THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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 UNDERWRITING OF THE RIGHTS ISSUE PROPOSED BY CHINA AGRI-PRODUCTS EXCHANGE LIMITED AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the SGM (as defined in this circular) to be held at 20/F., Alexandra House, 18 Chater Road, Central, Hong Kong on Wednesday, 12 February 2014 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend in person at the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

23 January 2014

* *For identification purpose only*

CONTENTS

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

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Adjusted Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of CAP upon the Capital Reorganisation becoming effective
"Application Forms"	collectively, the EAF(s) and the PAL(s)
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Bonus Issue"	the proposed issue of the Bonus Shares by CAP on the basis of one (1) Bonus Share for every fifteen (15) Rights Shares taken up under the Rights Issue
"Bonus Share(s)"	the Adjusted Share(s) to be allotted and issued pursuant to the Bonus Issue
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"CAP"	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 0149)
"CAP Board"	the board of CAP Directors
"CAP Circular"	the circular to be despatched by CAP to the CAP Shareholders in relation to, among other things, the Capital Reorganisation, the change in board lot size, the Rights Issue and the Bonus Issue, the Irrevocable Undertakings, the Underwriting Agreement and the Whitewash Waiver
"CAP Director(s)"	the director(s) of CAP
"CAP Group"	CAP and its subsidiaries

"CAP Independent Shareholder(s)"	the CAP Shareholder(s), other than: (i) the CAP Directors (excluding the independent non-executive CAP Directors), the chief executive of CAP and their respective associates; (ii) members of the Concert Group; and (iii) those who are involved in, or interested in, the Rights Issue and the Bonus Issue, the Underwriting Agreement, the PNG Irrevocable Undertaking, the WOG Irrevocable Undertaking and the Whitewash Waiver
"CAP SGM"	the special general meeting of CAP to be convened and held to consider and approve, among other things, the proposed Capital Reorganisation, the Rights Issue and the Bonus Issue and the Whitewash Waiver
"CAP Shareholder(s)"	the holders of the CAP Share(s), the Consolidated Share(s) or the Adjusted Share(s) (as the case may be)
"CAP Share(s)"	the ordinary share(s) of HK$0.01 each in the issued share capital of CAP prior to the implementation of the Capital Reorganisation
"Capital Reduction"	the proposed reduction of the CAP's issued share capital whereby: (i) the nominal value of all the issued Consolidated Shares shall be reduced from HK$0.40 each to HK$0.01 each and the issued share capital of CAP shall accordingly be reduced to the extent of HK$0.39 per Consolidated Share in issue; and (ii) any fractional Consolidated Share in the issued share capital of CAP arising from the Share Consolidation shall be cancelled
"Capital Reorganisation"	the proposed reorganisation of CAP's issued share capital which comprises: (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) applying the credit arising from the Capital Reduction to set off the accumulated loss of CAP
"Company"	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)

* *For identification purpose only*

"Concert Group"	means, as at Latest Practicable Date, the Company, PNG, WOG and parties acting in concert with any one of them, including their respective subsidiaries (including WOG Underwriter, WYT Underwriter, Onger Investments (the wholly-owned subsidiary of PNG that holds the CAP Shares) and Mailful Investments (the wholly-owned subsidiary of WOG that holds the CAP Shares))
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consolidated Share(s)"	means ordinary share(s) of HK$0.40 each in the issued share capital of CAP immediately upon the Share Consolidation becoming effective
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EAF(s)"	the form of application for excess Rights Shares
"Excluded Shareholder(s)"	the Overseas Shareholder(s) whose registered addresses in CAP's register of members as at the Record Date are in places where the CAP Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares and the Bonus Shares to such CAP Shareholders
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate(s)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a person who: (i) is not (and will not become as a result of the consummation of the Rights Issue and the Bonus Issue) a connected person of CAP and it will not be deemed a connected person of CAP pursuant to Rule 14A.11(4) of the Listing Rules; (ii) is not financing the subscription of the Rights Shares directly or indirectly by a connected person of CAP;

(iii) is not accustomed to taking instructions from a connected person of CAP in relation to the acquisition, disposal, voting or other disposition of securities of CAP registered in its name or otherwise held by it; and

(iv) would not result in its aggregate holding (direct and indirect) in the total issued share capital of CAP being 10% or more of CAP's entire issued share capital at any time

"Joint Announcement"	the joint announcement dated 19 December 2013 issued by the Company, CAP, PNG and WOG in relation to, among other things, the underwriting of the Rights Issue pursuant to the Underwriting Agreement
"Irrevocable Undertaking"	the PNG Irrevocable Undertaking and the WOG Irrevocable Undertaking
"Kingston"	Kingston Securities Limited, a corporation licensed by the SFC to carry out business in Type 1 regulated activity (dealing in securities) under the SFO
"Last Trading Day"	4 December 2013, being the last trading day for the CAP Shares on the Stock Exchange before the release of the Joint Announcement
"Latest Time For Acceptance"	4:00 p.m. on Monday, 17 March 2014, or such later time or date as may be agreed between the Underwriters and CAP in writing, being the latest time for acceptance of, and payment for, the Rights Shares
"Latest Time For Termination"	4:00 p.m. on the fourth Business Day after the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriters and CAP in writing, being the latest time to terminate the Underwriting Agreement
"Latest Practicable Date"	20 January 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for the inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mailful Investments"	Mailful Investments Limited, a wholly-owned subsidiary of WOG and is a company incorporated in the British Virgin Islands which is principally engaged in investment holding

"Onger Investments"	Onger Investments Limited, a wholly-owned subsidiary of the PNG and is a company incorporated in the British Virgin Islands which is principally engaged in investment holding
"PAL(s)"	provisional allotment letter(s) for the Rights Shares
"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)
"PNG EGM"	the extraordinary general meeting of PNG to be convened and held to consider and approve, among other things, the subscription of up to 323,479,560 Rights Shares under the Rights Issue pursuant to the PNG Irrevocable Undertaking and the transactions contemplated thereunder
"PNG Irrevocable Undertaking"	an irrevocable undertaking dated 4 December 2013 given by Onger Investments in favour of CAP as described in the section headed "1. The PNG Irrevocable Undertaking" in Part C of the Joint Announcement
"PNG Shareholder(s)"	the holder(s) of the ordinary share(s) of HK$0.01 each in the issued share capital of PNG
"PRC"	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China
"Prospectus Documents"	the prospectus to be issued by CAP to its shareholders in respect of the Rights Issue, the PAL(s) and the EAF(s)
"Qualifying Shareholder(s)"	the CAP Shareholder(s), whose names appear on the register of members of CAP as at the Record Date, other than the Excluded Shareholders
"Record Date"	Friday, 28 February 2014, being the date by reference to which entitlements to the Rights Issue will be determined
"Rights Issue"	the proposed issue of Rights Shares by CAP by way of rights to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents

"Rights Share(s)"	1,106,619,045 Adjusted Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of fifteen (15) Adjusted Shares for every one (1) Adjusted Share held on the Record Date pursuant to the Rights Issue
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the underwriting of the Underwritten Shares by WTY Underwriter under the Rights Issue pursuant to the Underwriting Agreement
"Share Consolidation"	the consolidation of share(s) in the issued share capital of CAP whereby every forty (40) CAP Shares of nominal value of HK$0.01 each in the issued share capital of CAP will be consolidated into one (1) Consolidated Share of nominal value of HK$0.40
"Shareholder(s)"	the holder(s) of the Share(s)
"Share(s)"	the ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Specified Event"	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time For Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.465 per Rights Share
"subsidiary(ies)"	has the meaning ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers

"Underwriters"	WYT Underwriter, WOG Underwriter and Kingston
"Underwriting Agreement"	the underwriting agreement dated 4 December 2013 entered into between the Company, CAP, WOG and the Underwriters in relation to the Rights Issue
"Underwritten Share(s)"	all the Rights Shares in excess of the aggregate of: (i) 260,892,060 Rights Shares that will be provisionally allotted to and subscribed for by Onger Investments and Mailful Investments (or their respective associates) pursuant to the PNG Irrevocable Undertaking and the WOG Irrevocable Undertaking, respectively; and (ii) 63,000,000 Rights Shares for which Onger Investments (or its associates) will subscribe by way of excess application pursuant to the PNG Irrevocable Undertaking, which are fully underwritten by the Underwriters pursuant to the terms and subject to the conditions of the Underwriting Agreement
"Untaken Share(s)"	all those Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker's cashier order for the full amount payable on the applications which are honoured on first, or at the option of the CAP, subsequent presentation) have not been lodged for acceptance by Qualifying Shareholders, or received, as the case may be, on or before the Latest Time For Acceptance
"Whitewash Waiver"	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligation of the Concert Group to make a general offer for all the issued Adjusted Shares not already owned or agreed to be acquired by the Concert Group which may otherwise arise as a result of the subscription of the Rights Shares by the Concert Group pursuant to the PNG Irrevocable Undertaking, the WOG Irrevocable Undertaking and the Underwriting Agreement
"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 Group"	WOG and its subsidiaries

* *For identification purpose only*

"WOG Irrevocable Undertaking"	an irrevocable undertaking dated 4 December 2013 given by Mailful Investments in favor of CAP as described in the section headed "1. The WOG Irrevocable Undertaking" in Part E of the Joint Announcement
"WOG Underwriter"	Huge Thrive Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of WOG
"WYT Underwriter"	Ultimate Fame Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"%"	per cent.

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)

Executive Directors:
Mr. Tang Ching Ho, *JP (Chairman)*
Mr. Chan Chun Hong, Thomas
(Managing Director)
Ms. Tang Mui Fun

Independent non-executive Directors:
Mr. Leung Wai Ho, *MH*
Mr. Yuen Chi Choi
Mr. Siu Man Ho, Simon
Mr. Cho Wing Mou

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

23 January 2014

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE UNDERWRITING OF THE RIGHTS ISSUE PROPOSED BY CHINA AGRI-PRODUCTS EXCHANGE LIMITED

INTRODUCTION

Reference is made to the Joint Announcement in respect of, among other things, the underwriting of the Rights Issue pursuant to the Underwriting Agreement. As stated in the Joint Announcement, CAP proposes to raise gross proceeds of approximately HK$514.6 million, before expenses, by way of the Rights Issue. CAP proposes under the Rights Issue to allot and issue 1,106,619,045 Rights Shares at the Subscription Price of HK$0.465 per Rights Share, on the basis of fifteen (15) Adjusted Shares for every one (1) Adjusted Share held on the Record Date. The Rights Issue is conditional on, among other things, the Capital Reorganisation becoming effective.

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Subject to the satisfaction of the conditions of the Rights Issue and on the basis of 1,106,619,045 Rights Shares being issued, 73,774,603 Bonus Shares will be issued on the basis of one (1) Bonus Share for every fifteen (15) Rights Shares taken up under the Rights Issue.

The underwriting by WYT Underwriter of 228,000,000 Rights Shares (being half of the total Underwritten Shares that WYT Underwriter and WOG Underwriter have agreed to underwrite) under the Underwriting Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. It is subject to the notification, publication and shareholders' approval requirements under the Listing Rules.

The purpose of this circular is to provide you with, among other things, further details of the Underwriting Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules and a notice convening the SGM.

THE UNDERWRITING AGREEMENT

On 4 December 2013, WYT Underwriter, WOG Underwriter, WOG, Kingston, CAP and the Company entered into the Underwriting Agreement pursuant to which the Underwriters agreed to fully underwrite the proposed Rights Issue in the following manner:

(i) WYT Underwriter and WOG Underwriter have agreed to underwrite in total the first 456,000,000 Rights Shares (assuming no further CAP Share or Adjusted Share will be issued or repurchased on or before the Record Date);

(ii) WYT Underwriter and WOG Underwriter have agreed that each of them will take up an equal share of the total Underwritten Shares that they are required to take up under the Underwriting Agreement, being 228,000,000 Rights Shares each; and

(iii) Kingston has agreed to fully underwrite all remaining Underwritten Shares not already taken up by WYT Underwriter and WOG Underwriter, being 326,726,985 Rights Shares.

Each of the Underwriters will receive a commission fee of 2.5% of the aggregate Subscription Price in respect of their respective maximum number of Underwritten Shares agreed to be underwritten by each of them.

Principal Terms of the Underwriting Agreement

Date	:	4 December 2013
Parties	:	(i) CAP; (ii) WYT Underwriter, a wholly-owned subsidiary of the Company; (iii) WOG Underwriter, a wholly-owned subsidiary of WOG; (iv) the Company; (v) WOG; and (vi) Kingston. Kingston and its ultimate beneficial owners are Independent Third Parties.
Total number of Underwritten Shares	:	782,726,985 Rights Shares, being the total number of Rights Shares to be issued by CAP minus the maximum aggregate number of Rights Shares to be subscribed and paid for by Onger Investments and Mailful Investments under the Irrevocable Undertakings and on the basis that no further CAP Share or Adjusted Share will be issued or repurchased on or before the Record Date.
Commission	:	2.5% of the aggregate Subscription Price in respect of the respective maximum number of Underwritten Shares agreed to be underwritten by each of the Underwriters. The commission rates were determined after arm's length negotiations between CAP and the Underwriters with reference to, among other things, the scale of the Rights Issue and the Bonus Issue and the market rate.
Latest Time For Termination	:	4:00 p.m. on the fourth Business Day after the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriters and CAP in writing, being the latest time to terminate the Underwriting Agreement.

Underwriting obligation of each Underwriters

WYT Underwriter and WOG Underwriter have agreed to underwrite in total the first 456,000,000 Rights Shares (assuming no further CAP Share or Adjusted Share will be issued or repurchased on or before the Record Date).

WYT Underwriter and WOG Underwriter have agreed that each of them will take up an equal share of the total Underwritten Shares that they are required to take up under the Underwriting Agreement, being 228,000,000 Rights Shares each.

Kingston has agreed to fully underwrite all remaining Underwritten Shares that have not been taken up by WYT Underwriter and WOG Underwriter, being 326,726,985 Rights Shares.

Other undertakings

Each of WYT Underwriter and WOG Underwriter is required under the Underwriting Agreement to ensure that each of the subscribers of the Untaken Shares procured by it, other than itself and any members of the Concert Group or their respective associates, shall be an Independent Third Party. As at the date of this circular, neither WYT Underwriter nor WOG Underwriter has entered into or intends to enter into any sub-underwriting arrangement in respect of any Untaken Shares.

Kingston shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it, its associates and parties acting in concert with it in CAP to reach 10% or more of the voting rights of CAP upon the completion of the Rights Issue and the Bonus Issue.

Kingston shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it: (i) shall be an Independent Third Party and not acting in concert with any members of the Concert Group; and (ii) shall not, together with any of the subscriber's associates and parties acting in concert with the subscriber, hold 10% or more of the voting rights of CAP upon completion of the Rights Issue and the Bonus Issue.

In consideration of CAP proceeding with the Rights Issue and the Bonus Issue, each of the Company and WOG has irrevocably undertaken to CAP that it will procure the due and punctual performance, observance and compliance by WYT Underwriter and WOG Underwriter, respectively, of all of their respective obligations under the Underwriting Agreement.

Conditions of the Rights Issue and the Bonus Issue

The Rights Issue and the Bonus Issue are subject to, among other things, the following conditions:

(i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two CAP Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies Ordinance as having been approved by resolutions of the CAP Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the date of despatch of the Prospectus Documents;

(ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the prospectus to be issued by CAP in respect of the Rights Issue to the Excluded Shareholders, if any, for information purposes only, on or before the date of despatch of the Prospectus Documents;

(iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Adjusted Shares, the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares by no later than the first day of their dealings;

(iv) the Underwriting Agreement not being terminated by any of the Underwriters pursuant to the terms thereof prior to the Latest Time For Termination;

(v) the passing of the necessary resolution(s) by the CAP Shareholders (or, where applicable, the CAP Independent Shareholders) at the CAP SGM approving and confirming: (a) the Capital Reorganisation; (b) the Rights Issue and the Bonus Issue and the transactions contemplated thereunder and authorising the CAP Directors to allot and issue the Rights Shares (in their nil-paid and fully-paid forms) and the Bonus Shares; and (c) the Whitewash Waiver, each in accordance with the bye-laws, the Listing Rules and the Takeovers Code on or before the Record Date;

(vi) the passing of the necessary resolution(s) by the PNG Shareholders at the PNG EGM to approve, among other things, the subscription of Rights Shares (including by way of excess application) under the Rights Issue pursuant to the PNG Irrevocable Undertaking and the transactions contemplated thereunder;

(vii) the Executive granting to the Concert Group the Whitewash Waiver and the satisfaction of all conditions (if any) attached thereto and such other necessary waiver or consent as may be required to be obtained from the Executive for the transactions contemplated under the Rights Issue and the Bonus Issue;

(viii) the Capital Reorganisation having become effective;

(ix) the compliance with and performance of all undertakings and obligations of Onger Investments, or any of its respective associates, under the PNG Irrevocable Undertaking;

(x) the passing of the necessary resolution(s) by the Shareholders at the SGM to approve, among other things, the underwriting of the Underwritten Shares by WYT Underwriter under the Rights Issue pursuant to the Underwriting Agreement and the transactions contemplated thereunder;

(xi) the compliance with and performance of all undertakings and obligations of Mailful Investments, or any of its respective associates, under the WOG Irrevocable Undertaking;

(xii) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares and the Bonus Shares; and

(xiii) there being no Specified Event occurring prior to the Latest Time For Termination.

The conditions are incapable of being waived. If any of the above conditions is not satisfied in whole by the Latest Time For Termination (or such other time and/or date specified therein) or such other time and/or date as CAP and the Underwriters may agree in writing, the Underwriting Agreement shall be terminated accordingly and the Rights Issue will not proceed. In such circumstance, no party shall have any claim against the other parties for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

The Underwriting Agreement may be terminated by any of the Underwriters prior to the Latest Time For Termination upon the occurrence of certain events. If, prior to the Latest Time For Termination:

(i) in the absolute opinion of any of the Underwriters, the success of the Rights Issue and/or the Bonus Issue would be materially and adversely affected by:

  (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the CAP Group as a whole or is materially adverse in the context of the Rights Issue and/or the Bonus Issue; or

  (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the CAP Group as a whole or materially and adversely prejudice the success of the Rights Issue and/or the Bonus Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue and/or the Bonus Issue; or

(ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any of the Underwriters is likely to materially or adversely affect the success of the Rights Issue and/or the Bonus Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue and/or the Bonus Issue; or

(iii) there is any change in the circumstances of CAP or any member of the CAP Group which in the absolute opinion of any of the Underwriters will adversely affect the prospects of CAP, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the CAP Group or the destruction of any material asset of the CAP Group; or

(iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(v) any other material adverse change in relation to the business or the financial or trading position or prospects of the CAP Group as a whole whether or not ejusdem generis with any of the foregoing; or

(vi) any matter which, had it arisen or been discovered immediately before the date of the prospectus to be issued by CAP to its shareholders in respect of the Rights Issue and not having been disclosed in the same, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Rights Issue and/or the Bonus Issue; or

(vii) any suspension in the trading of securities generally or CAP's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any halt or suspension in connection with the clearance of the Joint Announcement, the CAP Circular, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue and/or the Bonus Issue; or

(viii) any moratorium, suspension or material restriction on trading of the CAP Shares or Adjusted Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

any of the Underwriters shall be entitled by notice in writing to CAP and the other Underwriters, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

Any of the Underwriters shall also be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time For Termination:

(i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters; or

(ii) any Specified Event comes to the knowledge of any of the Underwriters.

If the Underwriters exercise their right to terminate the Underwriting Agreement pursuant to the terms therein, all obligations of the Underwriters thereunder shall cease and determine and no party shall have any claim against any other part (save for any antecedent breaches thereof) and the Rights Issue and the Bonus Issue will not proceed.

INFORMATION RELATING TO THE RIGHTS ISSUE AND THE BONUS ISSUE BY CAP

Issue Statistics

Basis of the Rights Issue	:	Fifteen (15) Adjusted Shares for every one (1) Adjusted Share held on the Record Date
Basis of the Bonus Issue	:	One (1) Bonus Share for every fifteen (15) Rights Shares taken up
Subscription Price	:	HK$0.465 per Rights Share payable in full on acceptance
Number of CAP Shares in issue as at the Latest Practicable Date	:	2,950,984,135 CAP Shares
Number of Adjusted Shares in issue upon completion of the Capital Reorganisation	:	73,774,603 Adjusted Shares (assuming that no further CAP Share is issued or repurchased between the Latest Practicable Date and the date on which the Capital Reorganisation becomes effective)
Number of Rights Shares pursuant to the Rights Issue	:	1,106,619,045 Adjusted Shares
Number of Bonus Shares pursuant to the Bonus Issue	:	73,774,603 Adjusted Shares
Total number of issued Adjusted Shares upon completion of the Rights Issue and the Bonus Issue	:	1,254,168,251 Adjusted Shares

The aggregate of the 1,106,619,045 Rights Shares and the 73,774,603 Bonus Shares represents:

(i) approximately 1,600% of the number of Adjusted Shares immediately upon completion of the Capital Reorganisation (based on CAP's existing issued share capital as at the Latest Practicable Date); and

(ii) approximately 94.12% of CAP's issued share capital as enlarged by the issue of the Rights Shares and the Bonus Shares.

Subscription Price

The Subscription Price is HK$0.465 per Rights Share, payable in full on acceptance. The Subscription Price represents:

(i) a discount of approximately 89.71% to the adjusted closing price of HK$4.52 per Adjusted Share, based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(ii) a discount of approximately 89.43% to the adjusted average closing price of approximately HK$4.40 per Adjusted Share, based on the average closing price of approximately HK$0.110 as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(iii) a discount of approximately 31.21% to the theoretical ex-entitlement price of approximately HK$0.676 per Adjusted Share after the Rights Issue (after taking into consideration of the Bonus Issue), based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(iv) a discount of approximately 96.72% to the unaudited net asset value per Adjusted Share of approximately HK$14.19 as at 30 June 2013 as adjusted for the Capital Reorganisation and after taking into account of the net proceeds of approximately HK$53.1 million from the placing of CAP Shares completed in November 2013; and

(v) a discount of approximately 82.39% to the adjusted closing price of HK$2.64 per Adjusted Share, based on the closing price of HK$0.066 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Capital Reorganisation.

Since every one (1) Bonus Share will be issued upon the subscription of fifteen (15) Rights Shares, for illustrative purpose, the average price for each Adjusted Share to be allotted and issued under the Rights Issue and the Bonus Issue will be approximately HK$0.436, which represents:

(i) a discount of approximately 90.35% to the adjusted closing price of HK$4.52 per Adjusted Share, based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(ii) a discount of approximately 90.09% to the adjusted average closing price of approximately HK$4.40 per Adjusted Share, based on the average closing price of approximately HK$0.110 as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(iii) a discount of approximately 35.50% to the theoretical ex-entitlement price of approximately HK$0.676 per Adjusted Share after the Rights Issue (after taking into consideration of the Bonus Issue), based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;

(iv) a discount of approximately 96.93% to the unaudited net asset value per Adjusted Share of approximately HK$14.19 as at 30 June 2013 as adjusted for the Capital Reorganisation and after taking into account of the net proceeds of approximately HK$53.1 million from the placing of CAP Shares completed in November 2013; and

(v) a discount of approximately 83.48% to the adjusted average closing price of HK$2.64 per Adjusted Share, based on the average closing price of HK$0.066 as quoted on the Stock Exchange for the Latest Practicable Date and adjusted for the effect of the Capital Reorganisation.

Status of the Rights Shares and the Bonus Shares

The Rights Shares and the Bonus Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares and the Bonus Shares. Holders of the Rights Shares and the Bonus Shares will be entitled to receive all future dividends and distributions of CAP which are declared, made or paid on or after the date of allotment and issue of the Rights Shares and the Bonus Shares. Dealings in the Rights Shares and the Bonus Shares will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Reasons for the Rights Issue and the Bonus Issue

The following sets out the reasons for the Rights Issue and the Bonus Issue in the view of the CAP Board as set out in the Joint Announcement and referred to in the section entitled "Reasons for underwriting the Underwritten Shares under the Underwriting Agreement".

The CAP Group is currently engaged in the business of property rental and property sale in respect of agricultural produce exchanges in the PRC.

The CAP Board is optimistic about the future development of CAP because of the continuing support of the agricultural sector by the PRC government including implementation of various positive policy supports and financial assistance given by the PRC government to the agricultural sector.

Furthermore, the total value of the CAP Group's investment properties and stock of properties as at 30 June 2013 is approximately HK$3.9 billion and its properties portfolio includes a total land reserve of approximately 1.3 million square metres as at 30 June 2013.

As set out in the Joint Announcement, the agricultural sector has historically been an important component of China's economy and for the China's Twelfth Five Year Plan (2011-2015), the PRC government aims to enhance the industry based on the national modern agriculture development plan. Pursuant to the plan, the PRC government will: (i) establish a mechanism to ensure steady increase in agricultural investment, including the continual increase in investment to boost agricultural production, rural development and farmers' well-being, improving the rural financial services, as well as guiding social resources into agriculture; (ii) strengthen support and protection for agriculture, by improving agricultural subsidy policy, adopting and improving the reward and subsidy scheme for agricultural production and to improve regulatory mechanism for agricultural market; and (iii) open agriculture wider to the outside world by promoting international cooperation in agriculture and enhancing international agricultural trade.

Taking into account the strong growth in the overall PRC economy and the favorable government policy in respect of the agricultural industry which lead to an increase of property value and rental income of agricultural produce exchanges as well as optimistic market sentiments, coupled with the appreciation of the Renminbi, the CAP Board expects that the CAP Group's investments in the PRC agricultural produce exchanges would continue to grow in the current economic environment thereby bringing a positive and satisfactory economic return to CAP and the CAP Shareholders as a whole.

Further set out in the Joint Announcement, in view of the optimistic future prospects of the business of the CAP Group, the Rights Issue and the Bonus Issue will strengthen the capital base of CAP so that CAP will be in a position to capture more business opportunities associated with its principal business engagements ahead.

The expenses in relation to the Rights Issue and the Bonus Issue, including financial, legal and other professional advisory fees, underwriting commissions, printing and translation expenses, will be borne by CAP. Having sought financing in various ways such as equity placing and bank and other borrowings and having considered the costs of such fund-raising alternatives, the CAP Board (excluding the independent non-executive CAP Directors whose opinion will be set out in the CAP Circular, after having been advised by an independent financial adviser) consider the Rights Issue as presently the most commercially viable option for CAP in the prevailing circumstances for the following reasons:

(i) benefits of a rights issue — the Rights Issue affords all CAP Shareholders equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares and hence avoids dilution, and participate as fully as they wish in the growth opportunity of CAP by way of applying for excess Rights Shares. It also allows the Qualifying Shareholders who decide not to take up their entitlements under the Rights Issue to sell the nil-paid Rights Shares in the market for economic benefit. By comparison, had CAP raised equity of similar size in the form of a placing, then such an exercise would not have allowed the CAP Shareholders the right to participate in the capital exercise and they would be diluted without being an opportunity to maintain their percentage interests;

(ii) costs of other fund-raising alternatives — as of 30 June 2013, the CAP Group has the following outstanding interest-bearing bank and other borrowings:

Type of Borrowings	**Approximate Outstanding Amount** *(in HK$ million)*	**Interest Rate** *(% per annum)*
Bank loans	409.0	5.8 - 7.8
Loans from the Concert Group	1,195.0	10.0 - 12.0
Third party loans	55.0	12.0
Total	1,659.0	

This represented a gearing ratio of approximately 166.92% as of 30 June 2013, which is calculated by dividing the total outstanding loan amount of approximately HK$1,659.0 million by total equity in the amount of approximately HK$993.9 million. CAP notes that an issuance of convertible bonds would increase the gearing of CAP without strengthening CAP's equity base until the bond is converted, at which time the existing shareholders of CAP will still suffer a dilution. As for additional bank borrowings, such would further increase CAP's gearing ratio without strengthening its equity base and there is no assurance that such borrowings of this size can be obtained; and

(iii) efforts in seeking other financing alternatives — while CAP has considered, and is still actively searching for, other financing alternatives including equity and debt financing, it is uncertain as to when and on what terms these financing alternatives will be made available. In particular, CAP has completed a placing of CAP Shares on 6 November 2013 and has approached certain financial institutions and obtained certain loan facilities, in addition to obtaining the loans from the Company, PNG and WOG. Among the options that CAP has considered is a long term bond with effective interest rate of approximately 11.3% per year and borrowings from the PRC banks and financial institutions with effective interest rate of between 11.0% to 18.0% per year.

The Rights Issue will allow CAP to strengthen its capital base and liquidity without incurring interest costs. The Rights Issue will also allow CAP to materially reduce its gearing ratio, thereby improving the financial health of the CAP Group. Taking into account the capital needs of the CAP Group, the benefits of the Rights Issue and the Bonus Issue and the costs of other fund-raising alternatives, the CAP Board (excluding the independent non-executive CAP Directors whose opinion will be set out in the CAP Circular, after having been advised by an independent financial adviser) is of the view that the Rights Issue and the Bonus Issue are in the interests of CAP and the CAP Shareholders as a whole.

REASONS FOR UNDERWRITING THE UNDERWRITTEN SHARES UNDER THE UNDERWRITING AGREEMENT

In light of the reasons for the Rights Issue and the Bonus Issue given by the CAP Board as mentioned in the above section headed "Reasons for the Rights Issue and the Bonus Issue", the Directors believe that the Rights Issue and the Bonus Issue will be able to strengthen the capital base of CAP so that CAP will be in a position to capture more business opportunities associated with its principal business engagements ahead and has also considered the following reasons on whether the terms of the Underwriting Agreement are fair and reasonable:

- CAP's future development in the PRC agricultural produce exchanges: The Board is optimistic about the future prospect of CAP.

- Continuous profitable performance: The CAP Group has consecutively recorded profits since the financial year ended 31 December 2011 with profits attributable to the CAP Shareholders of: (a) approximately HK$38.1 million for the six months ended 30 June 2013; (b) approximately HK$145.7 million for the year ended 31 December 2012; and (c) approximately HK$117.7 million for the year ended 31 December 2011. The underwriting of the Underwritten Shares may provide the Group an opportunity to enjoy future return of CAP and will ensure that the Rights Shares are fully subscribed for.

- Subscription Price: The Board considers the Subscription Price to be attractive in that it represents: (i) a discount of approximately 89.71% to the adjusted closing price of HK$4.52 per Adjusted Share, based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation; (ii) a discount of approximately 31.21% to the theoretical ex-entitlement price of approximately HK$0.676 per Adjusted Share after the Rights Issue (after taking into consideration of the Bonus Issue), based on the closing price of HK$0.113 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation; (iii) a significant discount of approximately 96.72% to the unaudited net asset value per Adjusted Share of approximately HK$14.19 as at 30 June 2013 as adjusted for the Capital Reorganisation and after taking into account of the net proceeds of approximately HK$53.1 million from the placing of CAP Shares completed in November 2013; (iv) a discount of approximately 82.39% to the adjusted closing price of HK$2.64 per Adjusted Share, based on the closing price of HK$0.066 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Capital Reorganisation; and (v) a deep discount of the average subscription price of HK$0.436 (taking into account the Bonus Issue) against the net assets value of CAP of approximately HK$1.23 per Adjusted Share upon the completion of the Rights Issue and the Bonus Issue which is based on the net asset value as at 30 June 2013 having considered the net proceeds from the placing of CAP Shares completed in November 2013 and the net proceeds from the Rights Issue. Accordingly, the Board considers that the Rights Issue presents a valuable investment opportunity to the Group.

- Higher return on equity: Based on the profit attributable to the Shareholders of approximately HK$148.4 million for the year ended 31 March 2013 and the net asset value attributable to the Shareholders of approximately HK$1,677.3 million as at 31 March 2013, the return on equity of the Group was approximately 8.85%. Based on the profit attributable to the CAP Shareholders of approximately HK$145.7 million for the year ended 31 December 2012 and the net asset value attributable to the CAP Shareholders of approximately HK$917.7 million as at 31 December 2012, the return on equity of the CAP Group of approximately 15.88% was much higher than that of the Group.

Taking into consideration of the above reasons, the Board considers that the terms of the Underwriting Agreement are fair and reasonable and the underwriting by WYT Underwriter of the Underwritten Shares pursuant to the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE UNDERWRITING AGREEMENT ON THE GROUP'S SHAREHOLDING IN CAP AND THE FINANCIAL IMPACT ON THE COMPANY

As of the Latest Practicable Date, the Company, through its wholly-owned subsidiary, held approximately 28.86% interest in PNG which, through its wholly-owned subsidiary, held approximately 23.54% interest in CAP. Furthermore, as of the Latest Practicable Date, Mr. Chan Chun Hong, Thomas, the executive Director and managing director of the Company, was also an executive director of PNG and CAP. CAP is independent of the Company and is not a connected person of the Company. Assuming: (i) none of the Qualifying Shareholders (other than Onger Investments and Mailful Investments which will subscribe for Rights Shares pursuant to the PNG Irrevocable Undertaking and the WOG Irrevocable Undertaking respectively) or the transferees to whom any Qualifying Shareholders have transferred their rights to the provisionally allotted nil paid Rights Shares take up the Rights Shares to which they are entitled by the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the PAL(s); and (ii) WYT Underwriter takes up 228,000,000 Rights Shares pursuant to the Underwriting Agreement, the direct and indirect interests of the Group in the issued share capital of CAP immediately upon completion of the Rights Issue and the Bonus Issue will increase from nil to approximately 19.39%.

In such circumstances, the Group's investment in CAP will be accounted for as an available-for-sale investment which will be measured at fair value at each period end date with unrealised gains or losses recognised as other comprehensive income through the available-for-sale investment revaluation reserve until the investment is derecognised or impaired.

Based on the assumptions set out above, WYT Underwriter will pay a maximum amount of approximately HK$106.0 million to take up 228,000,000 Rights Shares pursuant to the Underwriting Agreement. The consideration will be fully satisfied in cash by the Group's internal resources. WYT Underwriter will also receive approximately HK$2.7 million as commission fee pursuant to the Underwriting Agreement. The underwriting by WYT Underwriter of the Underwritten Shares pursuant to the Underwriting Agreement will increase the Group's earning and the asset value of approximately HK$2.7 million. Details of such effect on the assets and liabilities of the Group are set out in Appendix III to this circular.

INFORMATION OF THE GROUP AND CAP

The Group 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, health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; and (iii) property investment.

The CAP Group is currently engaged in the business of property rental and property sale in respect of agricultural produce exchanges in the PRC.

According to the interim report of CAP for the six months ended 30 June 2013, the total equity attributable to owners of CAP is approximately HK$993.9 million. The following information is extracted respectively from the unaudited interim results of CAP for the six months ended 30 June 2013 and the audited financial statements of CAP for the two financial years ended 31 December 2011 and 2012:

	For the six months ended 30 June 2013 (Unaudited) *(HK$'000)*	**For the financial year ended 31 December 2012** (Audited) *(HK$'000)*	**For the financial year ended 31 December 2011** (Audited) *(HK$'000)*
Revenue	259,267	287,482	211,845
Profit before taxation	120,611	351,972	275,603
Profit after taxation	59,280	216,484	215,437
Profit attributable to owners of the Company	38,070	145,678	117,717

LISTING RULES IMPLICATION

The applicable percentage ratio(s) in respect of the underwriting by WYT Underwriter of up to 228,000,000 Rights Shares (being half of the total Underwritten Shares that WYT Underwriter and WOG Underwriter have agreed to underwrite) under the Underwriting Agreement and the issue to WYT Underwriter of 15,200,000 Bonus Shares pursuant to the Bonus Issue exceeds 25% but is less than 100%, the underwriting by WYT Underwriter pursuant to the Underwriting Agreement and the transactions contemplated thereunder therefore constitute a major transaction for the Company under Chapter 14 of the Listing Rules. It is subject to the notification, publication and shareholders' approval requirements under the Listing Rules.

THE SGM

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular for the purpose of considering and, if thought fit, approving the relevant resolution to approve, among other things, the underwriting by WYT Underwriter of up to 228,000,000 Rights Shares, being half of the total Underwritten Shares that WYT Underwriter and WOG Underwriter have agreed to underwrite pursuant to the Underwriting Agreement and the transactions contemplated thereunder.

Other than Rich Time Strategy Limited ("**Rich Time**"), an indirect wholly-owned subsidiary of WOG and a Shareholder owning beneficially 729,042,034 Shares, representing approximately 24.87% of the total issued share capital of the Company, no Shareholder has any material interest in the Underwriting Agreement and any transactions contemplated thereunder which is materially different from the other Shareholders. Accordingly, no Shareholder other than Rich Time will be required to abstain from voting at the SGM.

Pursuant to Rules 13.39(4) and 13.39(5) of the Listing Rules, the voting on the proposed resolution at the SGM will be taken by way of a poll and an announcement on the poll results will be made by the Company after the SGM.

Whether or not you are able to attend and vote in person at the SGM, you are requested to complete the accompanying enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the transactions contemplated under the Underwriting Agreement are fair and reasonable and believe that the entering into of the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution approving, confirming and ratifying the entering into of the Underwriting Agreement and the transactions contemplated thereunder at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Tang Mui Fun
Executive Director

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for (i) each of the three years ended 31 March 2011, 2012 and 2013 are disclosed in the annual reports of the Company for the years ended 31 March 2011 (pages 26 to 107), 2012 (pages 34 to 113) and 2013 (pages 39 to 126), respectively; and (ii) for the six months ended 30 September 2013 is disclosed in the interim report of the Company for the six months ended 30 September 2013 (pages 20 to 50). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2011, 2012 and 2013.

The annual reports of the Company for the three years ended 31 March 2013 and the interim report of the Company for the six months ended 30 September 2013 are published on both of the websites of the Stock Exchange (*http://www.hkexnews.hk*) and the Company (*http://www.wyth.net*), respectively.

Quick links

Annual reports of the Company for the financial years ended 31 March 2011, 2012 and 2013 are available at the following internet links:

http://www.hkexnews.hk/listedco/listconews/SEHK/2011/0628/LTN20110628491.pdf;

http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0716/LTN20120716315.pdf; and

http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0722/LTN20130722453.pdf

Interim report of the Company for the six months ended 30 September 2013 is available at the following internet link:

http://www.hkexnews.hk/listedco/listconews/SEHK/2013/1210/LTN20131210325.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2013, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had outstanding bank loans of approximately HK$341.7 million, of which bank loans with an aggregate amount of approximately HK$336.3 million were secured by the Group's land and buildings and investment properties and certain rental income generated from there. The carrying values of the Group's land and buildings and investment properties as at 30 November 2013, which were pledged to secure the Group's bank loans, amounted to approximately HK$157.3 million and approximately HK$455.0 million, respectively.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 30 November 2013, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 30 November 2013 and up to the Latest Practicable Date.

3. WORKING CAPITAL

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group 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, health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; and (iii) property investment. There is no change in the Group's principal activities since 31 March 2013, being the date on which the latest published audited consolidated financial statements of the Group were made up.

For the six-month period ended 30 September 2013, the Group continued to achieve a satisfactory business growth and recorded a turnover of approximately HK$418.6 million (2012: approximately HK$365.7 million), representing a growth of approximately 14.5% over the same period last year. Besides, the Group recorded a significant increase in profit for the six months ended 30 September 2013 as compared to the corresponding period in 2012, achieving a profit attributable to owners of the parent of approximately HK$59.1 million (2012: approximately HK$33.7 million). Such improvement in result was mainly attributable to, among other things, (i) the increase in gross profit resulting from the increase in the Group's turnover; (ii) the gain from change in fair value of investments held-for-trading for the six months ended 30 September 2013 as compared to the loss recorded in the corresponding period in 2012; (iii) our increasing focus and resources to boost the alternative sale channels, promote the brand awareness and enhance quality control so as to reinforce customers' confidence and loyalty on our quality products; and (iv) the positive and stable sales in the western pharmaceutical, health food and personal care products resulting from the diversification of the product portfolio, continuation of product development, addition of promotion effort, increase of product penetration and appearance in different sale channel.

The Group will continue to make efforts to expand its product range, broaden its customer base, strengthen quality control and enhance marketing and promotion activities so as to further uplift the image and competitiveness of its brands and its products. Realising that people have attached greater importance to personal health and well-being, we will produce more educational information relating to these topics and will publish in various media which can show to the public our dedication within the industry. Proven that there is a strong growth potential in other sale channels, such as chain stores, key accounts, open trade, etc., we will further increase our focus and concentration by adding more resources, including manpower, incentives, advertising and promotion budget to develop these alternative sale channels, with the target to balance the risk and reliance on retail business and shifting towards a more healthy sale channel mix. Besides, we continue to make use of the cyber world, such as cooperating with other agencies focusing on group purchase business, setting up a fans page on Facebook and launching related application for smartphones, which have already been recognised as an effective and efficient way to promote our brands and products and bring in potential new customers from the younger generation. On the other hand, we will also evaluate merger and acquisition opportunities as a means to speed up growth if it can bring synergy to our existing business, as well as diversification of its investment portfolio for strengthening and broadening its income base.

In addition, we will adopt various cost control measures, such as exploring new suppliers to ensure raw materials purchased are of high quality and at competitive prices, reviewing various operating cycles and processes so as to improve our production efficiency and restructuring some of our retail shops, whether location or shop size, to achieve greater sales revenue deriving from lower overall rental costs, our management seeks to maintain its profitability. Also, we will consider acquiring suitable retail premises, both for long term capital appreciation purpose and to minimise the effect of the rising trend in rental costs.

Going forward, expanding the our pharmaceutical manufacturing business and fulfilling the stringent change of quality control in the pharmaceutical industry is the next milestone of the Group. Taking the opportunity that we have been granted the lease of a piece of land located at Yuen Long Industrial Estate, we are keen to construct a new and modernised five-storey factory building to house its pharmaceutical (western drug) manufacturing and traditional Chinese medicine manufacturing. We will also introduce the latest technologies and incorporate a research and development centre into this new factory. As such, we are confident that our leading position as a local Hong Kong brand in the pharmaceutical industry will be further strengthened.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2013, being the date on which the latest published audited consolidated financial statements of the Group were made up.

1. FINANCIAL INFORMATION OF THE CAP GROUP

Financial information of the CAP Group for (i) each of the three years ended 31 December 2010, 2011 and 2012 are disclosed in annual reports of CAP for the years ended 31 December 2010 (pages 35 to 105), 2011 (pages 35 to 107) and 2012 (pages 35 to 111), respectively; and (ii) for the six months ended 30 June 2013 is disclosed in the interim report of CAP for the six months ended 30 June 2013 (pages 14 to 34).

The annual reports of the CAP for the three years ended 31 December 2012 and the interim report of CAP for the six months ended 30 June 2013 have been published on both of the websites of the Stock Exchange (*http://www.hkexnews.hk*) and CAP (*http://www.cnagri-products.com*).

Quick links

Annual reports of CAP for the financial years ended 31 December 2010, 2011 and 2012 are available at the following internet links:

http://www.hkexnews.hk/listedco/listconews/SEHK/2011/0330/LTN20110330365.pdf;

http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0327/LTN201203271161.pdf; and

http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0415/LTN20130415780.pdf.

Interim report of CAP for the six months ended 30 June 2013 is available at the following internet link:

http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0909/LTN20130909505.pdf.

2. MANAGEMENT DISCUSSION AND ANALYSIS OF CAP GROUP

A. For the year ended 31 December 2010 *(as extracted from the annual report of CAP for the year ended 31 December 2010 and as such, references to "the Company", "the Group" and "the Directors" in the below paragraphs shall be read as references to "CAP", "CAP Group" and "CAP Directors" respectively)*

SUMMARY OF OPERATING RESULTS

Turnover and gross profits

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK$130.0 million, an increase of approximately HK$25.9 million or approximately 24.9% from approximately HK$104.1 million for the previous financial year. The increase was mainly attributable to the rental income generated from the Group's three agricultural produce exchange projects in the PRC.

The gross profit of the Group increased by approximately 18.5% to approximately HK$85.9 million from approximately HK$72.5 million for the previous financial year. The gross profit margin of the Group for the financial year was approximately 66.1% as compared to approximately 69.6% for the previous financial year.

Administrative expenses and finance cost

General and administrative expenses were approximately HK$114.6 million (2009: approximately HK$84.4 million). The increase was mainly due to the Yulin project reaching full scale operation and the Group having resumed its own operation of Wuhan Baisazhou exchange in 2010. Other operating expenses amounting to approximately HK$285.8 million mainly represented the impairment of intangible assets due to the rental subcontract agreement and preference of customers (2009: approximately HK$326.2 million). Finance costs were approximately HK$73.2 million (2009: approximately HK$66.0 million) and the increase was mainly due to the interest rate increases of bank and other borrowings incurred to finance the PRC projects.

Loss attributable to equity shareholders

The loss attributable to owners of the Company for the year was approximately HK$325.7 million as compared to a loss of approximately HK$296.3 million for the previous year. The increase in net loss was mainly due to the impairment of intangible assets arising from the Group's acquisition of Wuhan Baisazhou.

DIVIDENDS

The Directors do not recommend any payment of a final dividend for the year ended 31 December 2010 (2009: Nil). No interim dividend was paid to the shareholders of the Company during the year under review (2009: Nil).

REVIEW OF OPERATIONS

During the year under review, the Group was principally engaged in the business of agricultural produce exchanges and restaurant operation, both in the PRC.

Agricultural produce exchanges

As one of the largest agricultural produce exchange operators in the PRC, the Group operates three sites located at Wuhan in Hubei Province, Xuzhou in Jiangsu Province and Yulin in Guangxi.

On 22 November 2010, the Group resumed its own operations of the Wuhan Baisazhou agricultural produce exchange marketplace. Wuhan Baisazhou is one of the largest agricultural produce exchanges in the PRC in terms of transaction volume and site area. It is located at the Hongshan District of Wuhan with a site area of approximately 270,000 square metres and a total gross floor area of approximately 160,000 square metres and comprises more than 2,200 units. The logistics centre provides full scale support services to truck drivers, from hostels, restaurants to supermarkets and truck repairing services. The marketplace provides its customers with a systematic logistics flow in order to maximise customer throughput. We are optimistic that the resumption of operation and management of the Wuhan Baisazhou exchange by our own management will result in an increased contribution to the turnover of the Group.

The agricultural produce exchange in Xuzhou, Jiangsu Province comprises single-storey market stalls and multi-storey godowns and is the major marketplace for the supply of fruit and seafood in Xuzhou city. This marketplace offers a centralised trading place for a wide range of agricultural produce. During the year under review, the business performance of Xuzhou marketplace was very encouraging with a substantial increase in turnover compared to the corresponding figure for 2009.

Our agricultural produce exchange project in Yulin, Guangxi comprises various two-storey market stalls and multi-storey godowns. The completed phase of the project commenced operation in October 2009. After a one-year trail period, the occupancy rate of Yulin project has reached over 90%. During the year under review, the Yulin project continued to expand and construction at the remaining part of the site continued.

Restaurant operation

The total turnover of the Group's two restaurants located in Shenzhen and Beijing was approximately HK$30.6 million (2009: approximately HK$28.8 million).

FUND RAISING ACTIVITIES

Top-up placing and placing of new shares under general mandate

In August 2010, the Company successfully placed a total of 820 million shares to independent third parties at a price of HK$0.05 per share, through a placing agent on a best effort basis, under the general mandate granted to the Directors by the shareholders at the annual general meeting of the Company held on 8 June 2010. Aggregate net proceeds of approximately HK$39.8 million were raised for general working capital purposes and repayment of interest bearing debts.

Placing of new shares under a specific mandate

On 3 February 2010, the Company entered into a placing agreement under which the Company conditionally agreed to place up to 2.3 billion shares of the Company to independent third parties, through a placing agent on a best efforts basis, at a price of HK$0.05 per share under a specific mandate which the Directors then sought and obtained from shareholders at a special general meeting of the Company held on 29 March 2010. Completion of the first tranche of the placing comprising 1.2 billion shares took place on 22 April 2010. Since the other conditions could not be fulfilled before the expiry of the three-month period, the balance of the placing lapsed. Net proceeds of approximately HK$58.4 million were raised for expansion and further development of the Group's agricultural produce exchanges, repayment of interest-bearing debts and other general working capital requirement for the Group.

On 9 November 2010, the Company entered into placing agreements to place a total of 300 million shares, on a fully underwritten basis, and to place up to a maximum of 300 million shares, through a placing agent on a best efforts basis, to independent third parties at a price of HK$0.25 per share under a specific mandate which the Directors then sought and obtained from shareholders at a special general meeting of the Company held on 21 December 2010. Completion of the placing of all of the 300 million fully underwritten shares took place on 5 January 2011 and net proceeds of approximately HK$73.1 million were raised for repayment of loan and reduction of the Group's debt and gearing level and for expansion and further development of the Group's agricultural produce exchanges.

The Directors continue to explore any opportunity with potential investors to raise further funds in order to further strengthen its shareholder base and provide financing for the continuing business development of the Group.

CAPITAL REORGANISATION

During the year, the Company underwent a capital reorganisation which became effective on 4 November 2010 (the "**Capital Reorganisation**") comprising, inter alia, the consolidation of every 10 shares of HK$0.01 each then in issue into one consolidated share of HK$0.10. Details were disclosed in the Company's announcement dated 28 September 2010 and circular dated 18 October 2010.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group had total cash and cash equivalents amounting to approximately HK$81.5 million (2009: approximately HK$155.7 million) whilst total assets and net assets were approximately HK$1,691.9 million (2009: approximately HK$1,860.3 million) and approximately HK$275.3 million (2009: approximately HK$478.4 million), respectively. The Group's gearing ratio as at 31 December 2010 was approximately 2.81 (2009: approximately 1.55), representing the ratio of total bank and other borrowings and promissory notes of approximately HK$854.9 million (2009: approximately HK$898.9 million), net of cash and cash equivalents of approximately HK$81.5 million (2009: approximately HK$155.7 million) to shareholders' funds of approximately HK$275.3 million (2009: approximately HK$478.4 million).

As at 31 December 2010, outstanding capital commitments, contracted but not provided for, amounted to HK$nil (2009: approximately HK$3.7 million), representing commitments in relation to the purchase of property, plant and equipment, and construction contracts. As at 31 December 2010, the Group had pledged the land use rights and bank deposits with an aggregate carrying amount of approximately HK$595.6 million (2009: approximately HK$411.3 million) to secure its bank borrowings.

The revenue and bank deposits of the Group are mainly denominated in Renminbi and Hong Kong dollars. The operating costs are mainly denominated in Hong Kong dollars and Renminbi. Therefore, the Group is not exposed to any material foreign currency exchange risk. The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 December 2010. As at 31 December 2010, the Group had no significant contingent liability (2009: Nil).

PROSPECTS

Looking ahead to 2011, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-developed management system and quality customer services. On 28 February 2011, the Group successfully acquired a piece of land of approximately 160,000 square metres for development into a new agricultural produce exchange. This new site is adjacent to the Group's existing Yulin project which helps to expand our market operations in Guangxi. With the wide geographical coverage of the Group's existing projects located in different cities and the industry knowledge we have accumulated, we are well positioned to expand our network further.

The continued support for the agricultural sector from the PRC government is aimed at increasing peasants' income and improving rural living standards. Different favorable measures have been put in place and include budgetary support strengthened agricultural support policies, systematic protection against the misuse of farmland as well as the encouragement of agricultural technology innovation to accelerate agricultural production cycles. The Group believes that the policy support and financial assistance from the PRC government to the agricultural sector can bring financial benefits to our agricultural produce exchange business.

The Group will continue to focus on intensifying its investment in agricultural produce wholesale markets in the PRC to further entrench its commitment in supporting the State's "Vegetable Basket Project". The Group believes that this strategy will deliver long term benefits to the shareholders of the Company.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2010, the Group had 734 (2009: 460) employees, approximately 97.0% of whom were located in the PRC. The Group's remuneration policy is reviewed periodically and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

B. For the year ended 31 December 2011 *(as extracted from the annual report of CAP for the year ended 31 December 2011 and as such, references to "the Company", "the Group" and "the Directors" in the below paragraphs shall be read as references to "CAP", "CAP Group" and "CAP Directors" respectively)*

SUMMARY OF FINANCIAL RESULTS

Turnover and gross profits

For the year ended 31 December 2011, the Group recorded a turnover of approximately HK$211.8 million, a substantial increase of approximately HK$112.5 million or approximately 113.2% increase from approximately HK$99.3 million of continuing operations for the previous financial year.

The increase is mainly attributable to the increase in turnover of agricultural produce exchange projects and sale of certain properties of the Yulin project to tenants.

The gross profit of the Group is increased by approximately 45.6% to approximately HK$110.1 million from approximately HK$75.6 million of continuing operations for the previous financial year. The gross profit margin of the Group for the financial year is approximately 51.9% as compared to approximately 76.1% for the previous financial year.

Net gain in fair value of investment properties

The rise of net gain in fair value of investment of approximately HK$553.4 million (2010: approximately HK$1.0 million) was mainly due to the increase of property prices in the PRC and rental income of our projects.

Administrative expenses, selling expenses and finance cost

General and administrative expenses were approximately HK$259.3 million (2010: approximately HK$101.8 million). The increase was mainly due to the full year operating expenses of the Wuhan Baisazhou exchange and business development costs incurred at our various projects. Selling expenses were approximately HK$53.6 million (2010: approximately HK$0.5 million) and were mainly attributable to the Group's promotion expenses at the agricultural produce exchange in Wuhan Baisazhou in mid 2011. Finance costs were approximately HK$89.9 million (2010: approximately HK$73.2 million) and such increase was mainly due to obtaining new interest bearing debts during the year under review.

Profit attributable to owners of the Company

The profit attributable to owners of the Company for the year was approximately HK$117.7 million as compared to a loss of approximately HK$325.7 million for the previous year. The turnaround is mainly due to the change of fair value of investment properties of the Group and the sales of shops in the Yulin project.

DIVIDENDS

The Directors do not recommend any payment of final dividend for the year ended 31 December 2011 (2010: Nil). No interim dividend was paid to the shareholders of the Company during the year under review (2010: Nil).

REVIEW OF OPERATIONS

During the year under review, the Group was principally engaged in the business of agricultural produce exchanges and property sale in the PRC. The Group ceased and disposed of its restaurant business in December 2011.

Agricultural produce exchanges

*Wuhan Baisazhou agricultural and by-product exchange market (the "**Wuhan Baisazhou Market**")*

The Wuhan Baisazhou Market, being located in the provincial capital of Hubei Province, is one of the largest agricultural produce exchange operators in the PRC. The Wuhan Baisazhou Market is situated at the Hongshan District of Wuhan with a site area of approximately 270,000 square metres and a total gross floor area of approximately 160,000 square metres.

During the year under review, the operations of the Wuhan Baisazhou Market contributed to the increase of turnover to the Group. In mid 2011, the market carried out a series of marketing campaigns aimed at attracting buying and selling parties to carry out trades in the market.

*Yulin agricultural and by-product exchange market (the "**Yulin Market**")*

The Yulin Market is one of the largest agricultural produce exchanges in Guangxi, the PRC. It has various two-storey market stalls at the leasing stage and a multi-storey godown. In 2011, the occupancy rate of the Yulin Market of the shops and warehouses was an encouraging 90% on average. Both the truck traffic volume and transaction volume of agricultural products in the Yulin Market were satisfactory. During the year under review, some of the shops were sold and contributed to the turnover increase of the Group in 2011.

In order to expand market share of agricultural produce exchange in Guangxi, the Group acquired an adjacent piece of land with an area of approximately 160,000 square metres in February 2011, expanding the land (i.e. to be occupied by the Yulin Market) to more than 400,000 square metres. The Group has commenced construction of phase two of the Yulin Market which when completed (which is planned for April 2012) will be a new income driver to the Group in 2012.

*Xuzhou agricultural and by-product exchange market (the "**Xuzhou Market**")*

The Xuzhou Market occupies approximately 200,000 square metres, being located in northern part of Jiangsu Province at the eastern area of the PRC. It consists of various single-storey market stalls and a multi-storey godown. The Xuzhou Market is the major marketplace for the supply of fruit and seafood in Xuzhou city and the northern part of Jiangsu Province. The operating performance of the Xuzhou Market was satisfactory and its income increased by approximately 27% in 2011 compared with the previous year.

MATERIAL ACQUISITIONS AND DISPOSAL

Acquisition of lands

On 28 February 2011, the Group acquired an adjacent piece of land in Yulin, Guangxi of approximately 160,000 square metres for a consideration of approximately RMB62.7 million for the extension of the Yulin Market, which will expand its existing operations. Construction is in progress.

On 3 November 2011, the Group won a bid at the tender for a piece of land in Qinzhou, Guangxi of approximately 150,000 square metres for a consideration of approximately RMB21.7 million for the planned development of a new agricultural exchange project.

Disposal of restaurant operations

The total turnover of the Group's two restaurants located in Shenzhen and Beijing was approximately HK$32.3 million (2010: approximately HK$30.6 million) and the operating loss after income tax was approximately HK$1.8 million (2010: approximately: HK$2.5 million). Due to the continuous operating loss of our restaurant operations and in order to focus on the agricultural produce exchange business, the Group disposed of all its restaurant operations in December 2011 recording a gain of approximately HK$6.5 million. The net gain after tax of such discontinuing operations was approximately HK$4.7 million. Details of the disposal were referred to in the Company's announcement dated 16 December 2011.

FUND RAISING AND CAPITAL REORGANISATION

Placing of new shares under specific mandates

On 9 November 2010, the Company entered into placing agreements to place a total of 300 million shares, on a fully underwritten basis, and 300 million shares, on a best efforts basis, to independent third parties at a price of HK$0.25 per share under the specific mandates which the Board then sought and obtained approval from shareholders at a special general meeting of the Company held on 21 December 2010. Completion of the placing of all the 300 million fully underwritten shares took place on 5 January 2011 and net proceeds of approximately HK$73.1 million were raised for the repayment of loan and reduction of the Group's debt and gearing level and for expansion and further development of the Group's agricultural produce exchanges. The remaining 300 million best efforts placing shares were not issued and the relevant agreement was terminated in March 2011.

Capital reorganisation and rights issue

On 9 June 2011, the Company announced, inter alia, the following proposals of capital reorganisation (the "**Capital Reorganisation**"), which took effect on 1 August 2011 pursuant to a special resolution passed at the special general meeting of the Company held on the same date, and a proposed rights issue (the "**Rights Issue**"):

(a) the consolidation of the issued shares of the Company (the "**Share Consolidation**") whereby every 10 shares of nominal value of HK$0.10 each in the issued share of the Company was to be consolidated into one consolidated share of nominal value of HK$1.00 (the "**Consolidated Share**");

(b) the reduction of the issued share capital of the Company (the "**Capital Reduction**") whereby (i) the nominal value of all the issued Consolidated Shares was to be reduced from HK$1.00 each to HK$0.01 each (the "**Adjusted Shares**") and the nominal value of the issued share capital of the Company was accordingly to be reduced to the extent of HK$0.99 per Consolidated Share in issue; and (ii) any aggregated number of fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation was to be cancelled;

(c) the subdivision of every one authorised but unissued share of the Company of par value HK$0.10 into 10 Adjusted Shares of HK$0.01 each; and

(d) upon the Capital Reorganisation becoming effective, the Board also proposed to raise gross proceeds of approximately HK$464.4 million, before expenses, by way of the Rights Issue. Pursuant to the Rights Issue, the Company would allot and issue 2,381,597,550 rights shares (the "**Rights Shares**") at the subscription price of HK$0.195 per Rights Share, on the basis of 30 Rights Shares for every one Adjusted Share. The estimated net proceeds of the Rights Issue would be approximately HK$452.2 million and were intended to be applied as to approximately HK$200 million for expansion of the Group's agricultural produce exchanges, approximately HK$150 million for the repayment of interest-bearing debts and the remaining balance of approximately HK$102.2 million as general working capital of the Group.

The Directors continue to explore any opportunity with potential investors to raise further funds to explore appropriate new borrowing facilities in order to further strengthen the shareholders' base and further enhance the development of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the Group had total cash and cash equivalents amounting to approximately HK$533.2 million (2010: approximately HK$81.5 million) whilst total assets and net assets were approximately HK$2,927.9 million (2010: approximately HK$1,691.9 million) and approximately HK$1,035.4 million (2010: approximately HK$275.3 million), respectively. The Group's gearing ratio as at 31 December 2011 was approximately 0.6 (2010: approximately 2.8), being a ratio of total bank and other borrowings and promissory notes of approximately HK$1,122.3 million (2010: approximately HK$854.9 million), net of cash and cash equivalents of approximately HK$533.2 million (2010: approximately HK$81.5 million) to shareholders' funds of approximately HK$1,035.4 million (2010: approximately HK$275.3 million).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2011, outstanding capital commitments, contracted but not provided for, amounted to approximately HK$161 million (2010: Nil) in relation to the purchase of property, plant and equipment, and construction contracts. As at 31 December 2011, the Group had pledged the investment properties and bank deposit with carrying amount of approximately HK$1,039 million and approximately HK$21 million, respectively (2010: approximately HK$595.6 million and nil, respectively) to secure bank loans. As at 31 December 2011, the Group had no significant contingent liabilities (2010: Nil).

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 December 2011. The revenue, operating costs and bank deposits of the Group were mainly denominated in Renminbi and Hong Kong dollars. Therefore, the Group was not exposed to any material foreign currency exchange risk.

PROSPECTS

Looking forward to 2012, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-developed management system and quality customer services. The Group will continue to focus on intensifying its investment in agricultural produce exchanges in the PRC to further entrench its commitment in supporting the "Vegetable Basket Project". In order to continue support the agricultural sector, the PRC Central Government once again issued the No.1 document at the beginning of the year 2012 with an emphasis on the development of the agricultural sector.

With the strategic position of our existing first tier agricultural produce exchanges, the Group will endeavour to negotiate, build and expand its network of wholesale market platforms by establishing partnerships in the PRC especially in Hubei Province, Jiangsu Province and Guangxi. With the favourable support of the agricultural logistic business from the Central Government and our professional experience in the industry, the Group is confident that this strategy and business model will deliver long term benefits to the shareholders of the Company.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had 820 (2010: 734) employees, approximately 95.0% of whom were located in the PRC. The Group's remuneration policy is reviewed periodically and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

C. **For the year ended 31 December 2012** *(as extracted from the annual report of CAP for the year ended 31 December 2012 and as such, references to "the Company", "the Group" and "the Directors" in the below paragraphs shall be read as references to "CAP", "CAP Group" and "CAP Directors" respectively)*

SUMMARY OF FINANCIAL RESULTS

Turnover and gross profit

For the year ended 31 December 2012, the Group recorded a turnover of approximately HK$287.5 million, a substantial increase of approximately HK$75.7 million or approximately 35.7% increase from approximately HK$211.8 million for the previous financial year. The increase was mainly attributed to the increase in turnover of agricultural produce exchange projects and sale of certain properties of Yulin Market.

The gross profit of the Group was increased by approximately 72.0% to approximately HK$160.6 million from approximately HK$93.4 million for the previous financial year. The gross profit margin of the Group for the financial year was approximately 55.9% as compared to approximately 44.1% for the previous financial year.

Net gain in fair value of investment properties

The rise of net gain in fair value of investment of approximately HK$538.3 million (2011: approximately HK$553.4 million) was mainly due to the increase in market value of property price in the PRC and rental income of our projects.

Administrative expenses, selling expenses and finance cost

General and administrative expenses were approximately HK$236.2 million (2011: approximately HK$259.3 million). The slight decrease was mainly due to tight control of operating expenses of different markets and conscious control of business development cost in various projects. Selling expenses were approximately HK$12.7 million (2011: approximately HK$53.6 million) which were significantly less than the year before due to the Group's promotion expenses at the agricultural produce exchange in Wuhan Baisazhou incurred in mid 2011 but did not recur in the year of 2012. Finance costs were approximately HK$103.3 million (2011: approximately HK$89.9 million) and the increase over those incurred in 2011 was mainly due to obtaining new interest bearing debts during the year under review.

Profit attributable to the owners of the Company

The profit attributable to owners of the Company for the year was approximately HK$145.7 million as compared to approximately HK$117.7 million last year. The change was mainly due to the increase of recognition of sales of shops in Yulin Market as well as the outstanding business performance of Wuhan Baisazhou Market.

DIVIDENDS

The Directors do not recommend any payment of final dividend for the year ended 31 December 2012 (2011: Nil). No interim dividend was paid to the shareholders of the Company during the year under review (2011: Nil).

REVIEW OF OPERATIONS

During the year under review, the Group was principally engaged in the business of agricultural produce exchanges in the PRC.

Wuhan Baisazhou Agricultural and By-Product Exchange Market

Wuhan Baisazhou Market, located in the provincial capital of Hubei Province, is one of the largest agricultural produce exchange operators in the PRC. Wuhan Baisazhou Market is situated at the Hongshan District of Wuhan with a site area of approximately 270,000 square meters and a total gross floor area of approximately 160,000 square meters. In 2012, Wuhan Baisazhou Market was awarded as amongst the top 50 national agricultural wholesale markets by China Agricultural Wholesale Market Association.

During the year under review, the turnover of Wuhan Baisazhou Market increased approximately 58% as compared with that of 2011 which provided tremendous contribution to the Group. The operating performance saw a turnaround due to a series of effective marketing and promotion activities carried out in 2012.

Yulin Agricultural and By-Product Exchange Market

Yulin Market is one of the largest agricultural produce exchanges in Guangxi. It has various types of market stalls and multi-storey godowns. The Group successfully acquired 2 parcels of land of approximately 160,000 square meters in February 2011 and 73,000 square meters in December 2012 respectively, thereby expanding the land bank of Yulin Market to more than 470,000 square meters. The Group in 2012 partially completed the construction of an extension arm of the phase two development of Yulin Market, bringing to the Group a new income driver in 2012.

During the year under review, some of the shops were sold and contributed to the increase of the turnover of the Group in 2012.

Xuzhou Agricultural and By-Product Exchange Market

Xuzhou Market occupies approximately 200,000 square meters and is located in the northern part of Jiangsu Province in East China, comprises various market stalls and a godown. Xuzhou Market is the major marketplace for the supply of fruit and seafood to Xuzhou City and the northern part of Jiangsu Province with accelerating performance in the area of vegetable distribution. The operating performance of Xuzhou Market was steady and satisfactory as the income in 2012 increased by approximately 19% compared with the figure last year. Xuzhou Market was one of the five to be awarded in the first batch of credit rated wholesale agricultural markets by China Agricultural Wholesale Market Association in 2012.

MATERIAL ACQUISITIONS

Acquisition of Land

Henan Luoyang City

On 31 August 2012, the Group won a bid at the tender for a parcel of land in Luoyang City of Henan Province, the PRC (“**Henan**”) of approximately 133,000 square meters for a consideration of approximately RMB46.0 million, which the Group intends to develop as a new agricultural produce exchange.

Guangxi Yulin City

On 24 December 2012, the Group successfully acquired a parcel of land in Yulin City of Guangxi of approximately 73,000 square meters for a consideration of RMB90.6 million which is intended to be an extension of the existing Yulin Market. This new site is adjacent to the Group's existing Yulin Market which should help expand Guangxi's existing operations.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Land

Henan Kaifeng City

On 10 January 2013, the Group successfully acquired five parcels of land in Kaifeng City of Henan of an aggregate of approximately 408,000 square meters for a total consideration of approximately RMB116.3 million, planned for the development of a new agricultural exchange project in Henan.

Jiangsu Huaian City

On 15 January 2013, the Group won a bid at the tender for a parcel of land in Huaian City, Jiangsu Province, the PRC ("**Jiangsu**") of approximately 53,000 square meters for a consideration of RMB42.0 million, planned for the development of a new agricultural produce exchange project in Jiangsu.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group had total cash and cash equivalents amounting to approximately HK$394.0 million (2011: approximately HK$533.2 million) whilst total assets and net assets were approximately HK$4,331.9 million (2011: approximately HK$2,927.9 million) and approximately HK$1,267.5 million (2011: approximately HK$1,035.4 million), respectively. The Group's gearing ratio as at 31 December 2012 was approximately 1.0 (2011: approximately 0.6), being a ratio of total bank and other borrowings and promissory notes of approximately HK$1,620.8 million (2011: approximately HK$1,122.3 million), net of cash and cash equivalents of approximately HK$394.0 million (2011: approximately HK$533.2 million) to shareholders' funds of approximately HK$1,267.5 million (2011: approximately HK$1,035.4 million).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2012, outstanding capital commitments, contracted but not provided for, amounted to approximately HK$441.7 million (2011: approximately HK$161.3 million) in relation to the purchase of property, plant and equipment and construction contracts. As at 31 December 2012, the Group had pledged investment properties and bank deposit with carrying amount of approximately HK$1,313.4 million and approximately HK$20.8 million respectively (2011: approximately HK$1,039.0 million and approximately HK$21.0 million) as security for bank financing. As at 31 December 2012, the Group had no significant contingent liabilities (2011: Nil).

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 December 2012. The revenue, operating costs and bank deposits of the Group are mainly denominated in Renminbi and Hong Kong dollars. Therefore, the Group is not exposed to any material foreign currency exchange risk.

PROSPECTS

Looking forward to 2013, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-developed management system and quality customer services. The Luoyang project is expected to start operation in 2013 and the Group believes this new flagship project in Henan will demonstrate a good business and operation model for other new projects.

The Group will continue to focus its investment in agricultural by-products wholesale markets in the PRC to further entrench its commitment to support the PRC State Council's Number 1 Policy of 2013 in the area of agricultural issues in consecutive 10 years. Leveraging on the strategic position the Group has attained in the 1st tier of agricultural products markets, the Group will endeavor to negotiate, build and expand its network of sizable wholesale markets by establishing partnership or investment in various provinces in the PRC.

With the favourable support of agricultural logistic business from the Central Government and our professional experience as a leader in the industry coupled with the significant increment of land bank, the Group is confident that this strategy and business model will deliver long-term benefits to the shareholders of the Company.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2012, the Group had 942 (2011: 820) employees, approximately 95.8% of whom were located in the PRC. The Group's remuneration policy is reviewed periodically and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

D. For the six months ended 30 June 2013 *(as extracted from the interim report of CAP for the six months ended 30 June 2013 and as such, references to "the Company", "the Group" and "the Directors" in the below paragraphs shall be read as references to "CAP", "CAP Group" and the "CAP Directors" respectively)*

SUMMARY OF FINANCIAL RESULTS

Turnover and profit attributable to owners of the Company

For the six months ended 30 June 2013, the Group recorded a turnover of approximately HK$259.3 million (for the six months ended 30 June 2012: approximately HK$128.0 million), representing a significant increase of approximately 103% compared to the corresponding period last year. The increase was mainly due to the recognition of property sales at the agricultural and by-product exchange market in Yulin (the "**Yulin Market**") in Guangxi Zhuang Autonomous Region ("**Guangxi**") and the continuous turnover growth of the agricultural and by-product exchange market in Xuzhou (the "**Xuzhou Market**") in Jiangsu Province and in Baisazhou, Wuhan (the "**Wuhan Baisazhou Market**") in Hubei Province. Gross profit was approximately HK$92.5 million (for the six months ended 30 June 2012: approximately HK$65.8 million), representing a significant increase of approximately 40% compared to the corresponding period last year.

The profit attributable to owners of the Company was approximately HK$38.1 million compared to approximately HK$28.7 million for the corresponding period last year. The moderate growth was primarily attributable to the contribution of sales of certain properties but offset by the increase of finance cost for developing new projects of the Group.

Net gain in fair value of investment properties

The fair value gain on investment properties increased to approximately HK$217.0 million (for the six months ended 30 June 2012: approximately HK$213.3 million), mainly due to the continuous rise in property prices in the People's Republic of China (the "**PRC**") including particularly the positive effect of property selling prices at Yulin Market.

Administrative expenses and selling expenses

The Group recorded administrative expenses of approximately HK$113.3 million (for the six months ended 30 June 2012: approximately HK$113.1 million) and selling expenses of approximately HK$10.0 million (for the six months ended 30 June 2012: approximately HK$2.5 million). The increase in selling expenses was mainly due to the promotion expenses incurred at the Group's agricultural produce exchanges and the marketing and promotion costs incurred at the Group's Luoyang project in the period of 2013.

REVIEW OF OPERATIONS

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

Wuhan Baisazhou Market

Wuhan Baisazhou Market is located in the provincial capital of Hubei Province, a key gathering point for buyers and sellers of agricultural produce in central China, and owns and operates an agricultural produce exchange occupying a site area and total gross floor area of approximately 270,000 square metres and 160,000 square metres respectively. During the period under review, the total occupancy rate of Wuhan Baisazhou Market was satisfactory and the operations of Wuhan Baisazhou Market were stable with income growth of approximately 19% compared to the income of the corresponding period of last year, contributing to an increase in the Group's income. Wuhan Baisazhou Market was also awarded as one of the first batch of key distribution centre of national agricultural markets issued by the Ministry of Commerce of the PRC in 2013.

Yulin Market

Yulin Market, one of the flagship projects of the Group, is an agricultural wholesale market complex in Yulin city of Guangxi with various market stalls and multi-storey godowns. Following completion of the construction at an adjacent parcel of land with an area of approximately 160,000 square metres acquired in February 2012, the Group has started the operations of phase two of Yulin Market with a satisfactory rental rate. During the period under review, Yulin Market has sold certain shops to existing tenants and investors, recognising property sale to the Group in the amount of approximately HK$154.8 million. Both the property sales and property rental performance of the Yulin Market are good, which present a powerful testament to the success of the Group's business model.

Xuzhou Market

The Group's agricultural wholesale market in Xuzhou, Jiangsu Province with various storey market stalls and multi-storey godowns, is the major marketplace for the supply of fruit and meat in east China. Coupling with the continuous customer flow in Jiangsu Province, the business result of this project was very encouraging with a turnover of approximately HK$32.4 million for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately HK$28.9 million), representing an increase of approximately 12% compared to the corresponding period last year.

MATERIAL TRANSACTIONS

Land Acquisition at Kaifeng

On 10 January 2013, the Group won a bid at a tender for five parcels of land with approximately 408,000 square metres in total for the Kaifeng project at the consideration of approximately RMB116.3 million. The land is intended to be used to expand the Group's existing network of its agricultural wholesale markets in the PRC. Details of the transaction are disclosed in the Company's announcement dated 11 January 2013.

Land Acquisition at Huaian

On 15 January 2013, the Group won a bid at a tender for a parcel of land with approximately 53,000 square metres for the Huaian project at the consideration of RMB42.0 million. The land is intended to be used to expand the Group's existing network of its agricultural wholesale markets in the PRC. Details of the transaction are disclosed in the Company's announcement dated 16 January 2013.

FUTURE PLANS AND PROSPECTS

The overall policy of urbanisation in the PRC will drive economic and population growth in various cities. Our existing projects are strategically located in the western, eastern and central China which are amongst the key locations to capture the growth momentum in China. Yulin Market is aimed to serve the Northern Bay region of Guangxi which is being promoted to attract trade from many of the ASEAN countries; the Xuzhou Market is strategically located to serve the Long River Delta and Pan Pearl River Delta regions; whilst the Wuhan Baisazhou Market is the focus of the Group's development for central China. With the building up the agricultural market network, the management believes that the existing agricultural markets will continue to bring positive results to the Group.

Backed by the favourable policy in the PRC, the management believes that the rising demand for food and vegetables in various cities may have positive impact on our existing agricultural market and stimulate strong demand and transactions for agricultural markets. Coupling with the favourable government policies on the development of agricultural markets, the Group has strong confidence on its business model. The new projects in Luoyang city and Kaifeng city in Henan Province and Huaian city in Jiangsu Province will be a new driving force to the future development of the Group. In addition, the Group will endeavor to negotiate, build and expand its network of agricultural produce wholesale markets by working on establishing partnerships in the PRC and exploring business opportunities of agricultural markets in different provinces in the PRC so as to deliver long-term benefits to the shareholders of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, the Group had total cash and cash equivalents amounting to approximately HK$332.4 million (31 December 2012: approximately HK$394.0 million) whilst total assets and net assets were approximately HK$4,651.7 million (31 December 2012: approximately HK$4,331.9 million) and approximately HK$1,366.3 million (31 December 2012: approximately HK$1,267.5 million), respectively. The change in the value of current assets from approximately HK$886.0 million as at 31 December 2012 to approximately HK$1,718.4 million as at 30 June 2013 was mainly due to the change of development plans to sale of properties in the Luoyang project and Qinzhou project. The Group's gearing ratio as at 30 June 2013 was approximately 1.25 (31 December 2012: approximately 1.0), being a ratio of the total of bank and other borrowings and promissory notes of approximately HK$2,034.7 million (31 December 2012: approximately HK$1,620.8 million), net of cash and cash equivalents of approximately HK$332.4 million (31 December 2012: approximately HK$394.0 million), to total shareholders' funds of approximately HK$1,366.3 million (31 December 2012: approximately HK$1,267.5 million).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2013, outstanding capital commitment, contracted but not provided for, amounted to approximately HK$255.0 million in relation to the purchase of property, plant and equipment, and construction contracts (31 December 2012: approximately HK$441.7 million).

As at 30 June 2013, the Group pledged the land use rights and stock of properties with an aggregate carrying value of approximately HK$1,324.8 million (31 December 2012: approximately HK$1,334.2 million) to secure bank borrowings.

As at 30 June 2013, the Group had no significant contingent liability.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had 1,403 employees (31 December 2012: 942 employees), approximately 97% of whom were located in the PRC. The Group's remuneration policy is reviewed periodically by the remuneration committee of the Company and the Board and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

INTRODUCTION

The following is an illustrative and unaudited pro forma consolidated statement of financial position of the Group ("**Unaudited Pro Forma Financial Information**"), which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Underwriting, based on the scenario that WYT Underwriter and WOG Underwriter will take up equal share of the total Underwritten Shares that they are required to take up under the Underwriting Agreement, being 228,000,000 Rights Shares each, assuming none of the Qualifying Shareholders (other than Onger Investments and Mailful Investments which will subscribe for Rights Shares pursuant to PNG Irrevocable Undertaking and WOG Irrevocable Undertaking respectively) or the transferees to whom any Qualifying Shareholders have transferred their rights to the provisionally allotted nil paid Rights Shares take up the Rights Shares to which they are entitled, as if it had taken place on 30 September 2013.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Underwriting been completed as at 30 September 2013.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	The Group as at 30 September 2013 *HK$'000* *(Note 1)*	Pro Forma Adjustments *HK$'000* *(Note 2,3)*	The Group after the Underwriting *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	221,049		221,049
Investment properties	455,000		455,000
Goodwill	15,335		15,335
Investments in associates	288,523		288,523
Other intangible assets	482		482
Available-for-sale investment	—	106,020	106,020
Loans and interests receivable	450,000		450,000
Deferred tax assets	4,384		4,384
Total non-current assets	1,434,773		1,540,793
CURRENT ASSETS			
Inventories	183,203		183,203
Trade and other receivables	181,200		181,200
Amounts due from associates	4,836		4,836
Investments held-for-trading	63,593		63,593
Loans and interests receivable	93,941		93,941
Tax recoverable	5,186		5,186
Bank balances and cash	241,937	(103,370)	138,567
		(106,020) 2,650	
Total current assets	773,896		670,526
CURRENT LIABILITIES			
Trade and other payables	116,452		116,452
Bank borrowings	118,969		118,969
Deferred franchise income	33		33
Tax payable	565		565
Total current liabilities	236,019		236,019
NET CURRENT ASSETS	537,877		434,507
TOTAL ASSETS LESS CURRENT LIABILITIES	1,972,650		1,975,300

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP *(continued)*

	The Group as at 30 September 2013 *HK$'000* *(Note 1)*	**Pro Forma Adjustments** *HK$'000* *(Note 2,3)*	**The Group after the Underwriting** *HK$'000*
NON-CURRENT LIABILITIES			
Bank borrowings	228,209		228,209
Deferred tax liabilities	1,625		1,625
Total non-current liabilities	229,834		229,834
Net assets	1,742,816		1,745,466
EQUITY			
Equity attributable to owners of the parent			
Share capital	29,311		29,311
Reserves	1,705,886	2,650	1,708,536
	1,735,197		1,737,847
Non-controlling interests	7,619		7,619
Total equity	1,742,816		1,745,466

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

(1) The consolidated statement of financial position of the Group as at 30 September 2013 is extracted from the published 2013 Interim Report of the Company.

(2) Pursuant to the Underwriting Agreement with CAP, the Group agreed to underwrite 228,000,000 Rights Shares of CAP at the Subscription Price of HK$0.465 per share, with an aggregate Subscription Price of HK$106,020,000, and is entitled to 2.5% commission fee on the aggregate Subscription Price in respect of the maximum number of the Underwriting Shares, being 228,000,000 Rights Shares agreed to be underwritten by the Group. The underwriting commission income amounted to HK$2,650,000, being 2.5% of HK$106,020,000, is regarded as other income.

(3) Upon completion of the Rights Issue and the Bonus Issue, the direct and indirect interests of the Group in the issued share capital of CAP will increase from nil to approximately 19.39%. In such circumstance, the Group's investment in CAP will be accounted for as an available-for-sale investment which will be measured at fair value at each period end date with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve in equity until the investment is derecognised or impaired.

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Group.

EY 安永

22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

23 January 2014

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The Directors
Wai Yuen Tong Medicine Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Wai Yuen Tong Medicine Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purpose only. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 30 September 2013 and related notes set out on pages III-2 to III-4 of the Circular issued by the Company (the "**Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described on page III-1 of the Circular.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of underwriting of 228,000,000 rights shares of China Agri-Products Exchange Limited (the "**Underwriting**") on the Group's financial position as at 30 September 2013 as if the transaction had taken place at 30 September 2013. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 September 2013, on which an interim report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Reporting Accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Underwriting on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Long positions in underlying Shares of share options of the Company:

Name of Director	Date of grant	Exercise price per Share *(HK$)*	Number of share options outstanding	Exercisable period *(Note 1)*	Number of underlying Shares	Approximate % of the Company's total issued share capital *(Note 2)* %
Ms. Tang Mui Fun	8.1.2009	1.2050	78,214	8.1.2010-7.1.2019	78,214	0.003

(ii) Long positions in the shares of associated corporation of the Company:

Associated Corporation	Name of Director	Capacity	Total number of shares held	Percentage of PNG's total issued share capital *(Note 3)* %
PNG	Mr. Cho Wing Mou	Beneficially owned	96,000	0.001

Notes:

(1) The share options granted under the share option scheme of the Company vest as follows:

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	Further 30% vest
On 3rd anniversary of the date of grant:	Remaining 40% vest

(2) The percentage was calculated based on the total issued share capital of the Company as at the Latest Practicable Date of 2,931,142,969 Shares.

(3) The percentage was calculated based on the total issued share capital of PNG as at the Latest Practicable Date of 9,229,500,000 Shares.

(b) Substantial Shareholders' and other persons' interests

Save as disclosed below, as at the Latest Practicable Date, no person, other than a Director or chief executive of the Company, had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions in the Shares:

Name of Shareholder	Capacity	Total number of Shares held	Approximate % of the Company's total issued share capital *(Note 2)* %
Rich Time *(Note 1)*	Beneficial owner	729,042,034	24.87
Wang On Enterprises (BVI) Limited ("**WOE**") *(Note 1)*	Interest of controlled corporation	729,042,034	24.87
WOG *(Note 1)*	Interest of controlled corporation	729,042,034	24.87
Kwela International Limited *(Note 3)*	Beneficial owner	271,870,000	9.28
Wei Andy	Interest of controlled corporation	271,870,000	9.28

Notes:

(1) Rich Time is wholly owned by WOE, which is a wholly-owned subsidiary of WOG. WOE and WOG are deemed to be interested in 729,042,034 Shares held by Rich Time.

(2) The percentage was calculated based on the total issued share capital of the Company as at the Latest Practicable Date of 2,931,142,969 Shares.

(3) Kwela International Limited is controlled as to 99% by Wei Andy.

(4) As at the Latest Practicable Date, Mr. Tang Ching Ho and Mr. Chan Chun Hong, Thomas, executive Directors, were directors of WOG and Mr. Chan Chun Hong, Thomas was also a director of Rich Time and WOE.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2013, being the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interests in businesses which competed or were likely, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the Underwriting Agreement;

(b) a top-up placing and subscription agreement dated 20 November 2013 entered into between Gain Better Investments Limited ("**Gain Better**") (an indirect wholly-owned subsidiary of the Company), as the vendor and the subscriber, PNG as the issuer and Kingston as the placing agent pursuant to which (i) Gain Better has agreed to place, through Kingston, 1,538,000,000 top-up placing shares of PNG to not less than six placees at a placing price of HK$0.1 per placing share; and (ii) Gain Better has conditionally agreed to subscribe for 1,538,000,000 top-up subscription shares of PNG at the subscription price of HK$0.1 per subscription share. The top-up placing and the top-up subscription were completed on 25 November 2013 and 27 November 2013 respectively, the details of which were set out in the announcements of the Company dated 20 November 2013 and 27 November 2013, respectively;

(c) a supplemental agreement to the loan agreement dated 10 July 2009 (as previously supplemented by the supplemental agreement dated 11 July 2011 executed between Gain Better and PNG and amended by an assignment dated 1 July 2013 executed between Gain Better and Hearty Limited ("**Hearty**"), a wholly-owned subsidiary of the Company) entered into between Hearty and PNG on 22 August 2013, pursuant to which Hearty agreed to extend the repayment date of an unsecured loan facility of HK$10.0 million to PNG for further three years upon its maturity date, being 8 July 2014, in consideration for the increase in interest rate payable by PNG from 8.0% to 10.0% per annum and the interest to be payable on an annual basis therefrom, details of which were set out in the Company's announcement and circular dated 22 August 2013 and 9 September 2013, respectively;

(d) a supplemental agreement to the loan agreement dated 28 August 2009 (as amended by an assignment dated 1 July 2013 executed between Gain Better and Hearty) entered into between Hearty and PNG on 22 August 2013, pursuant to which Hearty agreed to extend the repayment date of an unsecured loan facility of HK$190.0 million to PNG for further three years upon its maturity date, being 12 November 2013, in consideration for the increase in interest rate payable by PNG from 8.0% to 10.0% per annum and the interest to be payable on an annual basis therefrom, details of which were set out in the Company's announcement and circular dated 22 August 2013 and 9 September 2013, respectively;

(e) a loan agreement dated 28 May 2013 entered into between Give Power Limited ("**Give Power**") (a company indirectly wholly owned by the Company), as the lender, and CAP, as the borrower, (as amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich Investments Limited ("**Winning Rich**"), an indirect wholly-owned subsidiary of the Company) for the provision of an unsecured revolving credit facility in the maximum aggregate amount of HK$150.0 million at an interest rate of 12.0% per annum for a period of 36 months from 28 May 2013, the details of which were set out in the announcement of the Company dated 28 May 2013;

(f) a new issue placing agreement dated 8 March 2013 entered into between the Company and Kingston pursuant to which the Company has agreed to place, through Kingston, 488,000,000 new Shares at a placing price of HK$0.22 per Share, which was completed on 26 March 2013. The details of which were set out in the announcement of the Company dated 8 March 2013;

(g) a provisional sale and purchase agreement dated 31 January 2013 entered into between Sino Fame Investments Limited (an indirect wholly-owned subsidiary of the Company) as the purchaser and King Best Asia Group Limited as the vendor for the acquisition of the premise at G/F., Bowring Building, No. 14 Bowring Street, Kowloon, Hong Kong with a saleable floor area of approximately 800 square feet at a cash consideration of HK$81.0 million, the details of which were set out in the announcement of the Company dated 4 February 2013;

(h) a master sales agreement dated 14 January 2013 entered into between Wai Yuen Tong Medicine Company Limited (an indirect subsidiary of the Company) and Wang On Management Limited ("**WOM**"), an indirect wholly-owned subsidiary of WOG, for the sales of the Group's pharmaceutical products to WOM (for itself and on behalf of other members of WOG) with annual caps of HK$5.8 million, HK$7.2 million and HK$9.0 million, respectively for the three years ending 31 March 2015, the details of which were set out in the announcement of the Company dated 14 January 2013;

(i) an agreement for lease of all those pieces or parcels of ground registered in the Land Registry as Extension to Subsection 1 of Section M of Yuen Long Town Lot No. 313 and Extensions Thereto at Yuen Long Industrial Estate with a total site area of 8,545.56 square metres to be entered into between Wai Yuen Tong Company Limited (an indirect wholly-owned subsidiary of the Company) and Hong Kong Science and Technology Parks Corporation at a land premium of HK$21,363,900.0 on 22 February 2013, the details of which were set out in the announcement of the Company dated 12 December 2012;

(j) a top-up placing and subscription agreement dated 30 November 2012 entered into between Rich Time, as the vendor and the subscriber, the Company as the issuer and Kingston pursuant to which (i) Rich Time has agreed to place, through Kingston, 250,000,000 existing Shares at a placing price of HK$0.125 per Share; and (ii) Rich Time has conditionally agreed to subscribe for 250,000,000 new Shares at the subscription price of HK$0.125 per Share. The top-up placing and the top-up subscription were completed on 5 December 2012 and 11 December 2012, respectively, the details of which were set out in the announcement of the Company dated 30 November 2012;

(k) a new issue placing agreement dated 30 November 2012 entered into between the Company and Kingston pursuant to which the Company has agreed to place, through Kingston, 157,000,000 new Shares at a placing price of HK$0.125 per Share, which was completed on 7 January 2013, the details of which were set out in the announcements of the Company dated 30 November 2012 and 7 January 2013, respectively;

(l) a sale and purchase agreement dated 22 November 2012 entered into between Gain Better, as the vendor, and Ever Task Limited (an indirect wholly-owned subsidiary of WOG), as the purchaser, for the sale and purchase of the 1,150,000,000 shares of PNG, representing approximately 14.95% equity interest in PNG at a consideration of HK$110.4 million or approximately HK$0.096 per share of PNG, the details of which were set out in the announcement and the circular of the Company dated 22 November 2012 and 10 December 2012, respectively;

(m) a loan agreement dated 22 November 2012 (as amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich) entered into between Give Power, as the lender, and CAP, as the borrower, for the provision of an unsecured revolving credit facility in the maximum aggregate amount of HK$100.0 million at an interest rate of 10.0% per annum for a period of 36 months from 28 December 2012, the details of which were set out in the announcement and the circular of the Company dated 22 November 2012 and 10 December 2012, respectively;

(n) an amendment deed to the loan agreement dated 10 March 2011 (as further amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich) entered into between Give Power, as the lender, and CAP, as the borrower, on 6 September 2012 for an extension of the repayment date to 30 September 2014 in consideration for an increase in interest rate from 8.0% to 10.0% per annum for an unsecured loan facility of not exceeding a sum of HK$15.0 million granted to CAP, the details of which were set out in the announcement of the Company dated 6 September 2012;

(o) an amendment deed to the loan agreement dated 11 January 2011 (as further amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich) entered into between Give Power, as the lender, and CAP, as the borrower, on 6 September 2012 for an extension of the repayment date to 30 September 2014 in consideration for an increase in interest rate from 8.0% to 10.0% per annum for an unsecured loan facility of not exceeding a sum of HK$60.0 million granted to CAP, the details of which were set out in the announcement of the Company dated 6 September 2012; and

(p) a licence agreement dated 30 June 2012 entered into between the Company, as the licensor, and WOM, as the licensee, in respect of the sub-lease of certain portions of the UG/F, G/F, 1st Floor and 5th Floor of Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for a monthly rental of HK$154,000 for a term of three years commencing from 1 July 2012, the details of which were set out in the announcement of the Company dated 30 June 2012.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which is contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) had no direct or indirect interest in any assets which had been, since 31 March 2013 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group. Ernst & Young has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this circular up to and including the date of the SGM:

(a) the memorandum and bye-laws of the Company;

(b) the annual reports of the Company for the three financial years ended 31 March 2011, 2012 and 2013;

(c) the interim report of the Company for the six months ended 30 September 2013;

(d) the annual reports of CAP for the three financial years ended 31 December 2010, 2011 and 2012;

(e) the interim report of CAP for the six months ended 30 June 2013;

(f) the report on the unaudited pro forma financial information of the Group upon completion of the Rights Issue, the text of which is set out in Appendix III of this circular;

(g) the material contracts as referred to in the section headed “material contracts” in this appendix;

(h) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix;

(i) a copy of the circular dated 9 September 2013 issued by the Company pursuant to the requirements set out in Chapter 14 of the Listing Rules; and

(j) this circular.

10. GENERAL INFORMATION

(a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's head office and principal place of business in Hong Kong is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

(b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(d) The Company has been informed that Mr. Wong Hin Shek, the beneficial owner of Veda Capital Limited, being the financial adviser of the Company for transactions relating to the underwriting of the Rights Issue pursuant to the Underwriting Agreement, is (i) the beneficial owner of 30,000,000 Shares as at the Latest Practicable Date; and (ii) a sub-underwriter of Kingston in respect of 15,000,000 Underwritten Shares (representing approximately 1.20% of the enlarged issued share capital of CAP immediately after completion of the Rights Issue and the Bonus Issue).

(e) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in the case of inconsistencies.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "**SGM**") of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*) (the "**Company**") will be held at 20/F., Alexandra House, 18 Chater Road, Central, Hong Kong on Wednesday, 12 February 2014 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without modification, as ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT

(a) the underwriting by, amongst others, Ultimate Fame Holdings Limited ("**Ultimate Fame**", a wholly-owned subsidiary of the Company) of the issue of 228,000,000 rights shares (with bonus shares) of China Agri-Products Exchange Limited ("**CAP**") pursuant to the conditional underwriting agreement in relation to a proposed rights issue by CAP dated 4 December 2013 ("**Underwriting Agreement**", a copy of which has been marked "A" and produced to the Meeting and initialled by the chairman of the Meeting for identification) entered into among Wang On Group Limited, CAP, Huge Thrive Investments Limited, Kingston Securities Limited, Ultimate Fame and the Company (as warrantor of the obligations of Ultimate Fame under the Underwriting Agreement), particulars of which are set out in a joint announcement dated 19 December 2013 by (amongst others) the Company (a copy of which has been marked "B" and produced to the meeting and initialled by the chairman of the meeting for identification), and all transactions contemplated under the Underwriting Agreement be and are hereby approved; and

* *For identification purpose only*

(b) the directors of the Company be and are authorised to take, on behalf of the Company, all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the Underwriting Agreement and the transactions contemplated thereunder."

By Order of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Mak Yuen Ming, Anita
Company Secretary

Hong Kong, 23 January 2014

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed.

2. Any member of the Company ("**Member**") entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the SGM convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members in respect of the joint holding.

6. The above resolution will be voted by way of a poll at the SGM.

* *For identification purpose only*