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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)



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)

JOINT ANNOUNCEMENT

**(1) MAJOR TRANSACTION
REGARDING
THE PROVISION OF THE NEW
LOAN FACILITY TO
CHINA AGRI-PRODUCTS
EXCHANGE LIMITED
AND
(2) FURTHER CHANGE OF USE OF
PROCEEDS RAISED
FROM RIGHTS ISSUE**

**ISSUE OF UNLISTED WARRANTS
UNDER GENERAL MANDATE**

(1) MAJOR TRANSACTION OF WOG — PROVISION OF NEW LOAN FACILITY TO CAG

Between March 2009 and March 2011, True Noble (a wholly-owned subsidiary of WOG) and the CAG Group entered into the Existing Loan Agreements in relation to the provision of the Existing Loan Facilities. The Existing Loan Facilities of an aggregate of HK\$120 million and HK\$200 million will soon expire on 13 September 2012 and 30 September 2012, respectively. Accordingly, on 16 July 2012, True Noble entered into the New Loan Agreement with CAG in relation to the provision of the New Loan Facility of a maximum of HK\$670 million at an interest rate of 8.0% per annum during the Availability Period (i.e. up to 30 September 2014) to, inter alia, repay the full amount of the Existing Loan Facilities.

* For identification purpose only

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Loan Agreement exceeds 25%, the transactions contemplated thereunder constitute a major transaction of WOG under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The transactions contemplated under the New Loan Agreement also constitute an advance to an entity which exceeds 8% under the assets ratio as defined under the Listing Rules, which shall be subject to the disclosure requirements under Rules 13.13 and 13.20 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 New Loan Agreement and the transactions contemplated thereunder. As no WOG Shareholder has a material interest in the New Loan Agreement, no WOG Shareholder is required to abstain from voting at the SGM in respect of the New Loan Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the New Loan Agreement and a notice of the SGM, will be despatched to the WOG Shareholders on or before 6 August 2012.

(2) ISSUE OF UNLISTED WARRANTS BY CAG TO TRUE NOBLE

Pursuant to the New Loan Agreement, CAG agreed to issue the Warrants at nil consideration to True Noble (subject to the approval of the Stock Exchange, if any) within 10 Business Days from the date of the first drawdown of the New Loan Facility. The Warrants shall entitle True Noble to subscribe for up to HK\$126 million for 360,000,000 Subscription Shares at an initial Subscription Price of HK\$0.35 per Subscription Share for a period of two years commencing from the date of issue of the Warrants. The Subscription Shares will be issued under the General Mandate.

It is expected the net proceeds of up to approximately HK\$126 million will be raised on the basis of the full exercise of the subscription rights attaching to the Warrants at the initial Subscription Price of HK\$0.35 per Subscription Share, which shall be utilised by CAG to repay the New Loan Facility and/or other debts.

CAG will apply to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

(3) FURTHER CHANGE OF USE OF PROCEEDS RAISED FROM RIGHTS ISSUE OF WOG

The WOG Board has resolved to further change the use of the unutilised proceeds raised from the Rights Issue of approximately HK\$209.7 million to be advanced to CAG under the New Loan Agreement, so as to earn additional interest income in return. The WOG Board believes that such change of the use of the proceeds from the Rights Issue is in the best interests of WOG and the WOG Shareholders as a whole.

(1) MAJOR TRANSACTION OF WOG — PROVISION OF NEW LOAN FACILITY TO CAG

Reference is made to the announcements of WOG dated 14 September 2010 and 28 March 2011 and the circular of WOG dated 18 April 2011 in relation to the Existing Loan Facilities.

Between March 2009 and March 2011, True Noble (a wholly-owned subsidiary of WOG) and the CAG Group entered into the Existing Loan Agreements in relation to the provision of the Existing Loan Facilities. The Existing Loan Facilities of an aggregate of HK\$120 million and HK\$200 million will soon expire on 13 September 2012 and 30 September 2012, respectively. Accordingly, on 16 July 2012, True Noble entered into the New Loan Agreement with CAG in relation to the provision of the New Loan Facility at the interest rate of 8.0% per annum during the Availability Period (i.e. up to 30 September 2014) to, inter alia, repay the full amount of the Existing Loan Facilities.

New Loan Agreement

- Date:** 16 July 2012
- Lender:** True Noble, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by WOG as of the date of this announcement
- Borrower:** CAG
- Loan facility:** Maximum of HK\$670 million
- Interest rate per annum:** 8%
- Drawdown:** The New Loan Facility can be drawn down during the period commencing upon the fulfillment or waiver (as the case may be) of all the conditions to the New Loan Agreement set out in the section headed “Conditions of the New Loan Agreement” in this announcement, and expiring on 30 September 2014.
- CAG shall apply not less than HK\$320 million to be drawn under the New Loan Facility to repay the full amount of the Existing Loan Facilities (including accrued interests, if any) on each of their repayment dates (i.e. on 13 September 2012 (HK\$120 million in total) and 30 September 2012 (HK\$200 million)).
- Securities:** The New Loan Facility shall be secured by the following:
1. the Share Charges;
 2. the Floating Charges; and
 3. the Assignment.

Pursuant to the New Loan Agreement, True Noble conditionally agreed to grant the secured New Loan Facility to CAG at the interest rate of 8.0% 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; (ii) the provision of securities to True Noble in respect of the New Loan Facility as contemplated under the Security Documents; (iii) the issue of the Warrants to True Noble at nil consideration; and (iv) the financial position of the CAG Group. The full principal amount of each drawdown and all outstanding interest thereon (if any) will be repayable by CAG no later than 30 September 2014. The New Loan Facility will be financed by the WOG Group from its internal resources.

Existing Loan Agreements

As at the date of this announcement, the CAG Group is indebted to True Noble in an aggregate of HK\$320 million under the Existing Loan Facilities as set out in the table below.

Date:	25 March 2009 (<i>as amended by an amendment deed dated 14 September 2010</i>)	10 March 2011	28 March 2011
Lender:	True Noble	True Noble	True Noble
Borrower:	Shiney Day, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by CAG as of the date of this announcement	CAG	CAG
Outstanding principal amount of the Existing Loan Facilities as at the date of this announcement:	HK\$90 million	HK\$30 million	HK\$200 million
Repayment date:	13 September 2012	13 September 2012	30 September 2012
Interest rate per annum:	6.0%	6.0%	8.0%
Drawdown Date:	Full drawdown on 25 March 2009	Full drawdown on 14 March 2011	Full drawdown on 8 June 2011
Securities:	1. Corporate guarantee by CAG and Super Treasure 2. Share charge on Shiney Day	Unsecured	Unsecured

Conditions of the New Loan Agreement

Completion of the New Loan Agreement is conditional upon the fulfillment, or waiver (except (a) below) of the following conditions:

- (a) the passing of the resolution by the WOG Shareholders at the SGM approving the New Loan Facility pursuant to the New Loan Agreement and any other transactions contemplated thereunder;
- (b) provision by CAG of the duly executed Security Documents; and
- (c) the representations and warranties made by CAG set out in the New Loan Agreement remaining valid and in full force on the date of each drawdown.

Both of True Noble and CAG undertake to use all reasonable endeavours (so long as it is within their respective power to do so) to ensure that the above conditions are fulfilled as soon as reasonably practicable and in any event no later than 30 September 2012 (or such later date as True Noble and CAG may mutually agree in writing), otherwise, the New Loan Agreement shall be null and void and of no further effect and no party to the New Loan Agreement shall have any further liability to any other parties under or in connection with the New Loan Agreement without prejudice to the rights of any such parties in respect of any antecedent breaches.

Principal terms of the Security Documents

The New Loan Facility will be secured by:

1. share charges to be executed by Super Treasure in favour of True Noble over the respective legal and beneficial interests in all of the shares of Shiney Day, Lanston Investment and Crown Fortress, owned by Super Treasure by way of first fixed charge;
2. floating charges to be executed by each of Shiney Day, Lanston Investment and Crown Fortress in favour of True Noble, over all of its respective rights, title and interests in and to all its respective present and future assets; and
3. a loan assignment by way of charge to be executed by CAG in favour of True Noble over all its title, rights, interests and benefits in all present and future loans owed or to be owed by Shiney Day, Lanston Investment and Crown Fortress to CAG.

Each of the Security Documents will become enforceable in the event of default by CAG under the New Loan Agreement. The Security Documents cover all the obligations of CAG under the New Loan Agreement, including but not limited to the payment of principal, interest, penalty, fees and expenses incurred by True Noble for any enforcement of the New Loan Agreement.

Reasons for and Benefits of Entering into The New Loan Agreement

As at 31 March 2012, the WOG Group had consolidated cash and cash equivalents of approximately HK\$602.1 million. As the Existing Loan Facilities will soon fall due on 13 September 2012 and 30 September 2012, respectively, the New Loan Agreement was entered into so that the CAG Group could repay the full amount outstanding under the Existing Loan Facilities. Given that not less than HK\$320 million to be drawn under the

New Loan Facility shall only be used to repay the Existing Loan Facilities, the additional amount to be actually advanced by the WOG Group under the New Loan Agreement shall be not more than HK\$350 million.

The WOG Directors believe that the provision of the New Loan Facility can generate higher interest income to the WOG Group comparing with the interest earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong.

The WOG Directors also consider the New Loan Facility is well secured because it is expected that the amount to be received by CAG from selling or disposing of the charged properties under the Security Documents will be more than sufficient to repay the Indebtedness by taking into consideration of the market value of the assets or properties as at 31 December 2011, as assessed by an independent professional valuer, provided under the Security Documents:

- (a) Shiny Day is an investment holding company which, through its PRC subsidiaries, is holding its following principal assets including: (a) the 51% interest in Xuzhou Agricultural By-products Wholesale Market erected on a parcel of land located at 中國江蘇省徐州市泉山區迎賓大道東 (Yingbin Main Road East, Quanshan District, Xuzhou City, Jiangsu Province, the PRC[#]); (b) the 65% interest in Yulin Agricultural By-products Wholesale Market erected on five contiguous parcels of land located at 中國廣西壯族自治區玉林市玉林郊區二環北路南側 (South of Er'huan North Road, Yulin Urban District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC[#]); and (c) the 100% interest in a parcel of land located at 中國廣西壯族自治區玉林市玉林郊區二環北路南側、龍表河西北側 (South of Er'huan North Road and North-west of Longbiao River, Yulin Urban District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC[#]).
- (b) Lanston Investment is an investment holding company which, through its PRC subsidiary, is holding its principal assets including a parcel of land located at 中國廣西壯族自治區欽州市金海灣西大街北面、西環路與南環路交匯處西南面 (Southwest of Junction of Xihuan Road and Nanhuan Road, North of Jinhaiwan West Street, Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC[#]).
- (c) Crown Fortress is an investment holding company which, through its PRC subsidiary, had made a prepayment to the Luoyang Laocheng Government for the land use rights of the relevant land(s) at 中國河南省洛陽市老城區 (Laocheng District, Luoyang City, Henan Province, the PRC[#]). Such prepayment will be used to set off the required land premium if the CAG Group obtains the relevant land use rights of the relevant lands in the public tender. Such details were set out in the announcement published by CAG on 23 April 2012.

WOG, through True Noble, is also entitled to take further equity interests in CAG through the exercise of the subscription rights attaching to the Warrants, if and when it considers appropriate.

The WOG Directors are of the view that the terms of the New Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of WOG and the WOG Shareholders as a whole.

Implications under the Listing Rules

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Loan Agreement exceeds 25%, the transactions contemplated thereunder constitute a major transaction of WOG under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The transactions contemplated under the New Loan Agreement also constitute an advance to an entity which exceeds 8% under the assets ratio as defined under the Listing Rules, which shall be subject to the disclosure requirements under Rules 13.13 and 13.20 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 New Loan Agreement and the transactions contemplated thereunder. As no WOG Shareholder has a material interest in the New Loan Agreement, no WOG Shareholder is required to abstain from voting at the SGM in respect of the New Loan Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the New Loan Agreement and a notice of the SGM, will be despatched to the WOG Shareholders on or before 6 August 2012.

(2) ISSUE OF UNLISTED WARRANTS BY CAG

Pursuant to the New Loan Agreement, CAG agreed to issue the Warrants at nil consideration to True Noble (subject to the approval of the Stock Exchange, if any) within 10 Business Days from the date of the first drawdown of the New Loan Facility, which will entitle True Noble to subscribe for up to HK\$126 million for 360,000,000 Subscription Shares at an initial Subscription Price of HK\$0.35 per Subscription Share for a period of two years commencing from the date of issue of the Warrants. The Warrants shall be exercisable in denomination of HK\$7,000,000 and the integral multiples thereof at the Subscription Price. The Subscription Shares will be issued under the General Mandate.

The CAG Board considers that the terms of the Warrants (including the Subscription Price), taking into account (i) the recent trading prices of the CAG Shares; (ii) a premium over the audited net asset value per CAG Share as at 31 December 2011; (iii) an exercise period of two years; and (iv) the New Loan Facility to be advanced to CAG, are fair and reasonable, which are determined after arm's length negotiations between CAG and True Noble, and are in the interests of CAG and the CAG Shareholders as a whole.

Intended Use of the New Loan Facility and proceeds from the Warrants

The New Loan Facility will be utilised by the CAG Group for the repayment of the Existing Loan Facilities and/or other debts and the development and expansion of the CAG Group's agricultural produce exchange business.

It is expected that net proceeds of up to approximately HK\$126 million will be raised on the basis of the full exercise of the subscription rights attaching to the Warrants at the initial Subscription Price of HK\$0.35 per Subscription Share, which shall be utilised by CAG to repay the New Loan Facility and/or other debts.

Principal terms of the Warrants

The principal terms of the Warrants are summarised below:

- Issue price:** Nil consideration
- Subscription Price:** Subject to adjustments, the Subscription Price shall be HK\$0.35 per Subscription Share, which represents:
- (a) a discount of approximately 13.6% to the closing price of HK\$0.405 per CAG Share as quoted on the Stock Exchange on 16 July 2012, being the closing price on the date of entering into the New Loan Agreement;
 - (b) a discount of approximately 12.1% to the average closing prices of HK\$0.398 per CAG Share as quoted on the Stock Exchange for the last five trading days up to and including 13 July 2012, being the last trading day immediately prior to the entering into the New Loan Agreement; and
 - (c) a premium of approximately 13.6% over the audited net asset value per CAG Share of HK\$0.308 as at 31 December 2011.
- Adjustments to the Subscription Price:** The Subscription Price will be subject to adjustments in certain events, including:
- (a) an alteration to the nominal value of the CAG Shares as a result of consolidation or subdivision;
 - (b) issue of CAG Shares credited as fully paid to the CAG Shareholders by way of capitalisation of profits or reserves, other than CAG Shares issued in lieu of the whole or part of a cash dividend;
 - (c) payment or making of any capital distribution to the CAG Shareholders; and
 - (d) offer to CAG Shareholders for subscription by way of rights, or grant to CAG Shareholders any options or warrants to subscribe for new CAG Shares, at a price which is less than the current market price on the date of the announcement of the terms of the offer or grant.

The CAG Board confirmed that the above are normal anti-dilutive adjustment events.

Exercise period: Up to the second anniversary from the issue date of the Warrants.

The holder(s) of the Warrants shall not have the right to exercise the subscription rights attached to the outstanding Warrants to subscribe for the CAG Shares to the extent that immediately after such subscription:

- (a) there will not be sufficient public float of the CAG Shares as required under the Listing Rules; and
- (b) the holder(s) of the Warrants whether alone or together with parties acting in concert with it would be obliged to make a general offer under the Takeovers Code in force from time to time.

Transferability: The Warrants are transferable to any person in integral multiples of subscription amount of HK\$7,000,000 (save for the connected persons of CAG), at any time, in whole or in part, in accordance with the terms of the Warrants. The Warrants shall not be assigned or transferred to a connected person of CAG without the prior written consent of CAG.

Ranking: The Warrants will rank *pari passu* among themselves. The Subscription Shares, when fully paid and allotted, will rank *pari passu* in all respects with the then CAG Shares in issue on the date of allotment and issue of the relevant Subscription Shares.

Voting: The holder(s) of the Warrants will not be entitled to receive notices of, attend or vote at any meetings of CAG by reason only of it being a holder of the Warrants.

Rights of holder(s) of Warrants during the exercise period on liquidation: If an effective resolution is passed during the exercise period of the Warrants for the winding-up of CAG and such winding-up is not for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement, the holder(s) of the Warrants shall be entitled at any time within six weeks after the passing of such resolution to exercise the Warrants. Subject to the foregoing, if CAG is wound up, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse.

Listing: CAG will apply to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares which fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

General Mandate to issue the Subscription Shares

The General Mandate was granted to the CAG Directors pursuant to an ordinary resolution of CAG passed at its annual general meeting on 3 May 2012 to allot and issue up to 492,196,827 CAG Shares, representing 20% of the aggregate nominal amount of the share capital of CAG in issue on that date. The General Mandate has not been previously utilised prior to the date of this announcement.

The Subscription Shares to be allotted and issued upon the exercise in full of the subscription rights attaching to the Warrants will be allotted and issued under the General Mandate.

Fund Raising Exercise during the Past Twelve Months

Apart from the rights issue mentioned below, CAG has not conducted any other equity fund raising exercises in the last 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
9 June 2011	Rights issue of 2,381,597,550 CAG Shares at the subscription price of HK\$0.195 per rights share	HK\$452.2 million	<ul style="list-style-type: none">• approximately HK\$200 million for expansion of the CAG Group's agricultural produce exchange business;• approximately HK\$150 million for repayment of interest-bearing debts; and• the remaining balance of approximately HK\$102.2 million as general working capital of the CAG Group.	<ul style="list-style-type: none">• approximately HK\$200 million for expansion of the CAG Group's agricultural produce exchange business;• approximately HK\$150 million for repayment of interest-bearing debts; and• approximately HK\$102.2 million as general working capital of the CAG Group.

Changes of Shareholding Structure

The shareholding structure of CAG, (a) as at the date of this announcement; and (b) after full exercise of the subscription rights attaching to the Warrants (assuming no further issue or repurchase of the CAG Shares) is as follows:

	As at the date of this announcement		Assuming full exercise of the subscription rights attaching to the Warrants	
	Number of CAG Shares	Approximate shareholding percentage	Number of CAG Shares	Approximate shareholding percentage
PNG and/or its associates (<i>Note 1</i>)	694,612,174	28.22%	694,612,174	24.62%
WOG and/or its associates (<i>Note 2</i>)	1,100,000	0.04%	361,100,000	12.80%
Other public CAG Shareholders	<u>1,765,271,961</u>	<u>71.74%</u>	<u>1,765,271,961</u>	<u>62.58%</u>
Total:	<u>2,460,984,135</u>	<u>100.00%</u>	<u>2,820,984,135</u>	<u>100.00%</u>

Notes:

1. PNG, through Onger Investments Limited, its wholly-owned subsidiary, was taken to be interested in the same CAG Shares. WYT, through Gain Better Investments Limited, its wholly-owned subsidiary, which held 49.59% interest in PNG, was taken to be interested in the same CAG Shares.
2. WOG, through Mailful Investments Limited, its wholly-owned subsidiary, was taken to be interested in the same CAG Shares.

Implications under the Listing Rules

Pursuant to Rule 15.02(1) of the Listing Rules, the Subscription Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of CAG at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, there are no securities with subscription rights outstanding but not yet exercised. Assuming full exercise of the subscription rights attaching to the Warrants, 360,000,000 Subscription Shares will be issued, representing (i) approximately 14.63% of the existing issued share capital of CAG as at the date of this announcement; and (ii) approximately 12.76% of the issued share capital of CAG as enlarged by the allotment and issue of all of the Subscription Shares, assuming no CAG Shares are further issued or repurchased. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

(3) FURTHER CHANGE OF USE OF PROCEEDS FROM RIGHTS ISSUE

Reference is made to the announcement dated 13 December 2010, the circular dated 4 January 2011 and the prospectus dated 28 January 2011 (the “**Prospectus**”) of WOG in relation to the Rights Issue. WOG has also issued an announcement on 12 April 2012 regarding the change of use of proceeds raised from the Rights Issue (the “**2012 Announcement**”). Unless otherwise specified, terms used herein have the same meanings as those defined in the Prospectus and the 2012 Announcement.

As mentioned in the 2012 Announcement, the use of proceeds of approximately HK\$350 million out of a total of approximately HK\$506.1 million raised from the Rights Issue will be changed as to approximately HK\$230 million for the existing property development project and/or the WOG Group’s other property development and investment business (the “**Reallocated Proceeds**”), as to approximately HK\$70 million for repayment of bank loans and the remaining balance of approximately HK\$50 million for the WOG Group’s general working capital. As at the date of this announcement, approximately HK\$20.3 million, HK\$15.2 million and HK\$13.8 million have been respectively utilised for the WOG Group’s existing property development projects, repayment of bank loans and general working capital.

The WOG Board has resolved to further change the use of the unutilised Reallocated Proceeds of approximately HK\$209.7 million to be advanced to CAG under the New Loan Agreement, so as to earn additional interest income in return. The WOG Board believes that such change of the use of the unutilised Reallocated Proceeds is in the best interests of WOG and the WOG Shareholders as a whole.

GENERAL INFORMATION

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

The CAG Group is principally engaged in property rental and property sale in respect of agricultural produce exchange business in the PRC.

As at the date of this announcement, WOG holds an equity interest of approximately 25.00% interest in WYT, which is a substantial shareholder of PNG, holding its approximately 49.59% interest, which in turn is the substantial shareholder of CAG, holding approximately 28.22% of its entire issued share capital. Furthermore, as at the date of this announcement, WOG holds approximately 0.04% interest, through its indirect wholly-owned subsidiary, in CAG. As at the date hereof, Mr. Tang Ching Ho, an executive director of WOG, is also an executive director of WYT; and Mr. Chan Chun Hong, Thomas, an executive director of WOG, is also an executive director of WYT, PNG and CAG.

Save for the foregoing, to the best of the knowledge, information and belief of (i) the WOG Directors after making all reasonable enquiries, CAG and its ultimate beneficial owner are third parties independent of and not connected with the WOG Group; and (ii) the CAG Directors after making all reasonable enquiries, WOG and its ultimate beneficial owner are third parties independent of and not connected with the CAG Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used have the following meanings:

“Assignment”	the deed of assignment of all present and future loans owed or to be owed by Shiney Day, Lanston Investment and Crown Fortress to CAG by way of charge to be executed by CAG in favour of True Noble to secure the Indebtedness
“Availability Period”	during the period commencing upon the fulfillment or waiver (as the case may be) of all the conditions to the New Loan Agreement set out in the section headed “Conditions of the New Loan Agreement” in this announcement, and expiring on 30 September 2014
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks both in Hong Kong and the PRC are generally open for business throughout their normal business hours
“CAG”	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 and the CAG Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 149)
“CAG Board”	the board of the CAG Directors
“CAG Director(s)”	the directors of CAG
“CAG Group”	CAG and its subsidiaries
“CAG Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of CAG
“CAG Shareholder(s)”	the holder(s) of the CAG Share(s)
“Crown Fortress”	Crown Fortress Limited, an investment holding company incorporated in Hong Kong with limited liability and is directly wholly owned by Super Treasure, a wholly-owned subsidiary of CAG
“Existing Loan Agreements”	three loan agreements dated 25 March 2009 (which was amended by the amendment deed dated 14 September 2010), 10 March 2011 and 28 March 2011, respectively, or any of them (as the case may be), entered into between True Noble and the CAG Group pursuant to which True Noble agreed to advance the Existing Loan Facilities to the CAG Group
“Existing Loan Facilities”	three outstanding loan facilities in the aggregate sum of HK\$320 million granted by True Noble to the CAG Group pursuant to the Existing Loan Agreements

“Floating Charges”	the deeds of floating charge to be executed by each of Shiney Day, Lanston Investment and Crown Fortress over all their respective assets, rights and/or undertaking in favour of True Noble to secure the Indebtedness
“General Mandate”	the general mandate granted to the CAG Directors to exercise the power of CAG to issue securities up to 20% of CAG’s issued share capital as at the date of the annual general meeting of CAG held on 3 May 2012
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness”	any and all present and future sums, liabilities and obligations (actual or contingent and whether incurred solely or jointly with any other person and whether as principal or surety) at any time due, owing or payable by CAG to True Noble in any currency under the New Loan Agreement, the Security Documents and any other document designated as such by CAG and True Noble together with all related associated liabilities
“Lanston Investment”	Lanston Investment Limited, an investment holding company incorporated in Hong Kong with limited liability and is directly wholly owned by Super Treasure, a wholly-owned subsidiary of CAG
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Loan Agreement”	the conditional loan agreement entered into between True Noble and CAG on 16 July 2012 in relation to the provision of the New Loan Facility
“New Loan Facility”	a proposed loan facility of not exceeding the sum of HK\$670 million to be granted by True Noble to CAG pursuant to the New Loan Agreement
“PNG”	PNG Resources Holdings Limited PNG 資源控股有限公司, 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)
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rights Issue”	the issue of the rights shares (with the bonus shares) by way of rights issue to the WOG Shareholders in 2011 for subscription on the terms set out in the Prospectus and summarised therein

“Security Documents”	collectively, the Assignment, the Share Charges, the Floating Charges and any other documents designated as such by CAG and True Noble
“Share Charges”	the deeds of share charge over the respective legal and beneficial interest in all of the shares of Shiney Day, Lanston Investment and Crown Fortress to be executed by Super Treasure in favour of True Noble to secure the Indebtedness
“Shiney Day”	Shiney Day Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is directly wholly owned by Super Treasure, a wholly-owned subsidiary of CAG
“SGM”	the special general meeting of WOG to be convened and held for the purpose of considering, and if thought fit, approving, among others, the New Loan Agreement and the transaction(s) contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the initial subscription price of HK\$0.35 per Subscription Share (subject to adjustments) at which holder of the Warrants may subscribe for the Subscription Shares
“Subscription Shares”	new CAG Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Super Treasure”	Super Treasure Holdings Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by CAG
“Takeovers Code”	The Code of Takeovers and Mergers in Hong Kong
“True Noble”	True Noble Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by WOG as at the date of this announcement
“Warrants”	the non-listed warrants to be issued by CAG at nil consideration to True Noble, which entitles the holder(s) thereof to subscribe for up to HK\$126 million in aggregate for 360,000,000 Subscription Shares at the Subscription Price (subject to adjustment) at any time during a period of two years commencing from the date of issue of the warrants
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the WOG Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors

“WOG Director(s)”	the directors of WOG
“WOG Group”	WOG and its subsidiaries
“WOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of WOG
“WOG Shareholder(s)”	the holder(s) of the WOG Share(s)
“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 on the main board of the Stock Exchange (Stock Code: 897)
“%”	per cent.

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 CAG Board
China Agri-Products Exchange Limited
中國農產品交易有限公司
Chan Chun Hong, Thomas
Chairman and Chief Executive Officer

Hong Kong, 16 July 2012

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

As at the date of this announcement, the CAG Board comprises Mr. Chan Chun Hong, Thomas, Mr. Leong Weng Kin and Mr. Leung Sui Wah, Raymond, as executive CAG Directors, Mr. Ng Yat Cheung, Mr. Lee Chun Ho and Ms. Lam Ka Jen, Katherine, as independent non-executive CAG Directors.

* *For identification purpose only*

Denotes English translation of Chinese addresses and is provided for identification purpose only