

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 offer to acquire, purchase or subscribe for securities in PNG Resources Holdings Limited.

JOINT ANNOUNCEMENT



**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)

- (1) CHANGE IN SUBSCRIPTION
PRICE FOR THE RIGHTS ISSUE;
(2) CHANGE IN BOARD LOT SIZE;
(3) UPDATE ON REVISION OF
EXPECTED TIMETABLE FOR THE
RIGHTS ISSUE AND CHANGE IN
BOARD LOT SIZE;
(4) CHANGE IN PROCEEDS AND
USE OF PROCEEDS OF
THE RIGHTS ISSUE;
AND
(5) RESUMPTION OF TRADING**



**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)

- UPDATE ON THE DISCLOSEABLE
TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF RIGHTS
SHARES COMPRISING THE FULL
ACCEPTANCE OF PROVISIONAL
ENTITLEMENT AND THE EXCESS
APPLICATION FOR RIGHTS SHARES
UNDER THE WYT IRREVOCABLE
UNDERTAKING**

References are made to:

- (a) the joint announcement (the “**Rights Issue Announcement**”) issued by PNG Resources Holdings Limited (“**PNG**”) and Wai Yuen Tong Medicine Holdings Limited (“**WYT**”) dated 4 June 2015 in relation to, among other things, the Rights Issue in the proportion of five Rights Shares for every two PNG Shares held on the Record Date;

** For identification purpose only*

- (b) the announcement of PNG dated 24 June 2015 in relation to the delay despatch of the Circular (the “**Delay Despatch Announcement**”);
- (c) the joint announcement (“**Subscriptions Joint Announcement**”) dated 7 July 2015 (as supplemented by the further joint announcement dated 16 July 2015 (“**Second Subscriptions Joint Announcement**”)) issued by China Agri-Products Exchange Limited (“**CAP**”) and PNG in relation to (i) the placing and issue of CAP’s convertible notes (“**CAP CN**”) and the subscription of the CAP CN by PNG; (ii) the placing and issue of new shares of CAP (“**CAP Shares**”) and the subscription of the CAP Shares by PNG; (iii) connected transactions of CAP; (iv) major transaction of PNG; and (v) application for whitewash waiver by CAP; and
- (d) the announcements of PNG dated 13 July 2015 in relation to the trading halt in the shares of PNG on the Stock Exchange.

Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Rights Issue Announcement, the Delay Despatch Announcement and the Subscriptions Joint Announcement.

(1) CHANGE IN SUBSCRIPTION PRICE FOR THE RIGHTS ISSUE

In light of recent volatility in the stock markets of Hong Kong, the PNG Board resolved to change the Subscription Price from HK\$0.168 per Rights Share to HK\$0.105 per Rights Share in order to encourage participation by the Qualifying Shareholders in the Rights Issue and facilitate the ongoing progress of the Rights Issue towards its completion, in the interests of PNG and the PNG Shareholders as a whole. Other than as set out in this joint announcement, all other terms of the Rights Issue, including the basis of the Rights Issue and the total number of Rights Shares to be issued thereunder, remain unchanged.

In this regard, on 10 July 2015 (after trading hours), PNG entered into a supplemental agreement to the Underwriting Agreement with the Underwriter pursuant to which the Subscription Price was amended from HK\$0.168 per Rights Share to HK\$0.105 per Rights Share. All other provisions of the Underwriting Agreement, including the total number of Underwritten Shares and the commission rate payable by PNG to the Underwriter, remain unchanged.

The revised Subscription Price of HK\$0.105 per Rights Share represents:

- (a) a discount of approximately 67.69% to the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 66.88% to the average closing price of HK\$0.317 per PNG Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 40.68% to the closing price of HK\$0.177 per PNG Share as quoted on the Stock Exchange on Friday, 10 July 2015 (being the last trading day of the PNG Shares on the Stock Exchange before the release of this joint announcement);
- (d) a discount of approximately 48.02% over the average of the closing prices per PNG Share of approximately HK\$0.202 for the five consecutive trading days up to and including Friday, 10 July 2015, being the last trading day before the issue of this joint announcement;
- (e) a discount of approximately 50.70% to the theoretical ex-entitlement price of approximately HK\$0.213 per PNG Share after the Rights Issue, based on the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day;
- (f) a discount of approximately 16.67% to the theoretical ex-entitlement price of approximately HK\$0.126 per PNG Share after the Rights Issue, based on the closing price of HK\$0.177 per PNG Share as quoted on the Stock Exchange on Friday, 10 July 2015, being the last trading day before the issue of this joint announcement; and
- (g) a discount of approximately 87.38% to the unaudited total equity attributable to the owners of PNG per PNG Share of approximately HK\$0.832 as at 31 March 2015 after taking into account of the net proceeds of approximately HK\$47.9 million from the placement of PNG Shares completed on 30 April 2015.

The revised Subscription Price was determined, among others, as a result of arm's length negotiations between PNG and the Underwriter with reference to the capital needs of the PNG Group, the financial position of the PNG Group, the recent market price of the PNG Shares, and the recent conditions of capital markets in Hong Kong. The PNG Board also considered that because the structure and terms of the Rights Issue are required to be approved by the PNG Independent Shareholders at the SGM, the PNG Shareholders' interests are thereby safeguarded by the fact that the PNG Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee and the Independent Financial Adviser, which will enable the PNG Independent Shareholders to make an informed decision as to whether to vote in favour of the Rights Issue on the terms proposed.

(2) CHANGE IN BOARD LOT SIZE

The PNG Shares are currently traded on the Stock Exchange in board lots of 4,000 PNG Shares. The board lot size of the PNG Shares will now be changed to 20,000 PNG Shares, rather than 10,000 PNG Shares as originally stated in the Rights Issue Announcement.

Based on the closing price of HK\$0.325 and HK\$0.177 per PNG Share as quoted on the Stock Exchange on the Last Trading Day and on 10 July 2015 (being the last trading day of the PNG Shares on the Stock Exchange before the release of this joint announcement), the prevailing board lot value is HK\$1,300 and HK\$708, respectively, in the board lot size of 4,000 PNG Shares. Based on the theoretical ex-entitlement price of the PNG Shares of approximately HK\$0.213 per PNG Share and HK\$0.126 per PNG Share with reference to the closing price of HK\$0.325 per PNG Share on the Last Trading Day and HK\$0.177 per PNG Share on 10 July 2015 (being the last trading day of the PNG Shares on the Stock Exchange before the release of this joint announcement), the new estimated board lot value would be approximately HK\$4,260 and HK\$2,520 in the new board lot size of 20,000 PNG Shares. The change in board lot size will not affect any of the PNG Shareholders' rights.

As disclosed in the announcement of PNG dated 3 July 2015 in relation to the delay in timetable for the change in board lot size, the PNG Board requires additional time to prepare and finalise certain information to be included in the Circular, and as such the original expected timetable, the timing of events and other trading arrangements in connection with the change in board lot size of the PNG Shares would also be postponed pending the finalisation of such information. The PNG Board wishes to inform its shareholders and potential investors that as at the date of this joint announcement, it is still in the process of finalizing the revised expected timetable of the Rights Issue (please see section (3) of this joint announcement below) and as such, the expected timetable, the timing of events and other trading arrangements in connection with the change in board lot size, which co-incides with the timetable for the Rights Issue, is also currently being finalized by the PNG Board.

PNG will keep its shareholders and potential investors informed of further details regarding the expected timetable, the timing of events and other trading arrangements in relation to such change in board lot size, once finalized, in compliance with the Listing Rules.

(3) UPDATE ON REVISION OF EXPECTED TIMETABLE FOR THE RIGHTS ISSUE AND CHANGE IN BOARD LOT SIZE

As disclosed in the Delay Despatch Announcement, as the PNG Board requires additional time to prepare and finalize certain information to be included in the Circular, the date of despatch of the Circular and the date of the SGM, was postponed pending the finalisation of such information.

As at the date of this joint announcement, the PNG Board is still in the process of preparing and finalizing the revision of the expected timetable for the Rights Issue and change in board lot size (including the change of the period for the closure of register of members of PNG and other related trading arrangements in connection with the Rights Issue and change in board lot size as set out in the Rights Issue Announcement). PNG will keep its shareholders and potential investors informed of the revised expected timetable of the Rights Issue, once finalized, in compliance with the Listing Rules.

(4) CHANGE IN PROCEEDS AND USE OF PROCEEDS OF THE RIGHTS ISSUE

As disclosed in the Subscriptions Joint Announcement, PNG has agreed to subscribe for (i) the CAP CN in an aggregate principal amount of HK\$200 million; and (ii) 318,000,000 CAP Shares at the subscription price of HK\$0.315 per CAP Share, for an aggregate principal amount of approximately HK\$100 million (collectively, the “**Subscriptions**”). Further details of the Subscriptions are disclosed in the Second Subscriptions Joint Announcement.

As disclosed in the Second Subscriptions Joint Announcement, PNG entered into the following agreements on 10 July 2015 (after trading hours):

- (a) a supplemental agreement to the PNG Notes Subscription Agreement with CAP under which the Conversion Price was amended from HK\$0.395 to HK\$0.305 and the maximum aggregate principal amount of the PNG Convertible Notes was amended from HK\$200 million to HK\$155 million; and
- (b) a supplemental agreement to the PNG Share Subscription Agreement with CAP under which the PNG Subscription Price was amended from HK\$0.315 to HK\$0.245.

PNG's original intended use of the net proceeds to be raised from the Rights Issue, which was estimated to be approximately HK\$544.3 million, are outlined in the section headed "7. Use of proceeds of the Rights Issue" in Part A of the Rights Issue Announcement. In light of the change in the Subscription Price in relation to the Rights Issue as set out in the section headed "(1) Change in Subscription Price for the Rights Issue" of this joint announcement, the aggregate gross and net proceeds to be raised from the Rights Issue are now approximately HK\$348.3 million and HK\$338.3 million, respectively.

In light of (i) the revised timetable in relation to the Rights Issue, and (ii) the PNG Share Subscription and the PNG Notes Subscription representing a good opportunity for PNG to participate in the future development of CAP, the PNG Board has resolved to change the allocation of the net proceeds of the Rights Issue of approximately HK\$338.3 million to as follows:

- (a) approximately HK\$232.9 million will be utilized for the subscription of shares and convertible notes to be issued by CAP;
- (b) approximately HK\$60.0 million will be utilised for potential investments by the PNG Group;
- (c) approximately HK\$20.0 million will be utilised for the repayment of outstanding principal and interest amounts on bank loans of the PNG Group provided by banks in the PRC and Hong Kong (each of which is a licensed financial institution and an Independent Third Party) of approximately HK\$336.0 million, which are due from the second half of 2015 onwards with interest rates up to 8% per annum;
- (d) approximately HK\$20.0 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 City, 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\$165.0 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.

Further details of the use of the net proceeds to be raised from the Rights Issue will be set out in the Circular to be despatched to PNG Shareholders. PNG will keep its shareholders and potential investors informed of the revised expected date of despatch of the Circular, once the revised expected timetable of the Rights Issue is finalized, in compliance with the Listing Rules.

The PNG Board considers that the above change in use of proceeds of the Rights Issue will improve efficiency in the use of proceeds from the Rights Issue by the PNG Group, given that the Subscriptions allow the PNG Group to (i) retain influence over CAP's management, including participation in the financial and operation decisions in CAP, and (ii) participate in CAP's future development and growth, which is advantageous to the diversification of the PNG Group's investments, and is therefore fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole.

The PNG Directors (including the independent non-executive PNG Directors) consider that the change in use of proceeds of the Rights Issue is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole.

(5) UPDATE ON THE WYT IRREVOCABLE UNDERTAKING

A. The WYT Irrevocable Undertaking

On 28 May 2015, WYT, through its wholly-owned subsidiaries Hearty and Suntech, have jointly and severally and irrevocably granted the WYT Irrevocable Undertaking in favour of PNG. On 16 July 2015, Hearty and Suntech entered into an acknowledgment deed in favour of PNG under which they acknowledged and confirmed the revised Subscription Price and agreed that other than the change to the Latest Time For Acceptance (which will subsequently be amended to reflect the revised expected timetable for the Rights Issue and the change in board lot size, once such timetable is finalised) and the resulting change to the maximum aggregate amount of approximately HK\$110.7 million (from HK\$177.1 million as originally stated under the Rights Issue Announcement) payable by Hearty and Suntech to subscribe in full for their respective provisional entitlements and Hearty to subscribe in full for the 380,000,000 Rights Shares for which it will have made an excess application under the Rights Issue pursuant to the WYT Irrevocable Undertaking, as at the date of this joint announcement, the terms of the WYT Irrevocable Undertaking, including the number of Rights Shares which Hearty and Suntech have respectively agreed to subscribe or procure their associates to subscribe, remain unchanged.

Further details about the WYT Irrevocable Undertaking are set out in Part B of the Rights Issue Announcement.

Upon completion of the Rights Issue, assuming Hearty and Suntech each subscribe for their provisional entitlements under the Rights Issue in full in accordance with the terms of the WYT Irrevocable Undertaking:

- (a) but Hearty receives none of the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WYT Irrevocable Undertaking, the WYT Group could potentially record a loss of approximately HK\$2.0 million (before deduction of the relevant expenses incurred thereon); or
- (b) Hearty receives in full the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WYT Irrevocable Undertaking, the WYT Group could potentially record a net gain (taking into account the potential loss of approximately HK\$2.0 million arising from the subscription for the provisional entitlements) of approximately HK\$76.1 million (before deduction of necessary reasonable expenses), which is calculated:
 - (i) on the basis of the unaudited total equity attributable to owners of PNG of approximately HK\$1,055.8 million as at 31 March 2015;
 - (ii) by reference to the placing of PNG Shares completed on 30 April 2015 which generated net proceeds of approximately HK\$47.9 million; and
 - (iii) by reference to the Rights Issue which is expected to generate net proceeds of approximately HK\$338.3 million.

It should be noted that the actual gain in relation thereto to be recorded by WYT will depend on the adjusted fair value of identifiable assets and liabilities of PNG as at the date of completion of the Rights Issue.

B. Implications under the Listing Rules

The implications of the WYT Irrevocable Undertaking to WYT under the Listing Rules, as set out in Part B of the Rights Issue Announcement, remain unchanged.

(6) RESUMPTION OF TRADING OF 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 Monday, 13 July 2015 pending the release of both this joint announcement and the Second Subscriptions 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 Friday, 17 July 2015.

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

By Order of the WYT Board
WAI YUEN TONG MEDICINE
HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Tang Ching Ho
Chairman

Hong Kong, 16 July 2015

As at the date of this joint announcement, the PNG Board comprises Mr. Chan Chun Hong, Thomas and Mr. Cheung Wai Kai as the executive PNG Directors, and Mr. Sin Ka Man, Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph as the independent non-executive PNG 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 WYT Directors, and Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David as the independent non-executive WYT Directors.