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JOINT ANNOUNCEMENT



PNG Resources

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

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

(Stock Code: 221)



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)

**(A) PROPOSED RIGHTS ISSUE IN THE
PROPORTION OF FIVE (5) RIGHTS
SHARES FOR EVERY TWO (2) PNG
SHARES HELD ON THE RECORD DATE
AT HK\$0.168 PER RIGHTS SHARE;
(B) CHANGE IN BOARD LOT SIZE;
AND
(C) RESUMPTION OF TRADING**

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

FINANCIAL ADVISER TO PNG



KINGSTON CORPORATE FINANCE LTD.

UNDERWRITER OF THE RIGHTS ISSUE



KINGSTON SECURITIES LTD.

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE PNG INDEPENDENT SHAREHOLDERS

Opus Capital Limited
創富融資有限公司

* For identification purpose only

Proposed Rights Issue by PNG

PNG proposes to raise gross proceeds of up to approximately HK\$557.3 million, before expenses, by way of the Rights Issue of 3,317,375,000 Rights Shares to the Qualifying Shareholders at the Subscription Price of HK\$0.168 per Rights Share, on the basis of five (5) Rights Shares for every two (2) PNG Shares held on the Record Date. The Rights Issue is not available to the Excluded Shareholders.

Applications will be made to the Stock Exchange for the listing of, and the permission to deal in, the PNG Shares and the Rights Shares (in both nil-paid and fully-paid forms), as the case may be.

Please refer to Part A of this joint announcement for further details.

Listing Rules implications

As the Rights Issue will result in an increase in PNG's issued share capital by more than 50%, the Rights Issue is subject to, among other things, the approval by the PNG Independent Shareholders at the SGM.

PNG has established the Independent Board Committee to advise the PNG Independent Shareholders as to, among others, (i) whether the Rights Issue (including the Underwriting Agreement) is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole, and (ii) voting by the PNG Independent Shareholders. PNG has also appointed Opus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the PNG Independent Shareholders as to (i) whether the terms of the Rights Issue (including the Underwriting Agreement) are fair and reasonable, and (ii) voting by the PNG Independent Shareholders.

Please refer to the section headed "22. Implications under the Listing Rules" in Part A of this joint announcement for further details.

Use of proceeds of the Rights Issue

The net proceeds to be raised from the Rights Issue, which are estimated to be approximately HK\$544.3 million, are intended to be applied towards: (i) the payment of construction costs of an existing residential and commercial property development project of the PNG Group, (ii) potential investment opportunities, (iii) the repayment of bank borrowings and interests of the PNG Group, and (iv) for general working capital purposes of the PNG Group.

Please refer to the section headed "7. Use of proceeds of the Rights Issue" in Part A of this joint announcement for further details on how the net proceeds of the Rights Issue will be applied.

Effects on the shareholding structure of PNG as a result of the Rights Issue

The changes in the shareholding structure of PNG arising from the Rights Issue are as follows:

	As at the date of this joint announcement		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the WYT Group pursuant to the WYT Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement, and the Underwriter disposes of PNG Shares to Independent Third Parties to fulfil the public float requirements of PNG (Notes 1 and 2)		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the WYT Group pursuant to the WYT Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement (Notes 1 and 3)	
	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %
WYT Group	269,767,500	20.33	944,186,250	20.33	1,324,186,250	28.51	1,324,186,250	28.51
The Underwriter (including subscribers procured by it) (Note 4)	8	0.00	28	0.00	2,159,057,500	46.49	2,262,956,278	48.73
Other public PNG Shareholders	<u>1,057,182,492</u>	<u>79.67</u>	<u>3,700,138,722</u>	<u>79.67</u>	<u>1,161,081,250</u>	<u>25.00</u>	<u>1,057,182,472</u>	<u>22.76</u>
Total	<u><u>1,326,950,000</u></u>	<u><u>100.00</u></u>	<u><u>4,644,325,000</u></u>	<u><u>100.00</u></u>	<u><u>4,644,325,000</u></u>	<u><u>100.00</u></u>	<u><u>4,644,325,000</u></u>	<u><u>100.00</u></u>

Notes:

- Assuming all 380,000,000 Rights Shares applied for by Hearty by way of excess application pursuant to the WYT Irrevocable Undertaking are allocated to it.
- This scenario is for illustration purposes only and assumes that (i) the PNG Independent Shareholders have voted in favour of the Rights Issue at the SGM, but (ii) no Qualifying Shareholder other than Hearty and Suntech would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the PNG Independent Shareholders and their subscription for Rights Shares, and (iii) the Underwriter takes up its full entitlement of Underwritten Shares and disposes of a certain number of PNG Shares to Independent Third Parties to ensure that the public float requirements under Rule 8.08 of the Listing Rules are fulfilled by PNG upon completion of the Rights Issue.
- This scenario is for illustration purposes only and will not occur since it assumes that: (i) the PNG Independent Shareholders have voted in favour of the Rights Issue at the SGM, but (ii) no Qualifying Shareholder other than Hearty and Suntech would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the PNG Independent Shareholders and their subscription for Rights Shares, and (iii) the Underwriter takes up its full entitlement of Underwritten Shares but does not dispose of any PNG Shares to Independent Third Parties as required to fulfil the public float requirements under Rule 8.08 of the Listing Rules.
- As at the date of this joint announcement, the Underwriter does not have any sub-underwriting arrangements in place. As and when any subscribers and/or sub-underwriters are procured by the Underwriter for the Underwritten Shares, the Underwriter will use its best endeavours to ensure that (i) such subscribers and/or sub-underwriters are Independent Third Parties, and (ii) such subscribers and/or sub-underwriters will not hold more than 10.0% of the equity interest in PNG upon completion of the Rights Issue. In the event of the Underwriter being called upon to subscribe or procure subscribers for the Untaken Shares, the Underwriter shall ensure that the public float requirements under Rule 8.08 of the Listing Rules are fulfilled by PNG upon completion of the Rights Issue.

CHANGE IN BOARD LOT SIZE AND ARRANGEMENTS FOR TRADING OF ODD LOTS

The PNG Shares are currently traded on the Stock Exchange in board lots of 4,000 PNG Shares. The board lot size of the PNG Shares will be changed to 10,000 PNG Shares.

Please refer to the section headed “8. Change in board lot size and arrangements for trading of odd lots” in Part A of this joint announcement for further details.

IRREVOCABLE UNDERTAKING TO SUBSCRIBE FOR RIGHTS SHARES BY WYT

The WYT Irrevocable Undertaking

Pursuant to the WYT Irrevocable Undertaking, Hearty and Suntech, both indirect wholly-owned subsidiaries of WYT, have irrevocably undertaken to PNG to subscribe for 665,958,750 Rights Shares and 8,460,000 Rights Shares, respectively (in aggregate 674,418,750 Rights Shares), that will be provisionally allotted to them nil-paid under the Rights Issue. In addition, Hearty has irrevocably undertaken to PNG to apply, by way of excess application, for 380,000,000 Rights Shares.

Please refer to Part B of this joint announcement for further information on the WYT Irrevocable Undertaking and the transactions contemplated therein.

DISCLOSEABLE TRANSACTION FOR WYT

The subscription in full by Hearty and Suntech of their provisional allotment and the subscription by Hearty for additional Rights Shares by way of excess application under the Rights Issue under the WYT Irrevocable Undertaking, constitute a discloseable transaction for WYT under Chapter 14 of the Listing Rules, and are therefore subject to the notification and publication requirements under the Listing Rules.

UNDERWRITING OF THE PROPOSED RIGHTS ISSUE BY THE UNDERWRITER

The Underwriting Agreement

On 28 May 2015, PNG and the Underwriter entered into the Underwriting Agreement under which the Underwriter agreed to underwrite 2,262,956,250 Underwritten Shares, being all of the Rights Shares under the Rights Issue other than the Rights Shares subject to the WYT Irrevocable Undertaking.

The Underwriter will receive a commission fee of 2.5% of the aggregate Subscription Price for its maximum number of Underwritten Shares agreed to be underwritten.

The Underwriting Agreement may be terminated by the Underwriter prior to the Latest Time For Termination upon the occurrence of certain events.

Please refer to the section headed “5. Principal terms of the Underwriting Agreement” in Part A of this joint announcement for further details.

RESUMPTION OF TRADING

At the request of PNG, trading in the PNG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Friday, 29 May 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the PNG Shares on the Stock Exchange with effect from 9:00 a.m. on Friday, 5 June 2015.

WARNING OF RISKS OF DEALINGS IN PNG SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “3. Conditions of the Rights Issue” in Part A of this joint announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any PNG Shareholders or potential investors contemplating selling or purchasing the PNG Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional or may not proceed. The PNG Shareholders and potential investors should exercise caution when dealing in the PNG Shares and/or nil-paid Rights Shares. If they are in any doubt about their position, they should consult his/her/its own professional advisers.

PART A: PROPOSED RIGHTS ISSUE BY PNG

The PNG Board is pleased to announce that the Rights Issue is proposed on the following terms:

1. Issue statistics

Basis of the Rights Issue	:	Five (5) Rights Shares for every two (2) PNG Shares held on the Record Date
Subscription Price	:	HK\$0.168 per Rights Share payable in full on acceptance
Net price to PNG per Rights Share	:	Approximately HK\$0.164
Number of PNG Shares in issue as at the date of this joint announcement	:	1,326,950,000 PNG Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	3,317,375,000 PNG Shares
Total number of issued PNG Shares upon completion of the Rights Issue	:	4,644,325,000 PNG Shares

The number of 3,317,375,000 Rights Shares to be issued pursuant to the Rights Issue represents 250% of the existing issued share capital of PNG and approximately 71.43% of the enlarged issued share capital of PNG immediately upon completion of the Rights Issue.

As at the date of this joint announcement, PNG has no other outstanding options, derivatives, warrants, rights over shares, convertible securities, or other similar rights which are convertible or exchangeable into PNG Shares.

2. Subscription Price

The Subscription Price is HK\$0.168 per Rights Share, payable in full on acceptance. The Subscription Price represents:

- (i) a discount of approximately 48.31% to the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 47.00% to the average closing price of approximately HK\$0.317 per PNG Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 21.13% to the theoretical ex-entitlement price of approximately HK\$0.213 per PNG Share after the Rights Issue, based on the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 78.24% to the unaudited total equity attributable to the owners of PNG per PNG Share of approximately HK\$0.772 as at 30 September 2014 after taking into account of the net proceeds of approximately HK\$47.9 million from the placement of PNG Shares completed on 30 April 2015.

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

The PNG Board (excluding the independent non-executive PNG Directors whose opinion will be set out in the Circular, after having been advised by the Independent Financial Adviser) is therefore of the view that in light of the resulting benefits to PNG from completion of the Rights Issue (see further the section headed "6. Reasons for the Rights Issue" in Part A of this joint announcement) and the mechanisms in place to sufficiently safeguard the PNG Shareholders' interests, the structure and terms of the Rights Issue, including its Subscription Price and subscription ratio, are fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole.

3. Conditions of the Rights Issue

The Rights Issue is subject to the following conditions:

- (i) the passing of the necessary resolution(s) by the PNG Independent Shareholders at the SGM approving and confirming the Rights Issue, the Underwriting Agreement and the transactions respectively contemplated thereunder and authorising the PNG Directors to allot and issue the Rights Shares (in their nil-paid and fully paid-forms), in accordance with the Bye-laws and the Listing Rules on or before the Record Date;

- (ii) 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 PNG Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the PNG Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purposes only, on or before the Prospectus Posting Date;
- (iv) 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 PNG Shares and the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (v) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time For Termination;
- (vi) the compliance with and performance by PNG of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (vii) the compliance with and performance of all undertakings and obligations of Hearty and Suntech, or any of their respective associates, under the WYT Irrevocable Undertaking;
- (viii) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares; and
- (ix) 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 as PNG and the Underwriter may agree in writing), the Underwriting Agreement shall be terminated accordingly and the Rights Issue will not proceed. In such circumstance, no party will have any claim against the other parties for costs, damages, compensation or otherwise save for any antecedent breaches.

4. Changes in the shareholding structure of PNG arising from the Rights Issue

The changes in the shareholding structure of PNG arising from the Rights Issue are as follows:

	As at the date of this joint announcement		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the WYT Group pursuant to the WYT Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement, and the Underwriter disposes of PNG Shares to Independent Third Parties to fulfil the public float requirements of PNG (Notes 1 and 2)		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed for by the WYT Group pursuant to the WYT Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement (Notes 1 and 3)	
	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %	Number of PNG Shares	Approximate %
	WYT Group	269,767,500	20.33	944,186,250	20.33	1,324,186,250	28.51	1,324,186,250
The Underwriter (including subscribers procured by it) (Note 4)	8	0.00	28	0.00	2,159,057,500	46.49	2,262,956,278	48.73
Other public PNG Shareholders	1,057,182,492	79.67	3,700,138,722	79.67	1,161,081,250	25.00	1,057,182,472	22.76
Total	1,326,950,000	100.00	4,644,325,000	100.00	4,644,325,000	100.00	4,644,325,000	100.00

Notes:

- Assuming all 380,000,000 Rights Shares applied for by Hearty by way of excess application pursuant to the WYT Irrevocable Undertaking are allocated to it.
- This scenario is for illustration purposes only and assumes that (i) the PNG Independent Shareholders have voted in favour of the Rights Issue at the SGM, but (ii) no Qualifying Shareholder other than Hearty and Suntech would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the PNG Independent Shareholders and their subscription for Rights Shares, and (iii) the Underwriter takes up its full entitlement of Underwritten Shares and disposes of a certain number of PNG Shares to Independent Third Parties to ensure that the public float requirements under Rule 8.08 of the Listing Rules are fulfilled by PNG upon completion of the Rights Issue.
- This scenario is for illustration purposes only and will not occur since it assumes that: (i) the PNG Independent Shareholders have voted in favour of the Rights Issue at the SGM, but (ii) no Qualifying Shareholder other than Hearty and Suntech would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the PNG Independent Shareholders and their subscription for Rights Shares, and (iii) the Underwriter takes up its full entitlement of Underwritten Shares but does not dispose of any PNG Shares to Independent Third Parties as required to fulfil the public float requirements under Rule 8.08 of the Listing Rules.

4. As at the date of this joint announcement, the Underwriter does not have any sub-underwriting arrangements in place. As and when any subscribers and/or sub-underwriters are procured by the Underwriter for the Underwritten Shares, the Underwriter will use its best endeavours to ensure that (i) such subscribers and/or sub-underwriters are Independent Third Parties, and (ii) such subscribers and/or sub-underwriters will not hold more than 10.0% of the equity interest in PNG upon completion of the Rights Issue. In the event of the Underwriter being called upon to subscribe or procure subscribers for the Untaken Shares, the Underwriter shall ensure that the public float requirements under Rule 8.08 of the Listing Rules are fulfilled by PNG upon completion of the Rights Issue.

5. Principal terms of the Underwriting Agreement

- Date** : 28 May 2015
- Parties** : (i) PNG; and
(ii) the Underwriter.
- Total number of Underwritten Shares** : 2,262,956,250, being all the Rights Shares in excess of the aggregate of: (i) 665,958,750 Rights Shares and 8,460,000 Rights Shares that will be provisionally allotted to and subscribed for by Hearty and Suntech (or their associates), respectively, pursuant to the WYT Irrevocable Undertaking; and (ii) 380,000,000 Right Shares for which Hearty (or its associates) will subscribe by way of excess application, pursuant to the WYT Irrevocable Undertaking.
- Commission** : 2.5% of the aggregate Subscription Price in respect of the respective maximum number of Underwritten Shares agreed to be underwritten by the Underwriter, payable to the Underwriter. The commission rate was determined after arm's length negotiations between PNG and the Underwriter with reference to, among other things, the scale of the Rights Issue and the market rate, and the PNG Board (excluding the independent non-executive PNG Directors whose opinion will be set out in the Circular, after having been advised by the Independent Financial Adviser) considers that the underwriting commission rate is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole.
- Conditions** : Please refer to the section headed "3. Conditions of the Rights Issue" in this Part A of this joint announcement.
- 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 Underwriter and PNG in writing, being the latest time to terminate the Underwriting Agreement.
- Termination** : If, prior to the Latest Time For Termination:
- (i) in the absolute opinion of the Underwriter, the success of the Rights 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 the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the PNG Group as a whole or is materially adverse in the context of the Rights 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 of the same kind or nature 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 the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the PNG Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights 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 the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) any change in the circumstances of PNG or any member of the PNG Group which in the absolute opinion of the Underwriter will adversely affect the prospects of PNG, 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 member of the PNG Group or the destruction of any material asset of the PNG 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 PNG Group as a whole whether or not of the same kind or nature with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or PNG'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 this joint announcement, the Circular, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the PNG Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter may by notice in writing to PNG, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

The Underwriter may 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 the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

6. Reasons for the Rights Issue

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

In view of the continuous progress of urbanisation in the PRC, the PNG Board is optimistic about the long term development in the PRC property market and is seeking to explore opportunities to further grow its business, including by expanding the PNG Group's land bank for both residential and commercial development.

In view of the optimistic future prospects of the business of the PNG Group, the Rights Issue will enable PNG to strengthen its equity base and liquidity without incurring interest costs, and significantly reduce its finance costs, thereby bolstering its ability to capitalise upon greater business opportunities associated with its principal business engagements and explore future potential investment opportunities. The Rights Issue also affords all PNG Shareholders an equal opportunity to subscribe for their pro-rata

provisional entitlements of the Rights Shares, and to participate as fully as they wish in the growth opportunity of PNG by way of applying for excess Rights Shares. It 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 PNG raised equity of similar size in the form of a placing, then such an exercise would not have allowed all PNG Shareholders to participate in the capital exercise and those excluded PNG Shareholders would be diluted without being given an opportunity to maintain their percentage interests.

Taking into account the above, the PNG Board (excluding the independent non-executive PNG Directors whose opinion will be set out in the Circular, after having been advised by the Independent Financial Adviser) is of the view that the Rights Issue is in the interests of PNG and the PNG Shareholders as a whole.

7. Use of proceeds of the Rights Issue

The Rights Issue is proposed with a view to provide further funding for the PNG Group's business development and expansion, and to assist with the PNG Group's repayment of financial indebtedness. The net proceeds to be raised from the Rights Issue, being approximately HK\$544.3 million, are intended to be applied as follows:

- a) approximately HK\$90.0 million will be utilised for the payment of construction costs of the PNG Group's existing property development project in Fuzhou, Jiangxi Province, the PRC.
- b) approximately HK\$100.0 million will be utilised for potential investments by the PNG Group. As at the date of this joint announcement, the PNG Group is considering, and is in discussions in respect of, a number of possible investments, the terms of which have yet to be finalized. The PNG Group will make announcements in accordance with the Listing Rules if and when it finalizes and commits to these potential investments;
- c) approximately HK\$300.0 million will be utilised for the full or significant part repayment of outstanding principal and interest amounts on loans of the PNG Group provided by banks in the PRC and Hong Kong, each of which is a licensed financial institution and an Independent Third Party; and
- d) the remaining balance of approximately HK\$54.3 million will be utilised for general working capital of the PNG Group.

8. Change in board lot size and arrangements for trading of odd lots

The PNG Shares are currently traded on the Stock Exchange in board lots of 4,000 PNG Shares. The board lot size of the PNG Shares will be changed to 10,000 PNG Shares.

Based on the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day, the prevailing board lot value is HK\$1,300 in the board lot size of 4,000 PNG Shares and, based on the theoretical ex-entitlement price of the PNG Shares of approximately HK\$0.213 per PNG Share with reference to the closing price of HK\$0.325 per PNG Share on the Last Trading Day, the new estimated board lot value would be approximately HK\$2,130 in the new board lot size of 10,000 PNG Shares. The change in board lot size will not affect any of the PNG Shareholders' rights.

As from Monday, 20 July 2015, any new share certificates will be issued in board lots of 10,000 PNG Shares each (except for odd lots or where the Registrar is otherwise instructed). The expected timetable for such change in board lot size is set out in the section headed “9. Expected timetable for the Rights Issue” in Part A of this joint announcement.

The PNG Shareholders may submit certificates for the existing PNG Shares to the Registrar during normal business hours from Monday, 6 July 2015 to Tuesday, 11 August 2015 (both dates inclusive) to exchange for the new certificates of the PNG Shares at the expense of PNG. Thereafter, certificates for the existing PNG Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate of the existing PNG Shares submitted for cancellation or each new share certificate issued for the PNG Shares, whichever number of certificates cancelled or issued is higher. The existing certificates will be valid for trading and settlement up to 4:00 p.m. on Friday, 7 August 2015, being the latest time and date for trading in the board lot of 4,000 PNG Shares in the form of existing certificates (or such other date which will be announced by PNG) and will continue to be good evidence of legal title and may be exchanged for certificates of the PNG Shares at any time in accordance with the foregoing.

In order to facilitate the trading of odd lots (if any) of the PNG Shares arising from the change in board lot size, Kingston Securities Limited will be appointed as the designated broker to match the purchase and sale of odd lots of the PNG Shares at the relevant market price per PNG Share for the period from 9:00 a.m. on Monday, 20 July 2015 to 4:00 p.m. on Friday, 7 August 2015 (both dates inclusive). Holders of the PNG Shares in odd lots represented by the existing share certificates for the PNG Shares who wish to take advantage of this facility either to dispose of their odd lots of the PNG Shares or to top up their odd lots to a full new board lot, may directly or through their broker, contact Ms. Rosita Kiu of Kingston Securities Limited at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (telephone: (852) 2298 6215 and facsimile: (852) 2295 0682) during such period. Holders of odd lots of the PNG Shares should note that successful matching of the sale and purchase of odd lots of the PNG Shares is not guaranteed. Any PNG Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

9. Expected timetable for the Rights Issue

Event	Timeline
Expected despatch date of the Circular with notice of the SGM.....	Thursday, 25 June 2015
First day of free exchange of existing certificates for the PNG Shares in board lots of 4,000 PNG Shares into new certificates for the PNG Shares in board lots of 10,000 PNG Shares.....	Monday, 6 July 2015
Latest time for lodging proxy forms for the SGM	10:00 a.m. on Saturday, 11 July 2015
Expected date and time of the SGM.....	10:00 a.m. on Monday, 13 July 2015
Announcement of the results of the SGM.....	Monday, 13 July 2015

Last day of dealings in PNG Shares on a cum-rights basis	Wednesday, 15 July 2015
First day of dealings in PNG Shares on an ex-rights basis.....	Thursday, 16 July 2015
Latest time for the PNG Shareholders to lodge transfer of PNG Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 17 July 2015
Last day for trading of PNG Shares with old board lot size of 4,000 PNG Shares in the original counter	Friday, 17 July 2015
Effective date of new board lot size of 10,000 PNG Shares.....	Monday, 20 July 2015
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots.....	9:00 a.m. on Monday, 20 July 2015
Original counter for trading in PNG Shares in board lots of 4,000 PNG Shares (in the form of existing share certificates) becomes a counter for trading in the PNG Shares in board lots of 10,000 PNG Shares (in the form of new certificates)	9:00 a.m. on Monday, 20 July 2015
Temporary counter for trading in PNG Shares in board lots of 4,000 PNG Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 20 July 2015
Parallel trading in PNG Shares in the form of both existing share certificates in board lots of 4,000 PNG Shares and new share certificates in board lots of 10,000 PNG Shares commences	9:00 a.m. on Monday, 20 July 2015
Closure of register of members of PNG (both dates inclusive)	Monday, 20 July 2015 to Thursday, 23 July 2015
Record Date and time for determining entitlements to the Rights Issue	4:30 p.m. on Thursday, 23 July 2015
Register of members of PNG re-opens	Friday, 24 July 2015
Despatch of Prospectus Documents.....	Friday, 24 July 2015
First day of dealings in nil-paid Rights Shares.....	9:00 a.m. on Tuesday, 28 July 2015
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Thursday, 30 July 2015

Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Tuesday, 4 August 2015
Designated broker ceases to stand in the market to provide matching service for the sale and purchase of odd lots	4:00 p.m. on Friday, 7 August 2015
Latest Time For Acceptance of, and payment for, the Rights Shares and the applications for excess Rights Shares.....	4:00 p.m. on Friday, 7 August 2015
Temporary counter for trading in PNG Shares in board lots of 4,000 PNG Shares (in the form of existing share certificates) closes.....	4:00 p.m. on Friday, 7 August 2015
Parallel trading in PNG Shares in the form of both existing share certificates in board lots of 4,000 PNG Shares and new share certificates in board lots of 10,000 PNG Shares ends	4:00 p.m. on Friday, 7 August 2015
Last day of free exchange of existing certificates for the PNG Shares in board lots of 4,000 PNG Shares into new certificates for the PNG Shares in board lots of 10,000 PNG Shares.....	Tuesday, 11 August 2015
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 13 August 2015
Announcement of results of the Rights Issue.....	Friday, 14 August 2015
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before	Monday, 17 August 2015
Certificates for fully paid Rights Shares to be despatched on or before.....	Monday, 17 August 2015
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Tuesday, 18 August 2015

Note: All references to time in this joint announcement are references to Hong Kong time.

Dates or deadlines specified in this joint announcement are indicative only and may be varied by agreement between PNG and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the PNG Shareholders as and when appropriate.

10. Effect of bad weather on the Latest Time For Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The Latest Time For Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning signal is:
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time For Acceptance. Instead the Latest Time For Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same business day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time For Acceptance. Instead the Latest Time For Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time For Acceptance and application and payment for excess Rights Shares does not take place, the dates mentioned in this section may be affected. An announcement will be made by PNG in such event as soon as practicable.

11. Qualifying Shareholders

To qualify for the Rights Issue, a PNG Shareholder must be registered as a member of PNG and not being an Excluded Shareholder on the Record Date. In order to be registered as members of PNG on the Record Date, all transfers of the PNG Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Friday, 17 July 2015, at the following address:

Tricor Tengis Limited at
Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

PNG will send the Prospectus Documents to the Qualifying Shareholders, and will send the Prospectus (without the PAL(s) and EAF(s)), for information purposes only, to the Excluded Shareholders on the Prospectus Posting Date.

PNG will ascertain whether there are any Overseas Shareholders on the Record Date. In determining whether there will be Excluded Shareholders, PNG will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to PNG’s offering of the Rights Shares to the Overseas Shareholders in compliance with the Listing Rules.

12. Rights of the Excluded Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, PNG will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the PNG Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Prospectus Posting Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be retained for the benefit of PNG. Any unsold entitlement of the Excluded Shareholders to the Rights Shares, and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of the nil-paid Rights Shares, will be made available for excess applications by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the PNG Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the PNG Shares.

13. Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlement of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders (or the transferees to whom any Qualifying Shareholders have transferred their provisional entitlements). Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares no later than the Latest Time For Acceptance. The PNG Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares applied for by the Qualifying Shareholders. However, no preference will be given to topping-up odd lots to whole board lots.

Beneficial owners of PNG Shares whose shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the PNG Board will regard the nominee company as a single PNG Shareholder according to the register of members of PNG. Accordingly, the beneficial owners of PNG Shares whose shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

For those beneficial owners of PNG Shares whose PNG Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of PNG, they must lodge all necessary documents with the Registrar for completion of the relevant registration not later than 4:30 p.m. on Friday, 17 July 2015.

14. Closure of register of members

The register of members of PNG will be closed from Monday, 20 July 2015, to Thursday, 23 July 2015 (both dates inclusive). No transfer of PNG Shares will be registered during this period.

15. Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the PNG Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights 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.

16. Certificates of the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares are expected to be sent on or before Monday, 17 August 2015, to those entitled thereto by ordinary post at their own risks. Share certificates will be issued for the fully-paid Rights Shares.

17. Refund cheques for the Rights Issue

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 17 August 2015, by ordinary post to the applicants at their own risk.

18. Fractional entitlements to PNG Shares

Fractional PNG Shares to which an individual PNG Shareholder is entitled to will not be issued by PNG to such PNG Shareholders. Any such fractional entitlements to the PNG Shares will be aggregated, sold and retained for the benefit of PNG.

19. Application for listing

PNG will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of PNG is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in each of their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully-paid forms) to be admitted into CCASS.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

20. Warning of the risks of dealings in PNG Shares and/or Rights Shares in nil-paid form

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “3. Conditions of the Rights Issue” in this Part A of this joint announcement. In particular, the Rights Issue is conditional, among others, upon:

- (i) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings, which is expected to be 9:00 a.m. on Tuesday, 28 July 2015 and 9:00 a.m. on Tuesday, 18 August 2015, respectively; and**
- (ii) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms (as set out in the section headed “5. Principal terms of the Underwriting Agreement” in this Part A of this joint announcement).**

If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercise their right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any persons contemplating buying or selling PNG Shares from the date of this joint announcement up to the date on which all the conditions of the Rights Issue is fulfilled, and any dealings in the Rights Shares in their nil-paid form between 9:00 a.m. on Tuesday, 28 July 2015 and 4:00 p.m. on Tuesday, 4 August 2015 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any PNG Shareholders and potential investors contemplating dealing in PNG Shares and/or nil-paid Rights Shares are recommended to consult their own professional advisers.

21. Previous equity fund-raising activities in the prior 12-month period

Save as disclosed below, PNG has not conducted any other equity fund-raising activities in the past 12 months before the date of this joint announcement:

Date of announcement	Date of Completion	Fund raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
14 April 2015	30 April 2015	Placing of 220 million new PNG Shares under the general mandate	Approximately HK\$47.9 million	<p>(a) Approximately HK\$35.0 million for repayment of indebtedness; and</p> <p>(b) approximately HK\$12.9 million as general working capital of the PNG Group.</p>	<p>(a) Approximately HK\$35.0 million was utilised for repayment of indebtedness as intended; and</p> <p>(b) approximately HK\$3.5 million was utilised for the payment of salaries and marketing expenses and the remaining balance of approximately HK\$9.4 million will be utilised as intended.</p>
12 September 2014	<p>(a) Top-up placing and top-up subscription completed on 22 September 2014 and 26 September 2014, respectively</p> <p>(b) Placing of new PNG Shares completed on 29 September 2014</p>	<p>(a) Top-up placing and top-up subscription of 150 million PNG Shares under the general mandate</p> <p>(b) Placing of 34 million new PNG Shares under the general mandate</p>	Approximately HK\$57.7 million	Future development and other potential investment	Fully utilised as intended

22. Implications under the Listing Rules

As the Rights Issue will result in PNG's issued share capital increasing by more than 50%, the Rights Issue is subject to, among other things, the approval by the PNG Independent Shareholders at the SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any PNG controlling shareholder and their associates, or where there is no such PNG controlling shareholder, the PNG Directors (excluding the independent non-executive PNG Directors), the chief executive of PNG and their respective associates will need to abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this joint announcement, PNG does not have a controlling shareholder.

Please refer to the section headed "1. Circular; SGM; and Despatch of the Prospectus Documents" in Part C of this joint announcement.

PNG has established the Independent Board Committee to advise the PNG Independent Shareholders as to (i) whether the Rights Issue (including the Underwriting Agreement) is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole, and (ii) voting by the PNG Independent Shareholders, taking into account the recommendations of the Independent Financial Adviser. In this regard, PNG has appointed, and the Independent Board Committee has approved the appointment of, Opus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the PNG Independent Shareholders as to (i) whether the terms of the Rights Issue (including the Underwriting Agreement) are fair and reasonable, and (ii) voting by the PNG Independent Shareholders.

PART B: DISCLOSEABLE TRANSACTION OF WYT

IRREVOCABLE UNDERTAKING TO SUBSCRIBE FOR THE RIGHTS SHARES BY THE WYT GROUP

1. The WYT Irrevocable Undertaking

As at the date of this joint announcement, WYT, through its wholly-owned subsidiaries, Hearty and Suntech, is interested in 269,767,500 PNG Shares, representing approximately 20.33% of the issued share capital of PNG.

On 28 May 2015, Hearty and Suntech have jointly and severally and irrevocably granted the WYT Irrevocable Undertaking in favour of PNG under which they agreed, among other things:

- (i) to subscribe, or procure their associates to subscribe, for 665,958,750 Rights Shares and 8,460,000 Rights Shares, respectively (in aggregate 674,418,750 Rights Shares), which comprise the full acceptance of their respective provisional entitlements;
- (ii) that the PNG Shares or the shares (as the case may be) comprising its current shareholding in PNG will remain beneficially owned by them on the Record Date;
- (iii) to procure that their respective acceptance of the 665,958,750 Rights Shares and 8,460,000 Rights Shares, which will be provisionally allotted to them in nil-paid form under the Rights Issue, be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the PAL(s);
- (iv) that Hearty will apply, or procure its associates to apply, by way of excess application, for 380,000,000 Rights Shares; and
- (v) that Hearty will procure that the EAF(s) for 380,000,000 Rights Shares be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the EAF(s).

Completion of the transactions under the WYT Irrevocable Undertaking is conditional upon the conditions for the Rights Issue (other than condition (vi) referred to in the section headed “3. Conditions of the Rights Issue” in Part A of this joint announcement) having been fulfilled.

2. Financial impact on WYT of the WYT Irrevocable Undertaking

Assuming:

- (i) Hearty and Suntech subscribe for their provisional entitlements under the Rights Issue in full in accordance with the terms of the WYT Irrevocable Undertaking;
- (ii) none of the Qualifying Shareholders (other than Hearty and Suntech), or the transferees to whom any Qualifying Shareholders has transferred their provisional entitlements, take up the Rights Shares to which they are entitled by the Latest Time For Acceptance or otherwise in accordance with the instructions set out on the PAL(s); and
- (iii) Hearty receives in full the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WYT Irrevocable Undertaking,

the direct interests of the WYT Group in the share capital of PNG immediately upon completion of the Rights Issue will increase from approximately 20.33% to approximately 28.51%.

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

- (i) but Hearty receives none of the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WYT Irrevocable Undertaking, the WYT Group could potentially record a loss of approximately HK\$2.6 million (before deduction of the relevant expenses incurred thereon); or
- (ii) Hearty receives in full the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WYT Irrevocable Undertaking, the WYT Group could potentially record a net gain (taking into account the potential loss of approximately HK\$2.6 million arising from the subscription for provisional entitlement) of approximately HK\$61.9 million (before deduction of necessary reasonable expenses), which is calculated:
 - (a) on the basis of the unaudited total equity attributable to owners of PNG of approximately HK\$976.9 million as at 30 September 2014;
 - (b) by reference to the placing of PNG Shares completed on 30 April 2015 which generated net proceeds of approximately HK\$47.9 million; and
 - (c) by reference to the Rights Issue which is expected to generate net proceeds of approximately HK\$544.3 million.

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

Based on the assumptions set out in this section, Hearty and Suntech will together pay a maximum aggregate amount of approximately HK\$177.1 million to subscribe in full for their provisional entitlements and Hearty to subscribe in full for the 380,000,000 Rights Shares for which it will have made an excess application under the Rights Issue pursuant to the WYT Irrevocable Undertaking. The consideration will be fully satisfied in cash and will be financed entirely by the internal resources of the WYT Group.

3. Reasons for the WYT Irrevocable Undertaking

Based on the following reasons, the WYT Directors consider the terms of the WYT Irrevocable Undertaking are fair and reasonable and believe that the subscription of Rights Shares (including by way of excess application) pursuant to the WYT Irrevocable Undertaking is in the best interests of WYT and the WYT Shareholders as a whole:

- (i) **Participation in PNG's growth:** The WYT Board is optimistic about the future prospect of PNG for the reasons given by the PNG Board as mentioned under the section headed "6. Reasons for the Rights Issue" in Part A of this joint announcement. The WYT Board believes that the Rights Issue will strengthen the capital base of PNG so that PNG will be in a position to capture more business opportunities associated with its principal business engagements ahead. In addition, the WYT Irrevocable Undertaking is given in order to support and maintain the value of the WYT Group's investment in PNG and the excess application to be made thereunder to increase its shareholding in PNG will provide the WYT Group an opportunity to participate in additional future returns of PNG.
- (ii) **Subscription of Rights Shares:** On the basis that, in addition to the Rights Shares to which Hearty and Suntech are provisionally entitled under the Rights Issue, Hearty will receive in full the 380,000,000 Rights Shares for which it will have made an excess application pursuant to the WYT Irrevocable Undertaking, the WYT Group will have a maximum shareholding interest of up to approximately 28.51% in PNG upon completion of the Rights Issue, and remain the single largest shareholder of PNG. On such basis, the WYT Group will retain significant influence over PNG's management, including participation in the financial and operational decisions in PNG.
- (iii) **Subscription Price:** Given that the Subscription Price represents: (a) a discount of approximately 48.31% to the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day, (b) a discount of approximately 21.13% to the theoretical ex-entitlement price of approximately HK\$0.213 per PNG Share after the Rights Issue, based on the closing price of HK\$0.325 per PNG Share as quoted on the Stock Exchange on the Last Trading Day, (c) a discount of approximately 78.24% to the unaudited total equity attributable to the owners of PNG per PNG Share of approximately HK\$0.772 as at 30 September 2014 after taking into account of the net proceeds of approximately HK\$47.9 million from the placing of PNG Shares completed on 30 April 2015, the WYT Board considers the Subscription Price to be attractive and that the Rights Issue is a valuable opportunity for the WYT Group to increase its shareholding in PNG.

The following information is extracted respectively from the unaudited interim results of PNG for the six months ended 30 September 2014 and the audited financial statements of PNG for the two financial years ended 31 March 2014 and 2013:

	For the six months ended 30 September 2014 (Unaudited) (HK\$'000)	For the financial year ended 31 March 2014 (Audited) (HK\$'000)	For the financial year ended 31 March 2013 (Audited and restated) (HK\$'000)
Revenue	454,684	1,034,155	953,450
Profit before taxation	82,034	223,030	91,418
Profit/(loss) for the period/year [#]	48,636	(24,954)	20,950

[#] The above figures included the results from continuing operations and the discontinued operation.

4. Implications under the Listing Rules

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the subscription in full for Hearty's and Suntech's provisional entitlements and the application by Hearty for 380,000,000 Rights Shares by way of excess application under the Rights Issue pursuant to the WYT Irrevocable Undertaking exceeds 5% but is less than 25%, the transactions therein constitute a discloseable transaction for WYT under Chapter 14 of the Listing Rules and are subject to the notification and publication requirements under the Listing Rules.

5. General information on the WYT Group

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

PART C: GENERAL MATTERS

Circular; SGM; and Despatch of the Prospectus Documents

The Circular containing, among other things:

- (i) further details of the change in board lot size, the WYT Irrevocable Undertaking, the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder;
- (ii) a letter of recommendation from the Independent Board Committee to the PNG Independent Shareholders in respect of the Rights Issue (including the Underwriting Agreement) as to (i) whether it is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole, and (ii) voting by the PNG Independent Shareholders;

- (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the PNG Independent Shareholders on the Rights Issue (including the Underwriting Agreement) as to (i) whether it is fair and reasonable and in the interests of PNG and the PNG Shareholders as a whole, and (ii) voting by the PNG Independent Shareholders; and
- (iv) a notice convening the SGM,

will be despatched to the PNG Shareholders on or before Thursday, 25 June 2015.

The SGM will be convened and held for the PNG Independent Shareholders to consider and, if thought fit, to approve, among other things the Underwriting Agreement and the Rights Issue, each in accordance with the Bye-Laws and the Listing Rules.

Upon the approval of the Underwriting Agreement and the Rights Issue by the PNG Independent Shareholders at the SGM, the Prospectus Documents setting out, among other things, details of the WYT Irrevocable Undertaking, the Underwriting Agreement and the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded Shareholders for information purposes only.

PART D: RESUMPTION OF TRADING

Resumption of trading of PNG Shares

At the request of PNG, trading in the PNG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Friday, 29 May 2015 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the PNG Shares on the Stock Exchange with effect from 9:00 a.m. on Friday, 5 June 2015.

DEFINITIONS

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

“Application Forms”	collectively, the EAF(s) and the PAL(s)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bye-laws”	the bye-laws of PNG
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Circular”	the circular to be despatched to the PNG Shareholders in relation to, among other things, the change in board lot size, the WYT Irrevocable Undertaking, the Underwriting Agreement and the Rights Issue
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“EAF(s)”	the form(s) of application for used by Qualifying Shareholders who wish to apply for excess Rights Shares
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose registered addresses in PNG’s register of members as at the Record Date are in places where the PNG 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 to such PNG Shareholders
“Hearty”	Hearty Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of WYT
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the PNG Board comprising all of the three independent non-executive PNG Directors formed for the purpose of advising the PNG Independent Shareholder(s) on the Rights Issue (including the Underwriting Agreement)
“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation registered under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the PNG Independent Shareholders in respect of the Rights Issue (including the Underwriting Agreement)

“Independent Third Party”	<p>a person who:</p> <ul style="list-style-type: none"> (i) is not (and will not become as a result of the consummation of the Rights Issue) a connected person of PNG and it will not be deemed a connected person of PNG pursuant to Rules 14A.19 to 14A.21 of the Listing Rules; (ii) is not financing the subscription of the Rights Shares directly or indirectly by a connected person of PNG; (iii) is not accustomed to taking instructions from a connected person of PNG in relation to the acquisition, disposal, voting or other disposition of securities of PNG 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 PNG being 10.0% or more of PNG’s entire issued share capital at any time
“Last Trading Day”	Thursday, 28 May 2015, being the last trading day for the PNG Shares on the Stock Exchange before the release of this joint announcement
“Latest Time For Acceptance”	4:00 p.m. on Friday, 7 August 2015, or such later time or date as may be agreed between the Underwriter and PNG in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“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 Underwriter and PNG in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the PNG Shareholder(s) whose address(es) on the register of members of PNG on the Record Date are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“PNG”	PNG Resources Holdings Limited PNG 資源控股有限公司, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 221)
“PNG Board”	the board of the PNG Directors

“PNG Director(s)”	the director(s) of PNG
“PNG Group”	PNG and its subsidiaries
“PNG Independent Shareholders”	the PNG Shareholder(s), other than: (i) the PNG Directors (excluding the independent non-executive PNG Directors), the chief executive of PNG and their respective associates, and (ii) shareholder(s) who is/are involved in, or interested in, the WYT Irrevocable Undertaking, the Underwriting Agreement and the Rights Issue
“PNG Shareholder(s)”	the holder(s) of the PNG Share(s)
“PNG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of PNG
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the PNG Shareholders on the Prospectus Posting Date in connection with the Rights Issue in such form as may be agreed between PNG and the Underwriter
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	Friday, 24 July 2015 or such other day as may be agreed between PNG and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the PNG Shareholder(s), whose names appear on the register of members of PNG as at the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 23 July 2015, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	PNG’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights issue to the Qualifying Shareholders for subscription on the terms to be set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	3,317,375,000 PNG Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of five (5) Rights Shares for every two (2) PNG Shares held on the Record Date pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“SGM”	the special general meeting of PNG to be convened and held to consider and approve, among other things, the Underwriting Agreement and the Rights Issue
“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 in respect of each Rights Share, being of HK\$0.168
“subsidiaries”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Suntech”	Suntech Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of WYT
“Underwriter”	Kingston Securities Limited, a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out business in type 1 regulated activity (dealing in securities) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 28 May 2015 entered into between PNG and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	all the Rights Shares in excess of the aggregate of: (i) 665,958,750 Rights Shares and 8,460,000 Rights Shares that will be provisionally allotted to and subscribed for by Hearty and Suntech (or its associates) pursuant to the WYT Irrevocable Undertaking, and (ii) 380,000,000 Rights Shares for which Hearty (or its associates) will subscribe by way of excess application pursuant to the WYT Irrevocable Undertaking, which are fully underwritten by the Underwriter pursuant to the terms and subject to the conditions of the Underwriting Agreement
“Untaken Shares”	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 PNG, subsequent presentation) have not been lodged for acceptance by the Qualifying Shareholders, or received, as the case may be, on or before the Latest Time For Acceptance
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)

“WYT Board”	the board of the WYT Directors
“WYT Director(s)”	the director(s) of WYT
“WYT Irrevocable Undertaking”	an irrevocable undertaking dated 28 May 2015 granted by Hearty and Suntech in favour of PNG as described in the section headed “1. The WYT Irrevocable Undertaking” in Part B of this joint announcement
“WYT Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of WYT
“%”	per cent.

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

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

Hong Kong, 4 June 2015

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

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

** For identification purpose only*