresponding outstanding loan amounts owed by CAP to them, respectively on a “dollar-for-dollar” basis. The consideration to be paid by Winning Rich will be fully settled first, by setting off against the outstanding loan amount owed by CAP to it on a “dollar-for-dollar” basis and second, by cash for any excess amount.

Conditions Precedent:

Completion of the WOG Subscription is conditional upon the WOG Independent Shareholders having passed the ordinary resolution(s) at the WOG SGM to approve the WOG Subscription and the transactions contemplated therein.

Completion of the WYT Subscription is conditional upon the WYT Independent Shareholders having passed the ordinary resolution(s) at the WYT SGM to approve the WYT Subscription and the transactions contemplated therein.

Completion of the PNG Subscription is conditional upon the PNG Independent Shareholders having passed the ordinary resolution(s) at the PNG SGM to approve the PNG Subscription and the transactions contemplated therein.

Completion of the Subscription Agreement is conditional upon, among other things, the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Placing Agent and the Subscribers, to list the Bonds (or the Placing Agent and the Subscribers being reasonably satisfied that such listing will be granted).

The obligation of each Subscriber to subscribe for the Bonds is several and independent from another Subscriber. Each Subscriber shall remain obliged to subscribe for the Bonds for so long as the relevant shareholders had approved its respective subscription of the Bonds. In the event that none of the Subscribers receive their respective shareholders’ approval to subscribe for the Bonds, the Placing Agent will nonetheless continue to use reasonable endeavours to procure subscribers to subscribe for the Bonds. There is no agreed upon or minimum amount of the Bonds that the Placing Agent is obliged to use its reasonable endeavours to procure subscribers to subscribe for the Bonds.

Placing Period:	From two business days after the Shareholders Approval Date to no later than five business days prior to the Issue Date.
Commission, concession and Subscription Fee:	<p>Pursuant to the Subscription Agreement, CAP shall pay to the Placing Agent a commission and selling concession of 2.5% of the total principal amount of the Bonds actually placed to the Placees, and shall pay to each of the Subscribers the Subscription Fee. Such commission, concession or the Subscription Fee shall be deducted from the subscription moneys for the Bonds.</p> <p>The total Subscription Fee payable to Peony Finance and Double Leads, if the Bonds are fully subscribed by Peony Finance and Double Leads, is HK\$17 million, which will be satisfied by CAP using the proceeds from the Bonds Issue. The commission, concession and the Subscription Fee were negotiated on an arm's length basis between CAP, the Placing Agent and the Subscribers, and determined with reference to, among other things, the market rate. The CAP Directors (including the independent non-executive CAP Directors) consider that the placing commission, concession and the Subscription Fee are fair and reasonable based on the current market conditions.</p>
Issue Date:	CAP shall issue the Bonds on the date falling 10 business days after the Shareholders Approval Date or on such other date as may be agreed between CAP, the Placing Agent and the Subscribers.
Termination rights of the Placing Agent and the Subscribers:	<p>The Placing Agent and the Subscribers may, by notice to CAP given at any time prior to payment of the net subscription monies for the Bonds to CAP, terminate the Subscription Agreement in any of the following circumstances:</p> <ul style="list-style-type: none"> (a) if there shall have come to the notice of the Placing Agent and the Subscribers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of CAP's undertakings in the Subscription Agreement; (b) if any of the Conditions Precedent has not been satisfied or waived by the Placing Agent and the Subscribers on or prior to the Issue Date of the Bonds Issue; (c) if in the opinion of the Placing Agent and the Subscribers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of CAP on any stock exchange or in any over the counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the Placing, the Subscriptions and distribution of the Bonds or dealings in the Bonds in the secondary market;

- (d) if, in the opinion of the Placing Agent and the Subscribers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc and/or the Stock Exchange and/or any other stock exchange on which CAP's securities are traded; (ii) a suspension or a material limitation in trading in CAP's securities on the Stock Exchange and/or any other stock exchange on which CAP's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting CAP, the Bonds or the transfer thereof; and
- (e) if, in the opinion of the Placing Agent and the Subscribers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the Placing, the Subscriptions and distribution of the Bonds or dealings in the Bonds in the secondary market.

Principal Terms of the Bonds

The following is a summary of the principal terms of the Bonds:

Denominations:	2016 Bonds: HK\$500,000 and integral multiples of HK\$500,000 2019 Bonds: HK\$500,000 and integral multiples of HK\$500,000
Maturity date:	2016 Bonds: the date falling 2 years from the Issue Date 2019 Bonds: the date falling 5 years from the Issue Date
Interest:	2016 Bonds: 8.5% per annum, payable semi-annually in arrear on each six calendar month anniversary of the Issue Date commencing on the date falling six calendar months from the Issue Date. 2019 Bonds: 10.0% per annum, payable semi-annually in arrear on each six calendar month anniversary of the Issue Date commencing on the date falling six calendar months from the Issue Date.
Status of the Bonds:	The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of CAP which will rank <i>pari passu</i> among themselves and at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of CAP other than those preferred by statute or applicable law.

Events of default: The events of default under the Bonds include, among others, default in payment of principal or interest of the Bonds, default in the performance or breach of certain obligation under the Bonds and insolvency.

If an event of default occurs, the unpaid principal amount of the Bonds and any accrued and unpaid interest thereon may become due and payable immediately, subject to certain declaration and notice provisions.

Redemption for taxation reasons: The Bonds may be redeemed at the option of the CAP in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice, at their principal amount, (together with interest accrued to the date fixed for redemption), in the event of certain changes affecting taxes of Bermuda, the PRC or Hong Kong.

Negative pledge: So long as any Bonds remains outstanding, CAP will not, and will ensure that none of its principal subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure certain relevant indebtedness or to secure any guarantee or indemnity in respect of such relevant indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such relevant indebtedness, guarantee or indemnity or such other security as either (i) the trustee of the Bonds shall in its absolute discretion deem not materially less beneficial to the interest of the holders of the Bonds or (ii) shall be approved by an extraordinary resolution of the holders of the Bonds.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds. CAP has received a listing eligibility letter for the listing and quotation of the Bonds on the Stock Exchange. Admission to the Stock Exchange and quotation of any Bonds on the Stock Exchange are not to be taken as an indication of the merits of the Bonds and/or CAP. The Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.

Reasons for the Placing, the Subscriptions and the payment of the Subscription Fee and Use of Proceeds

The Subscribers have granted certain loans to CAP during the period from 2011 to 2013, including, but not limited to, the Outstanding Maturing Loans in an aggregate outstanding amount of HK\$745 million which currently bear interest of 10.0% per annum and the repayment date of which has been extended to 30 November 2014. As at the date of this joint announcement, the aggregate outstanding loan amount due from CAP to the Subscribers is HK\$1,405 million, details of which are as follows:

Lender	Parent of Lender	Date of Loan Agreement	Nature of Loan	Outstanding	Interest Rate	Security	Maturity Date
				Loan Amount (in HK\$ million)			
Winning Rich	WYT	11 January 2011 (as supplemented on 6 September 2012) ¹	Unsecured	60	10.0%	Nil	30 November 2014 ³
		10 March 2011 (as supplemented on 6 September 2012) ¹	Unsecured	15	10.0%	Nil	30 November 2014 ³
		22 November 2012 ¹	Unsecured	100	10.0%	Nil	27 December 2015
		28 May 2013 ¹	Unsecured	<u>150</u>	12.0%	Nil	27 May 2016
			Sub-total	325			
Peony Finance	PNG	4 February 2013	Unsecured	60	11.0%	Nil	3 February 2016
		6 March 2013	Unsecured	<u>140</u>	11.0%	Nil	31 March 2016
			Sub-total	200			
Double Leads	WOG	16 July 2012 (as supplemented on 31 July 2012) ²	Secured	670	10.0%	Pledge of shares of, and floating charges over assets of, certain subsidiaries of CAP, and an assignment of loan by CAP, (collectively called “ 2012 Security Documents ”)	30 November 2014 ³
		19 September 2013	Secured	<u>210</u>	12.0%	2012 Security Documents	18 September 2016
			Sub-total	<u>880</u>			
			Total	<u><u>1,405</u></u>			

- Note* 1. Give Power Limited assigned all its rights, title, benefits and interest under the loan agreement to Winning Rich on 25 June 2013.
2. True Noble Limited assigned all its rights, title, benefits and interest under the loan agreement to Double Leads on 15 April 2014.
3. The maturity date of such loans has been extended to 30 November 2014. Please refer to the section headed “Extension of repayment date under the Outstanding Maturing Loans” for details.

Both CAP and the Subscribers agree to use the proceeds from the Bonds Issue to refinance the outstanding indebtedness of CAP as set out above. It is proposed that the proceeds will be paid directly to the Subscribers in a “dollar-for-dollar” replacement of such outstanding indebtedness upon the issue of the Bonds.

In view of the unaudited consolidated financial position, the CAP Directors are of the view that it is appropriate for CAP to raise mid-term and/or long term funds in the near future to finance the repayment of the Outstanding Maturing Loans and refinance the other outstanding loans to the Subscribers with the Bonds that have a relatively lower interest rate and a longer maturity. Further, CAP Directors are of the view that the above transaction was entered into on normal commercial terms and the rate of the Subscription Fee and the commission to be paid to the Placing Agent was the same, which was agreed after arm’s length negotiation with reference to the prevailing market rates of similar transactions with independent third parties. Based on the above, the CAP Directors (including the independent non-executive CAP Directors) consider that the terms of the Subscription Agreement (including the payment of the Subscription Fee) and the Bonds Issue are:

- (a) fair and reasonable;
- (b) on normal commercial terms; and
- (c) in the interests of CAP and the CAP Shareholders as a whole.

WOG Directors are of the view that the Bonds Issue would enable CAP to raise funds to repay the Outstanding Maturing Loans and other outstanding loans that are owed to Double Leads. The WOG Subscription would transform the outstanding indebtedness owed by CAP to Double Leads into the form of listed Bonds held by Double Leads. The WOG Subscription would not only provide the Subscription Fee and maintain stable attractive interests income to WOG but also provide more flexibility for WOG because WOG may realise its returns by trading the listed Bonds through the relevant exchange if and when necessary. Based on the above, the WOG Directors (including the independent non-executive WOG Directors) consider that the terms of the Subscription Agreement are fair and reasonable and the WOG Subscription is in the interests of WOG and the WOG Shareholders as a whole.

WYT Directors are of the view that the Bonds Issue would enable CAP to raise funds to repay the Outstanding Maturing Loans and other outstanding loans that are owed to Winning Rich. The WYT Subscription would transform the outstanding indebtedness owed by CAP to Winning Rich into the form of listed Bonds held by Winning Rich. The WYT Subscription would not only provide the Subscription Fee and maintain stable attractive interests income to WYT but also provide more flexibility for WYT because WYT may realise its returns by trading the listed Bonds through the relevant exchange if and when necessary. Based on the above, the WYT Directors (including the independent non-executive WYT Directors) consider that the terms of the Subscription Agreement are fair and reasonable and the WYT Subscription is in the interests of WYT and the WYT Shareholders as a whole.

PNG Directors are of the view that the Bonds Issue would enable CAP to raise funds to repay the Outstanding Maturing Loans and other outstanding loans that are owed to Peony Finance. The PNG Subscription would transform the outstanding indebtedness owed by CAP to Peony Finance into the form of listed Bonds held by Peony Finance. The PNG Subscription would not only provide the Subscription Fee and maintain stable attractive interests income to PNG but also provide more flexibility for PNG because PNG may realise its returns by trading the listed Bonds through the relevant exchange if and when necessary. Based on the above, the PNG Directors (including the independent non-executive PNG Directors) consider that the terms of the Subscription Agreement are fair and reasonable and the PNG Subscription is in the interests of PNG and the PNG Shareholders as a whole.

Subject to completion of the Subscription Agreement, the net proceeds, after deducting all related fees and expenses, expected to be raised from the Bonds Issue are approximately HK\$1,354 million. It is intended that the proceeds will be used to refinance existing indebtedness of CAP owed to the Subscribers as set out in the table above.

PART B: LISTING RULES IMPLICATIONS

MAJOR TRANSACTION FOR WOG

As the highest of the applicable percentage ratios in respect of the WOG Subscription exceeds 25% but is less than 100%, the WOG Subscription constitutes a major transaction for WOG pursuant to the Listing Rules. Accordingly, the WOG Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements for WOG under the Listing Rules.

A circular containing, among other things, further details of the WOG Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the WOG SGM, will be despatched to the WOG Shareholders on or before 24 October 2014.

The WOG SGM will be convened and held for the WOG Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WOG Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

As WYT, a WOG Shareholder, is one of the Subscribers, WYT is considered to have a material interest in the Subscription Agreement which is different from other WOG Shareholders. Accordingly, WYT and its associates will abstain from voting on the relevant resolution(s) in relation to the WOG Subscription.

ADVANCE TO AN ENTITY FOR WOG

Under Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by WOG and its subsidiaries exceed 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules. The WOG Subscription is similar in nature to extending a loan to CAP under the terms of the Bonds Issue and, if materialized, may constitute an advance to entity under Rule 13.13 of the Listing Rules, the details of which are disclosed herein and will be included in the circular to the WOG Shareholders.

MAJOR TRANSACTION FOR PNG

As the highest of the applicable percentage ratios in respect of the PNG Subscription exceeds 25% but is less than 100%, the PNG Subscription constitutes a major transaction for PNG pursuant to the Listing Rules. Accordingly, the PNG Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, further details of the PNG Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the PNG SGM, will be despatched to the PNG Shareholders on or before 24 October 2014.

The PNG SGM will be convened and held for the PNG Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the PNG Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

As WYT and WOG, substantial shareholders of PNG which are two of the Subscribers, WYT and WOG are considered to have material interests in the Subscription Agreement which are different from other PNG Shareholders. Accordingly, WYT, WOG and their respective associates will abstain from voting on the relevant resolution(s) in relation to the PNG Subscription.

MAJOR TRANSACTION FOR WYT

As the highest of the applicable percentage ratios in respect of the WYT Subscription exceeds 25% but is less than 100%, the WYT Subscription constitutes a major transaction for WYT pursuant to the Listing Rules. Accordingly, the WYT Subscription and the relevant transactions contemplated under the Subscription Agreement are subject to the notification, announcement and shareholders' approval requirements for WYT under the Listing Rules.

A circular containing, among other things, further details of the WYT Subscription and the transactions contemplated under the Subscription Agreement and a notice convening the WYT SGM, will be despatched to the WYT Shareholders on or before 24 October 2014.

The WYT SGM will be convened and held for the WYT Independent Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WYT Subscription pursuant to the Subscription Agreement and the transactions contemplated thereunder.

As WOG, a substantial shareholder of WYT, is one of the Subscribers, WOG is considered to have a material interest in the Subscription Agreement which is different from other WYT Shareholders. Accordingly, WOG and its associates will abstain from voting on the relevant resolution(s) in relation to the WYT Subscription.

ADVANCE TO AN ENTITY FOR WYT

Under Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by WYT and its subsidiaries exceed 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules. The WYT Subscription is similar in nature to extending a loan to CAP under the terms of the Bonds Issue and, if materialized, may constitute an advance to entity under Rule 13.13 of the Listing Rules, the details of which are disclosed herein and will be included in the circular to the WYT Shareholders.

CONNECTED TRANSACTIONS FOR CAP

As at the date of this joint announcement, PNG is a substantial shareholder of CAP and Peony Finance is a wholly-owned subsidiary of PNG. Accordingly, Peony Finance is a connected person of CAP under the Listing Rules.

Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang Ching Ho, who controls more than 50% of the issued share capital of WOG. Double Leads is a wholly-owned subsidiary of WOG. Therefore, Double Leads is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

As the maximum Subscription Fee to be paid by CAP to Peony Finance and Double Leads of HK\$17 million (based on the maximum principal amount of the Bonds of HK\$680 million that may be subscribed by Peony Finance and Double Leads) is on normal commercial terms and all applicable percentage ratios are less than 5% but higher than 0.1%, the payment of the Subscription Fee by CAP to Peony Finance and Double Leads is therefore subject to reporting and announcement requirements only but exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

Save for Mr. Chan Chun Hong, Thomas, an executive CAP Director, who is also an executive PNG Director, an executive WYT Director and an executive WOG Director, had abstained from voting on the relevant board resolutions, none of the Directors has a material interest in the Subscription Agreement and the payment of the Subscription Fee and were not required to abstain from voting on the relevant board resolutions approving, among other things, the Subscription Agreement and the payment of the Subscription Fee.

Each of the PNG Subscription and WOG Subscription is similar in nature to extending a loan to CAP under the terms of the Bonds Issue and is regarded as a financial assistance to CAP under Chapter 14A of the Listing Rules, which constitute connected transactions of CAP under Chapter 14A of the Listing Rules.

As the PNG Subscription and the WOG Subscription are based on the same terms and conditions as other subscribers under the Placing, the PNG Subscription and the WOG Subscription will be no less favourable to CAP than those available to CAP from independent third parties. Thus, the PNG Subscription and the WOG Subscription would be conducted on normal commercial terms under Chapter 14A of the Listing Rules. Further, no security over any assets of the CAP Group is granted in respect of the PNG Subscription and the WOG Subscription. Accordingly, the PNG Subscription and the WOG Subscription are fully exempt from the notification, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

PART C: EXTENSION OF REPAYMENT DATE UNDER THE OUTSTANDING MATURING LOANS

On 30 September 2014, CAP entered into supplemental agreements with each of the lenders under the Outstanding Maturing Loans, pursuant to which the lenders agreed to extend the respective repayment date under the Outstanding Maturing Loans from 30 September 2014 to 30 November 2014 in consideration for the proposed use of the net proceeds from the Bonds Issue to repay the Outstanding Maturing Loans. Except for the extension of repayment date, all other terms and conditions of the Outstanding Maturing Loans remain unchanged. The terms of the supplemental agreements were arrived between the parties after arm's length negotiation.

In light of the proposed Bonds Issue and the intended use of net proceeds by CAP to repay the Outstanding Maturing Loans, the WOG Directors and the WYT Directors consider that the extension of respective repayment date under the relevant Outstanding Maturing Loans is fair and reasonable and are in the interests of the WOG Shareholders and the WYT Shareholders (as the case may be) as a whole.

PART D: GENERAL MATTERS

General Information of CAP, WOG, PNG and WYT

The CAP Group is principally engaged in the management and sales of agricultural produce exchange in the PRC.

WOG is principally engaged in property investment and property development in Hong Kong, management and sub-licensing of Chinese wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investment in WYT.

PNG is principally engaged in property development in the PRC and the retailing of fresh pork and related produce in Hong Kong.

WYT is principally engaged in: (i) the manufacturing, processing and retailing of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of "Wai Yuen Tong" and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; (ii) the processing and retailing of western pharmaceutical products, health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; and (iii) property investment.

CAP Shareholders, PNG Shareholders, WYT Shareholders and WOG Shareholders and potential investors should note that completion of the Bonds Issue and the Subscription Agreement is subject to certain Conditions Precedent and completion thereof may or may not proceed. CAP Shareholders, PNG Shareholders, WYT Shareholders and WOG Shareholders and potential investors are therefore reminded to exercise caution when dealing in the shares and any other securities of CAP, PNG, WYT and WOG.

DEFINITIONS

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

“2016 Bonds”	two-year 8.5% coupon bonds with a proposed aggregate principal amount of HK\$200 million to HK\$400 million to be issued by CAP
“2019 Bonds”	five-year 10.0% coupon bonds with a proposed aggregate principal amount of HK\$1,000 million to HK\$1,200 million to be issued by CAP
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bonds”	the 2016 Bonds and the 2019 Bonds
“Bonds Issue”	the issuance of the Bonds by CAP
“business day”	a day on which banks are open for business in Hong Kong and London
“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
“CAP Board”	the board of CAP Directors
“CAP Director(s)”	the director(s) of CAP
“CAP Group”	CAP and its subsidiaries
“CAP Shareholder(s)”	the holder(s) of the CAP Share(s)
“CAP Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of CAP
“Conditions Precedent”	the conditions precedent for completion of transactions contemplated in the Subscription Agreement to take place as provided in the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	collectively, the CAP Directors, WOG Directors, PNG Directors and WYT Directors
“Double Leads”	Double Leads Investments Limited, a wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Issue Date”	10 business days after the Shareholders Approval Date or such other date as may be agreed between CAP, the Placing Agent and the Subscribers
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Maturing Loans”	all outstanding loans in an aggregate principal amount of HK\$745,000,000 under (i) the HK\$60,000,000 term loan agreement dated 11 January 2011 entered into and supplemented on 6 September 2012 between CAP (as borrower) and Give Power Limited (as lender) with a fixed interest rate of 10.0%; (ii) the HK\$15,000,000 term loan agreement dated 10 March 2011 entered into and supplemented on 6 September 2012 between CAP (as borrower) and Give Power Limited (as lender) with a fixed interest rate of 10.0%; and (iii) the HK\$670,000,000 term loan agreement dated 16 July 2012 entered into and supplemented on 31 July 2012 between CAP (as borrower) and True Noble Limited (as lender) with a fixed interest rate of 10.0%, the repayment date of each of which has been extended to 30 November 2014. Give Power Limited assigned all its rights, title, benefit and interest of the loans of HK\$60,000,000 and HK\$15,000,000 to Winning Rich, both are wholly-owned subsidiaries of WYT, on 25 June 2013 and True Noble Limited assigned all its rights, title, benefit and interest of the loans of HK\$670,000,000 to Double Leads, both are wholly-owned subsidiaries of WOG, on 15 April 2014
“Peony Finance”	Peony Finance Limited, a wholly-owned subsidiary of PNG and a company incorporated in the British Virgin Islands
“percentage ratio”	has the meaning ascribed thereto under the Listing Rules
“Placee(s)”	any independent professional investor(s) procured by the Placing Agent to subscribe for any of the Bonds, other than the Subscribers, pursuant to the Subscription Agreement
“Placing”	the placing of the Bonds by the Placing Agent pursuant to the terms and conditions of the Subscription Agreement
“Placing Agent”	CCB International Capital Limited
“Placing Period”	from two business days after the Shareholders Approval Date to no later than five business days prior to the Issue Date
“PNG”	PNG Resources Holdings Limited PNG資源控股有限公司, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 221)
“PNG Board”	the board of PNG Directors

“PNG Director(s)”	the director(s) of PNG
“PNG Independent Shareholder(s)”	the PNG Shareholder(s), other than (i) WYT, WOG and their respective associates, which are two of the Subscribers; and (ii) other PNG Shareholders who are interested or involved in the Bonds Issue, the PNG Subscription and the Subscription Agreement
“PNG SGM”	the special general meeting of PNG to be convened and held to consider and approve, among other things, the PNG Subscription pursuant to the Subscription Agreement
“PNG Shareholder(s)”	the holder(s) of the PNG Share(s)
“PNG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of PNG
“PNG Subscription”	the proposed subscription of the 2019 Bonds in an aggregate principal amount of up to HK\$150 million by Peony Finance pursuant to the Subscription Agreement
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders Approval Date”	the date on which the WOG SGM, the PNG SGM and the WYT SGM are to be convened for the approval of the Subscriptions, which will not be later than 30 November 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Double Leads, Peony Finance and Winning Rich
“Subscriptions”	the WOG Subscription, the PNG Subscription and the WYT Subscription
“Subscription Agreement”	a subscription agreement dated 4 October 2014 entered into between CAP, the Subscribers and the Placing Agent in relation to the Placing and the Subscriptions, subject to the terms and conditions contained therein
“Subscription Fee”	a fee of 2.5% of the total principal amount of the Bonds actually subscribed by the respective Subscribers payable by CAP to the relevant Subscribers
“subsidiaries”	has the meaning ascribed thereto under the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Winning Rich”	Winning Rich Investments Limited, a wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands

“WOG”	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)
“WOG Board”	the board of WOG Directors
“WOG Director(s)”	the director(s) of WOG
“WOG Independent Shareholder(s)”	the WOG Shareholder(s), other than (i) WYT which is one of the Subscribers and its associates; and (ii) other WOG Shareholders who are interested or involved in the Bonds Issue, the WOG Subscription and the Subscription Agreement
“WOG SGM”	the special general meeting of WOG to be convened and held to consider and approve, among other things, the WOG Subscription pursuant to the Subscription Agreement
“WOG Shareholder(s)”	the holder(s) of the WOG Share(s)
“WOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WOG
“WOG Subscription”	the proposed subscription of the 2016 Bonds in an aggregate principal amount of up to HK\$200 million and the 2019 Bonds in an aggregate principal amount of up to HK\$330 million by Double Leads pursuant to the Subscription Agreement
“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)
“WYT Board”	the board of WYT Directors
“WYT Director(s)”	the director(s) of WYT
“WYT Independent Shareholder(s)”	the WYT Shareholder(s), other than (i) WOG which is one of the Subscribers and its associates; and (ii) other WYT Shareholders who are interested or involved in the Bonds Issue, the WYT Subscription and the Subscription Agreement
“WYT SGM”	the special general meeting of WYT to be convened and held to consider and approve, among other things, the WYT Subscription pursuant to the Subscription Agreement
“WYT Shareholder(s)”	the holder(s) of the WYT Share(s)
“WYT Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WYT

* For identification purpose only

“WYT Subscription” the proposed subscription of the 2019 Bonds in an aggregate principal amount of up to HK\$720 million by Winning Rich pursuant to the Subscription Agreement

“%” per cent.

By Order of the CAP Board
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易所有限公司
Leung Sui Wah, Raymond
Executive Director

By Order of the WYT Board
**WAI YUEN TONG MEDICINE
HOLDINGS LIMITED**
(位元堂藥業控股有限公司*)
Tang Mui Fun
Executive Director

By Order of the WOG Board
**WANG ON GROUP
LIMITED**
(宏安集團有限公司)*
Tang Ching Ho
Chairman

By Order of the PNG Board
**PNG RESOURCES
HOLDINGS LIMITED**
PNG資源控股有限公司
Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 4 October 2014

** For identification purpose only*

As at the date of this joint announcement, the CAP Board comprises Mr. Chan Chun Hong, Thomas, Mr. Leung Sui Wah, Raymond, and Mr. Yau Yuk Shing as the executive directors, and Mr. Ng Yat Cheung, Ms. Lam Ka Jen, Katherine and Mr. Lau King Lung, as the independent non-executive directors.

As at the date of this joint announcement, the PNG Board comprises Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Mr. Wong Yiu Hung, Gary as the executive directors, and Mr. Sin Ka Man, Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph as the independent non-executive directors.

As at the date of this joint announcement, the WYT Board comprises Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun as the executive directors, and Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi, Mr. Leung Wai Ho and Mr. Cho Wing Mou as the independent non-executive directors.

As at the date of this joint announcement, the WOG Board comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas as the executive directors, and Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justin, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau as the independent non-executive directors.