

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.*

*This joint announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.*



**CHINA AGRICULTURAL PRODUCTS EXCHANGE LIMITED**  
**中國農產品交易所有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 0149)**



**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)**

## **JOINT ANNOUNCEMENT**

**(I) TERMINATION OF THE NOTES PLACING AGREEMENT,  
THE SUPPLEMENTAL NOTES PLACING AGREEMENT AND  
THE SPECIFIC MANDATE PLACING;**

**(II) TERMINATION OF THE PNG NOTES SUBSCRIPTION AGREEMENT,  
THE SUPPLEMENTAL PNG NOTES SUBSCRIPTION AGREEMENT,  
THE PNG SHARE SUBSCRIPTION AGREEMENT AND  
THE SUPPLEMENTAL PNG SHARE SUBSCRIPTION AGREEMENT;**

**(III) CHANGE OF USE OF PROCEEDS OF THE RIGHTS ISSUE OF PNG;**

**(IV) DISCLOSEABLE TRANSACTION OF PNG — LOAN ADVANCE TO CAP;**

**AND**

**(V) RESUMPTION OF TRADING**

## **(I) TERMINATION OF THE PLACING AGENT AGREEMENTS**

The CAP Board wishes to announce that on 2 October 2015, save as the General Mandate Placing completed on 27 July 2015, the Placing Agent issued to CAP a written notice to inform CAP that due to the recent volatility of the financial markets, the Placing Agent has exercised its rights to terminate the Placing Agent Agreements.

Pursuant to the Placing Agent Agreements, upon the termination of the Placing Agent Agreements, the Placing Agent shall be released from all obligations under the Placing Agent Agreements and neither CAP nor the Placing Agent shall have any claim against the other in respect of the notes and share placings thereunder, other than for antecedent breaches, as contemplated under the Placing Agent Agreements.

## **(II) TERMINATION OF THE PNG SUBSCRIPTION AGREEMENTS**

In light of (i) the termination of Shenzhen Agricultural Agreements on 8 September 2015; and (ii) the termination of the Placing Agent Agreements on 2 October 2015, the CAP Board and the PNG Board jointly announce that after negotiation between CAP and PNG, both parties entered into a termination agreement on 5 October 2015 in which CAP and PNG have mutually agreed to terminate, with no further liability or claims towards each other, the PNG Subscription Agreements with effect on the date thereof.

## **(III) CHANGE OF USE OF PROCEEDS OF THE RIGHTS ISSUE OF PNG**

Reference is made to the Prospectus in relation to, among others, the Rights Issue undertaken by PNG.

As a result of the termination of the PNG Subscriptions, the intended utilization of a portion of the net proceeds (approximately HK\$232.9 million) for the PNG Subscriptions is no longer required. In view of such background, the PNG Board has resolved to change the use of the net proceeds of the Rights Issue. Please see the section headed “(III) Change of use of proceeds of the Rights Issue” of this joint announcement for further details.

## **(IV) DISCLOSEABLE TRANSACTION OF PNG — LOAN ADVANCE TO CAP**

In view of the termination of the PNG Subscriptions and the funding needs of CAP of which PNG is the single largest and substantial shareholder, on 5 October 2015, the Lender, a wholly-owned subsidiary of PNG, entered into the Loan Agreement to grant the Loan Facility to CAP at an interest rate of 12.0% per annum during the Availability Period.

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for PNG as (i) the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% and are below 25%; (ii) the PNG Group has complied with the Listing Rules in respect of the requirements for a major transaction in relation to the 2019 Bond; and (iii) the Loan Facility, when aggregated with the 2019 Bond, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transaction contemplated under the Loan Agreement is therefore only subject to the reporting and announcement requirements under the Listing Rules.

## **(V) RESUMPTION OF TRADING**

### **Resumption of trading of CAP Shares and CAP's 1 per cent notes due 2024**

At the request of CAP, trading in the CAP Shares and CAP's 1 per cent notes due 2024 (Stock Code: 5755) on the Stock Exchange was halted with effect from 9:00 a.m. on 5 October 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the CAP Shares and CAP's 1 per cent notes due 2024 (Stock Code: 5755) on the Stock Exchange with effect from 9:00 a.m. on 6 October 2015.

### **Resumption of trading of the PNG Shares**

At the request of PNG, trading in the PNG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 5 October 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the PNG Shares on the Stock Exchange with effect from 9:00 a.m. on 6 October 2015.

This announcement is jointly made by the CAP Board and PNG Board and is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

## **(I) TERMINATION OF THE PLACING AGENT AGREEMENTS**

References are made to the Joint Announcements and the 9 September Announcement.

The CAP Board wishes to announce that on 2 October 2015, save as the General Mandate Placing completed on 27 July 2015, the Placing Agent issued to CAP a written notice to inform CAP that due to the recent volatility of the financial markets, the Placing Agent has exercised its rights to terminate the Placing Agent Agreements.

Pursuant to the Placing Agent Agreements, upon the termination of the Placing Agent Agreements, the Placing Agent shall be released from all obligations under the Placing Agent Agreements and neither CAP nor the Placing Agent shall have any claim against the other in respect of the notes and shares placings thereunder, other than for antecedent breaches, as contemplated under the Placing Agent Agreements.

## **(II) TERMINATION OF THE PNG SUBSCRIPTION AGREEMENTS AND IMPLICATIONS ON THE WHITEWASH WAIVER**

In light of (i) the termination of Shenzhen Agricultural Agreements on 8 September 2015; and (ii) the termination of the Placing Agent Agreements on 2 October 2015, the CAP Board and the PNG Board jointly announce that after negotiation between CAP and PNG, both parties entered into a termination agreement on 5 October 2015 in which CAP and PNG have mutually agreed to terminate, with no further liability or claims towards each other, the PNG Subscription Agreements with effect on the date thereof.

As at the date of this joint announcement, PNG is interested in 529,233,356 CAP Shares, representing approximately 22.75% of the issued share capital of CAP. As a result of the termination of the PNG Subscription Agreements, there will be no change to PNG's shareholding interest in CAP and therefore there will no longer be an obligation under Rule 26 of the Takeovers Code on PNG and persons acting in concert with it to make a mandatory general offer for all of the issued CAP Shares not already owned and/or agreed to be acquired by them. Accordingly, the Whitewash Waiver is no longer required, and no application for the revised Whitewash Waiver, as set out in the 9 September Announcement, will be made by PNG.

## **(III) CHANGE OF USE OF PROCEEDS OF THE RIGHTS ISSUE OF PNG**

Reference is made to the Prospectus in relation to, among others, the Rights Issue undertaken by PNG.

The section headed "Use of proceeds of the Rights Issue" of the Prospectus outlined PNG's original intended use of the net proceeds raised from the Rights Issue, which is estimated to be approximately HK\$338.3 million. As a result of the termination of the PNG Subscriptions as mentioned above, the intended utilization of a portion of the net proceeds (approximately HK\$232.9 million) for the PNG Subscriptions is no longer required.

In view of such background, the PNG Board has resolved to change the use of the net proceeds of the Rights Issue, to as follows:

- (a) approximately HK\$100 million will be advanced to CAP as a revolving loan with details set out in the section headed “(IV) Discloseable Transaction of PNG — Loan Advance to CAP” of this joint announcement;
- (b) approximately HK\$160 million will be utilised for potential investments by the PNG Group. As disclosed in the Prospectus, the PNG Group continues to explore potential business opportunities to deliver long term benefits to the shareholders of PNG and as at the date of this joint announcement, the PNG Group is currently considering PRC property development projects and potential investment opportunities in other industries including, but not limited to, the financing business segment, which the PNG Board believes could potentially diversify the PNG Group’s asset base and broaden its business scope to enhance the PNG Group’s long term growth prospects. As at the date of this joint announcement, the PNG Group has not entered into any binding agreements in respect of such PRC property development projects or potential investments which are otherwise required to be disclosed under the Listing Rules, and PNG will make disclosure in respect of such projects in accordance with the Listing Rules as and when appropriate;
- (c) approximately HK\$52.9 million will be utilised for the repayment of outstanding principal and interest amounts on three bank loans of the PNG Group provided by two different banks in the PRC and Hong Kong (each of which is a licensed financial institution and an Independent Third Party) with outstanding principal in the aggregate amount of approximately HK\$328 million as at the date of this joint announcement, which are due in instalments from the second half of 2015 onwards (with approximately HK\$55.0 million (as at the date of this joint announcement) due in the second half of 2015 and the last instalment of the final outstanding loan due in the first half of 2020) with interest rates up to 8% per annum;
- (d) approximately HK\$20 million will be utilised for part payment of construction costs of the fifth and sixth phases of the PNG Group’s existing property development project in Fuzhou, Jiangxi Province, the PRC, which are expected to be completed in the second half of 2015 and 2016 respectively, at a total construction cost of approximately HK\$129 million which is expected to be payable in the near future; and
- (e) the remaining balance of approximately HK\$5.4 million will be utilised for general working capital of the PNG Group, the largest components of which will be operating expenses such as marketing and salary expenses.

#### **(IV) DISCLOSEABLE TRANSACTION OF PNG — LOAN ADVANCE TO CAP**

In view of the termination of the PNG Subscriptions and the funding needs of CAP (of which PNG is the single largest and substantial shareholder), on 5 October 2015, the Lender, a wholly-owned subsidiary of PNG, entered into the Loan Agreement with CAP with details as follows:

##### **THE LOAN AGREEMENT**

<b>Date</b>	5 October 2015
<b>Lender</b>	Peony Finance, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly owned subsidiary of PNG as at the date of this joint announcement
<b>Borrower</b>	CAP
<b>Loan Facility</b>	A revolving credit facility in an aggregate amount not exceeding HK\$100.0 million
<b>Interest rate per annum</b>	12.0%
<b>Availability Period</b>	The period commencing from the date of the Loan Agreement and ending on the earlier of (i) the date falling one month prior to the maturity date; and (ii) the date on which the Loan Facility is cancelled or terminated under the provision of the Loan Agreement
<b>Loan maturity date</b>	The expiry of 36 months from the date of the Loan Agreement
<b>Condition</b>	The representations and warranties made by CAP set out in the Loan Agreement remaining valid and in full force upon each drawdown

Pursuant to the Loan Agreement, the Lender agreed to grant the Loan Facility to CAP during the Availability Period at an interest rate of 12.0% per annum which was determined with reference to factors including, among others, (i) the prevailing Hong Kong best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5.0% per annum; and (ii) the interest rate of the previous loan facilities granted to CAP. The full principal amount of each drawdown and all outstanding interest thereon (if any) will be repayable by CAP no later than 4 October 2018. The Loan Facility granted to CAP will be funded from the proceeds from the Rights Issue.

As at the date of this joint announcement, the PNG Group is the holder of the 2019 Bond issued by CAP in the aggregate amount of HK\$150 million. For details, please refer to the circular of PNG dated 24 October 2014.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

The CAP Group is principally engaged in the business of property management and sales in respect of agricultural produce exchange in the PRC. It is expected that its development projects in the PRC will allow CAP to expand its agricultural produce exchange business into various new cities and provinces in the PRC and contribute positively to the overall business development of CAP.

As at the date of this joint announcement, PNG is the single largest and substantial shareholder of CAP. In view of the termination of the PNG Subscriptions and the funding needs and the development prospects of CAP, the PNG Directors consider that it is in the interests of the shareholders of PNG to continue to support the development of CAP by way of loan financing with an aim to generate a return to shareholders of PNG in long run as a substantial shareholder of CAP. The PNG Directors also consider that the Loan Agreement provides PNG with a higher and stable interest income in the short to medium term. The PNG Directors (including the independent non-executive directors of PNG) are of the view that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of PNG and the shareholders of PNG as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for PNG under the Listing Rules on the basis that (i) the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% and are below 25%; (ii) the PNG Group has complied with the Listing Rules in respect of the requirements for a major transaction in relation to the 2019 Bond; and (iii) the Loan Facility, when aggregated with the 2019 Bond, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transaction contemplated under the Loan Agreement is therefore only subject to the reporting and announcement requirements under the Listing Rules.

## **GENERAL INFORMATION**

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

As at the date of this joint announcement, PNG holds an equity interest of approximately 22.75% in CAP and thus is a substantial shareholder of CAP and the PNG Group is the holder of the 2019 Bond issued by CAP in the aggregate amount of HK\$150 million. As at the date hereof, Mr. Chan Chun Hong, Thomas, an executive director of PNG, is also an executive director of CAP. Save for the foregoing, to the best of the knowledge, information and belief of the PNG Directors after making all reasonable enquiries, CAP and its ultimate beneficial owners are third parties independent of and not connected with the PNG Group.

## **(V) RESUMPTION OF TRADING**

### **1. Resumption of trading of CAP Shares and CAP's 1 per cent notes due 2024**

At the request of CAP, trading in the CAP Shares and CAP's 1 per cent notes due 2024 (Stock Code: 5755) on the Stock Exchange was halted with effect from 9:00 a.m. on 5 October 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the CAP Shares and CAP's 1 per cent notes due 2024 (Stock Code: 5755) on the Stock Exchange with effect from 9:00 a.m. on 6 October 2015.

### **2. Resumption of trading of the PNG Shares**

At the request of PNG, trading in the PNG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 5 October 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the PNG Shares on the Stock Exchange with effect from 9:00 a.m. on 6 October 2015.



## DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

“2019 Bond”	the five-year 10.0% coupon bonds issued by CAP to the PNG Group in the aggregate principal amount of HK\$150 million, details of which are set out in the circular of PNG dated 24 October 2014
“9 September Announcement”	the announcement of CAP dated 9 September 2015 in relation to the termination of the Shenzhen Agricultural Agreements and the application for the revised Whitewash Waiver
“Availability Period”	the period commencing from the date of the Loan Agreement and ending on the earlier of (i) the date falling one month prior to the maturity date; and (ii) the date on which the Loan Facility is cancelled or terminated under the provision of the Loan Agreement
“CAP” or “Borrower”	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)
“CAP Board”	the board of the CAP Directors
“CAP Director(s)”	the directors of CAP
“CAP Group”	CAP together with its subsidiaries
“CAP Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of CAP
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the PNG Directors knowledge, information and belief having made all reasonable enquiries, are third parties independent of the PNG Group and its connected persons in accordance with the Listing Rules
“Joint Announcements”	the joint announcements of CAP and PNG dated (a) 7 July 2015 and 16 July 2015 in relation to, among others, the Placing Agent Agreements and the PNG Subscription Agreements and the transactions contemplated thereunder and the Whitewash Waiver; and (b) 28 July 2015, 1 September 2015 and 30 September 2015 in relation to, among others, the delays in despatch of the circular of CAP in respect of the transactions as contemplated under the Placing Agent Agreements and the PNG Subscription Agreements and the Whitewash Waiver
“Lender” or “Peony Finance”	Peony Finance Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by PNG as at the date of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 5 October 2015 entered into between the Lender and CAP pursuant to which the Lender agreed to advance the Loan Facility to CAP
“Loan Facility”	a revolving credit facility in the maximum aggregate amount of HK\$100.0 million granted by the Lender to CAP pursuant to the Loan Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the SFO
“Placing Agent Agreements”	the Notes Placing Agreement, the Supplemental Notes Placing Agreement, the Share Placing Agreement and the Supplemental Share Placing Agreement as defined and detailed in the Joint Announcements

“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 the PNG Directors
“PNG Director(s)”	the directors of PNG
“PNG Group”	PNG together with its subsidiaries
“PNG Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of PNG
“PNG Subscriptions”	the proposed subscription of the shares and convertible notes of CAP by PNG as contemplated under the PNG Subscription Agreements
“PNG Subscription Agreements”	the PNG Notes Subscription Agreement, the Supplemental PNG Notes Subscription Agreement, the PNG Share Subscription Agreement and the Supplemental PNG Share Subscription Agreement as defined and detailed in the Joint Announcements
“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 PRC and Taiwan
“Prospectus”	the prospectus issued by PNG in relation to the Rights Issue dated 28 August 2015
“Rights Issue”	the issue of the rights shares by way of rights issue to the shareholders of PNG for subscription undertaken by PNG and completed on 22 September 2015
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Shenzhen Agricultural”	深圳市農產品股份有限公司 Shenzhen Agricultural Products Co., Ltd., a joint stock limited company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange
“Shenzhen Agricultural Agreements”	the Shenzhen Agricultural Subscription Agreement, the Supplemental Shenzhen Agricultural Agreement and the Strategic Cooperation Agreement as defined and detailed in the Joint Announcements and 9 September Announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers promulgated by the SFC
“Whitewash Waiver”	a waiver to be applied for and to be granted pursuant to Note 1 on the dispensations from Rule 26 of the Takeovers Code in respect of the potential obligation by PNG to make a mandatory general offer under Rule 26 of the Takeovers Code for all of the issued CAP Shares not already owned and/or agreed to be acquired by PNG which may otherwise arise as a result of the PNG Subscriptions
“%”	per cent.

By Order of the CAP Board  
**CHINA AGRICULTURAL 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 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, 5 October 2015

*As at the date of this joint announcement, the executive CAP Directors are Mr. Chan Chun Hong, Thomas, Mr. Leung Sui Wah, Raymond and Mr. Yau Yuk Shing, and the independent non-executive CAP Directors are Mr. Ng Yat Cheung, Ms. Lam Ka Jen, Katherine and Mr. Lau King Lung. The CAP Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to PNG or any of its associates or any parties acting in concert with any of them (excluding CAP)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by PNG or any of its associates or any parties acting in concert with it (excluding CAP)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement of this joint announcement misleading.*

*As at the date of this joint announcement, the executive directors of PNG are Mr. Chan Chun Hong, Thomas and Mr. Cheung Wai Kai, and the independent non-executive directors of PNG are Mr. Sin Ka Man, Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph. The directors of PNG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to CAP or any of its associates or any parties acting in concert with any of them (excluding PNG)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by CAP or any of its associates or any parties acting in concert with it (excluding PNG)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement of this joint announcement misleading.*