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JOINT ANNOUNCEMENT



CHINA AGRI-PRODUCTS EXCHANGE LIMITED

中國農產品交易所有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)



Easy One Financial Group Limited

易易壹金融集團有限公司

(Incorporated in the Cayman Islands and continued in

Bermuda with limited liability)

(Stock Code: 221)

(A) PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION AND CAPITAL REDUCTION

(B) CHANGE OF BOARD LOTS

(C) PROPOSED RIGHTS ISSUE IN THE PROPORTION OF SEVEN (7) ADJUSTED SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE AT HK\$0.45 PER RIGHTS SHARE

(D) ISSUE AND PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

(E) CONNECTED TRANSACTIONS

(F) SPECIAL DEAL — REPAYMENT OF THE SHAREHOLDER INDEBTEDNESS

(G) PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

AND

(H) RESUMPTION OF TRADING

(A) VERY SUBSTANTIAL ACQUISITION IN RELATION TO (1) THE SUBSCRIPTION OF RIGHTS SHARES COMPRISING THE FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT AND THE EXCESS APPLICATION FOR RIGHTS SHARES UNDER THE IRREVOCABLE UNDERTAKING AND (2) PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

(B) APPLICATION FOR A WHITEWASH WAIVER UNDER THE TAKEOVERS CODE IN CONNECTION WITH THE SUBSCRIPTION OF THE RIGHTS SHARES UNDER THE IRREVOCABLE UNDERTAKING AND

(C) RESUMPTION OF TRADING



WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
(Incorporated in Bermuda with limited liability)
(Stock Code: 897)



WANG ON GROUP LIMITED
(宏安集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

VERY SUBSTANTIAL ACQUISITION

MAJOR TRANSACTION

REGARDING

**(A) (1) THE UNDERWRITING OF THE PROPOSED RIGHTS ISSUE AND
SUBSCRIPTION OF WYT CONVERTIBLE NOTE BY WYT AND (2) PROPOSED
AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS
(B) APPLICATION FOR A WHITEWASH WAIVER UNDER THE TAKEOVERS
CODE IN CONNECTION WITH THE SUBSCRIPTION OF (1) RIGHTS SHARES
UNDER THE UNDERWRITING AGREEMENT AND (2) WYT CONVERTIBLE
NOTE BY WYT
AND
(C) RESUMPTION OF TRADING OF WYT SHARES AND WOG SHARES**

UNDERWRITERS OF THE RIGHTS ISSUE

 **KINGSTON SECURITIES**



FINANCIAL ADVISER TO CAP

 **KINGSTON CORPORATE FINANCE**

WARNING:

POSSIBLE REJECTION OF LISTING APPROVAL AND FAILURE OF RIGHTS ISSUE

The Rights Issue is conditional upon, among others, the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Adjusted Shares and the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings.

CAP has received negative feedback from the Listing Division of the Stock Exchange. Based on information provided to it, the Listing Division is concerned with the substantial dilution of non-subscribing minority shareholders' interests. CAP has not yet demonstrated, to the satisfaction of the Listing Division, that the terms of the Rights Issue are fair and reasonable.

The Executive is concerned whether the proposed transactions set out in this joint announcement is oppressive to the minority shareholders and contrary to the General Principles of the Takeovers Code.

CAP Board does not share the same view in respect of the above concerns from the Stock Exchange and the Executive and is currently looking into addressing the Stock Exchange and the Executive's concerns. Shareholders and potential investors should note that, unless CAP addresses the above concerns to the satisfaction of the Stock Exchange, the Stock Exchange will not grant listing approval to deal in the Adjusted Shares and the Rights Shares and if so the Rights Issue and the Notes Issue will not proceed and will lapse.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOTS OF CAP

The CAP Board proposes to effect the Capital Reorganisation comprising:

- (i) a proposed Share Consolidation whereby every five (5) 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\$0.05;
- (ii) a proposed Capital Reduction whereby: (a) any fractional Consolidated Shares in the issued share capital of CAP arising from the Share Consolidation shall be cancelled; and (b) the nominal value of all the issued Consolidated Shares shall be reduced from HK\$0.05 each to HK\$0.01 each and the issued share capital of CAP shall be reduced by HK\$0.04 per Consolidated Share in issue; and
- (iii) applying the credit arising from the Capital Reduction to set off the accumulated losses of CAP.

As a result of the Capital Reorganisation, the board lot size of the CAP Shares for trading on the Stock Exchange will temporarily decrease from 5,000 CAP Shares to 1,000 Adjusted Shares. The CAP Board announces that the board lot size of the Adjusted Shares will be changed from 1,000 Adjusted Shares to 5,000 Adjusted Shares after the Capital Reorganisation becomes effective.

Please refer to Part A of this joint announcement for further details of the Capital Reorganisation and the change in board lot size.

RIGHTS ISSUE BY CAP

CAP proposes to raise gross proceeds of not less than approximately HK\$1,045.1 million (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) and not more than approximately HK\$1,299.9 million (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date), before expenses, by way of the Rights Issue. CAP shall allot and issue not less than 2,322,382,489 Rights Shares (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) and not more than 2,888,682,489 Rights Shares (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date) at the Subscription Price of HK\$0.45 per Rights Share, on the basis of seven (7) Adjusted Shares for every one (1) Adjusted Share held on the Record Date.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

Please refer to Part B of this joint announcement for further details of the Rights Issue.

IRREVOCABLE UNDERTAKING TO SUBSCRIBE FOR RIGHTS SHARES BY ONGER INVESTMENTS

As at the date of this joint announcement, EOG, through its wholly-owned subsidiary, Onger Investments, is interested in 334,616,677 CAP Shares, representing approximately 20.17% of the total issued CAP Shares. On 4 July 2017, Onger Investments has granted the Irrevocable Undertaking in favour of CAP under which it agreed to, among other things, subscribe, or procure its associates to subscribe, for up to a total of 555,463,345 Rights Shares, of which 468,463,345 Rights Shares comprise the full acceptance of its provisional entitlements and 87,000,000 Rights Shares comprise its subscription of additional Rights Shares by way of excess application.

UNDERWRITING OF THE PROPOSED RIGHTS ISSUE BY THE WYT UNDERWRITER

The Underwriting Agreement

On 4 July 2017, the WYT Underwriter, WYT, Kingston and CAP entered into the Underwriting Agreement pursuant to which the Underwriters agreed to fully underwrite the proposed Rights Issue in the following manner:

- (i) the WYT Underwriter has agreed to underwrite in total up to 860,000,000 Rights Shares; and
- (ii) Kingston has agreed to fully underwrite all Underwritten Shares not already taken up by the WYT Underwriter, being not less than 906,919,144 Rights Shares and not more than 1,473,219,144 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.

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

Please refer to the section headed “6. Principal Terms of the Underwriting Agreement” in Part B of this joint announcement for further details.

ISSUE, PLACING AND SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

Notes Placing Agreement

On 4 July 2017, CAP entered into the Notes Placing Agreement with Kingston, pursuant to which CAP has appointed Kingston for the purpose of procuring, as an agent of CAP, on a best efforts basis, Notes Placees to subscribe for the Placing Convertible Notes in a maximum aggregate principal amount of HK\$260 million. Based on the Conversion Price of HK\$0.58 per Conversion Share (subject to adjustments), 448,275,862 Placing Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Placing Convertible Notes in full.

WYT Note Subscription Agreement

On 4 July 2017, CAP entered into the WYT Note Subscription Agreement with Key High (an indirectly wholly-owned subsidiary of WYT), pursuant to which CAP has agreed to issue to Key High (or any person designated by Key High in writing), and Key High has agreed to subscribe for, the WYT Convertible Note in a maximum principal amount of HK\$140 million. Based on the Conversion Price of HK\$0.58 per Conversion Share (subject to adjustments), 241,379,310 WYT Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the WYT Convertible Note.

CHANGES IN THE SHAREHOLDING STRUCTURE OF CAP ARISING FROM THE RIGHTS ISSUE AND THE NOTES ISSUE

The changes in the shareholding structure of CAP arising from the Rights Issue and the Notes Issue are as follows:

- (i) *Assuming a maximum of 2,888,682,489 Rights Shares were issued (on the basis that the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date):*

	As at the date of this joint announcement		Immediately after the Capital Reorganisation and full conversion of the 2016 Placing CN but before the completion of the Rights Issue and the Notes Issue		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters*		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters and after full conversion of the Convertible Notes*	
	No. of CAP Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %
Concert Group										
EOG Group										
Onger Investments	334,616,677	20.17%	66,923,335	16.22%	535,386,680	16.22%	622,386,680	18.85%	622,386,680	15.59%
WYT Group										
Key High	—	0.00%	—	0.00%	—	0.00%	860,000,000	26.05%	1,101,379,310	27.60%
Other CAP Shareholders										
Kingston (including subscribers procured by it)	—	0.00%	—	0.00%	—	0.00%	1,473,219,144	44.63% [#]	1,921,495,006	48.14% [#]
Holder of 2016 Placing CN	—	0.00%	80,900,000	19.60%	647,200,000	19.60%	80,900,000	2.45%	80,900,000	2.03%
Other public CAP Shareholders	1,324,227,960	79.83%	264,845,592	64.18%	2,118,764,736	64.18%	264,845,592	8.02%	264,845,592	6.64%
Total	1,658,844,637	100.00%	412,668,927	100.00%	3,301,351,416	100.00%	3,301,351,416	100.00%	3,991,006,588	100.00%

Notes:

* This scenario is for illustration purpose only and is unlikely to occur since it assumes that: (i) the CAP Independent Shareholders have voted in favour of the Rights Issue at the CAP SGM, but (ii) no Qualifying Shareholder other than Onger Investments would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the CAP Independent Shareholders and their subscription for the Rights Shares.

Kingston, as one of the Underwriters, shall use its best endeavours to ensure CAP shall maintain and/or meet the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue. No conversion rights may be exercised by the Notes Holders unless immediately after exercise of such conversion rights, CAP will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

^ None of the directors of CAP, WOG, EOG and WYT holds any CAP Shares as at the date of this joint announcement.

(ii) Assuming a minimum of 2,322,382,489 Rights Shares were issued (on the basis that the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date):

	As at the date of this joint announcement		Immediately after the Capital Reorganisation but before the completion of the Rights Issue and the Notes Issue		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters*		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters and after full conversion of the Convertible Notes*	
	No. of CAP Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %
Concert Group										
EOG Group										
Onger Investments	334,616,677	20.17%	66,923,335	20.17%	535,386,680	20.17%	622,386,680	23.45%	622,386,680	18.61%
WYT Group										
Key High	—	0.00%	—	0.00%	—	0.00%	860,000,000	32.40%	1,101,379,310	32.94%
Other CAP Shareholders										
Kingston (including subscribers procured by it)	—	0.00%	—	0.00%	—	0.00%	906,919,144	34.17% [#]	1,355,195,006	40.53% [#]
Other public CAP Shareholders	1,324,227,960	79.83%	264,845,592	79.83%	2,118,764,736	79.83%	264,845,592	9.98%	264,845,592	7.92%
Total	1,658,844,637	100.00%	331,768,927	100.00%	2,654,151,416	100.00%	2,654,151,416	100.00%	3,343,806,588	100.00%

Notes:

* This scenario is for illustration purpose only and is unlikely to occur since it assumes that: (i) the CAP Independent Shareholders have voted in favour of the Rights Issue at the CAP SGM, but (ii) no Qualifying Shareholder other than Onger Investments would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the CAP Independent Shareholders and their subscription for the Rights Shares.

Kingston, as one of the Underwriters, shall use its best endeavours to ensure CAP shall maintain and/or meet the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue. No conversion rights may be exercised by the Notes Holders unless immediately after exercise of such conversion rights, CAP will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

^ None of the directors of CAP, WOG, EOG and WYT holds any CAP Shares as at the date of this joint announcement.

The tables above are for illustration purposes only and are not intended to be exhaustive. As CAP has no control over, among other things, whether the Placing Agent will be successful in placing the maximum aggregate principal amount of the Placing Convertible Notes proposed to be issued and whether the Specific Mandate described in the section headed “5. Specific Mandate for Convertible Notes” in Part C of this joint announcement will be obtained at the CAP SGM, there are a significant number of other possible scenarios (including where only a partial conversion of the Convertible Notes and/or the 2016 Placing CN have taken place), an exhaustive list of which is beyond the scope of this joint announcement.

USE OF PROCEEDS AND THE SPECIAL DEAL

The aggregate net proceeds of not less than HK\$1,403.8 million and not more than HK\$1,658.7 million raised from the Rights Issue and the Notes Issue will be used for, among others, repayment of outstanding indebtedness and general working capital of the CAP Group.

The repayment by CAP of indebtedness owed to the EOG Group and the arrangement for the payment for the EOG Transactions to be off-set by the outstanding indebtedness owed by CAP to the EOG Group under the Bonds and the 2016 EOG CN constitutes a “special deal” under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the Special Deal is an arm’s length transaction on normal commercial terms and that its terms are fair and reasonable, and (ii) it is approved by the CAP Independent Shareholders at the CAP SGM by way of poll. An application will be made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

Please refer to the section headed “2. Use of proceeds by CAP” in Part D of this joint announcement for further details.

PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

References are made to (i) the joint announcements issued by CAP, WOG, WYT and EOG dated 4 October 2014 and 28 November 2014 in respect of, among other things, the subscription of the Bonds issued by CAP by Winning Rich (an indirectly wholly-owned subsidiary of WYT (a listed 51.32%-owned subsidiary of WOG)) and Double Leads (an indirectly wholly-owned subsidiary of WOG); (ii) the joint announcement issued by WOG and WYT dated 8 July 2016 in respect of, among other things, the acquisition of the Bonds by Winning Rich from Double Leads; and (iii) the joint announcement issued by WOG, WYT and CAP dated 29 May 2017 in respect of the extension of the payment date for the Outstanding Interests.

On 4 July 2017, CAP entered into the Amendment Agreements with each of the holders of the Bonds, (being Double Leads, Winning Rich and Peony Finance) pursuant to which the holders of the Bonds conditionally agreed that (i) the interest rate of the Bonds shall be changed from 10% to 7.5%; and (ii) the interest payment date under the Bonds shall be further extended from 31 August 2017 to 30 November 2017 in consideration for an interest calculated at the rate of 12% per annum which shall be payable on the Outstanding Interests for such extension period and the proposed use of the net proceeds from the Rights Issue and the Notes Issue to repay the Outstanding Interests and/or redemption of the Bonds. Except for the change of interest rate and the extension of payment date, all other terms and conditions of the Bonds remain unchanged. The terms of the Amendment Agreements were arrived between the parties after arm’s length negotiation.

In light of the proposed Rights Issue and the Notes Issue and the intended use of net proceeds by CAP to repay the Outstanding Interests and/or redemption of the Bonds, the EOG Directors, the WOG Directors and the WYT Directors consider that the Proposed Amendments are fair and reasonable and are in the interests of the EOG Shareholders, the WOG Shareholders and the WYT Shareholders (as the case may be) as a whole.

The Executive is considering whether there are any Rule 25 implications in the proposed amendments to the terms and conditions of the Bonds.

LISTING RULES IMPLICATIONS

Rights Issue by CAP

As the Rights Issue will result in an increase in the number of issued Adjusted Shares by more than 50%, the Rights Issue is subject to, among other things, the approval by the CAP Independent Shareholders at the CAP SGM.

Connected transactions for CAP

As at the date of this joint announcement, Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang, who controls more than 50% of the total issued share capital of WOG. Key High is an indirectly wholly-owned subsidiary of WYT (a listed 51.32%-owned subsidiary of WOG). Therefore, Key High is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

Underwriting Agreement

Pursuant to the Underwriting Agreement, CAP shall pay to Key High a commission fee of 2.5% of the aggregate Subscription Price in respect of its maximum number of Underwritten Shares agreed to be underwritten by it. The proposed payment of the commission fee from CAP to Key High constitutes a connected transaction. As the terms of the payment of a commission fee are on normal commercial terms and all applicable percentage ratios are less than 5% but higher than 0.1%, the payment of the commission fee to the WYT Underwriter by CAP is therefore subject to the reporting and announcement requirements only, but exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

The WYT Note Subscription Agreement

The WYT Note Subscription Agreement and the transactions contemplated thereunder also constitute a connected transaction on the part of CAP under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. WOG and its associates are required to abstain from voting on the relevant resolution to approve, among other things, the WYT Note Subscription Agreement and the transactions contemplated thereunder at the CAP SGM.

Independent Board Committee

CAP has established the Independent Board Committee to advise the CAP Independent Shareholders as to, among others, (i) whether each of the Rights Issue (including the Underwriting Agreement), the WYT Note Subscription Agreement and the transactions contemplated thereunder, the Special Deal and the Whitewash Waiver are fair and reasonable and in the interests of CAP and the CAP Shareholders as a whole; and (ii) voting by the CAP Independent Shareholders, taking into account the recommendation of the Independent Financial Adviser. In this regard, the Independent Financial Adviser will be appointed to advise the Independent Board Committee and the CAP Independent Shareholders accordingly.

Very Substantial Acquisition for EOG

The EOG Transactions constitute very substantial acquisition for EOG under Chapter 14 of the Listing Rules, and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The EOG SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the EOG Transactions.

Very Substantial Acquisition for WYT

The WYT Transactions constitute very substantial acquisition for WYT under Chapter 14 of the Listing Rules and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The WYT SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the WYT Transactions.

Major Transaction for WOG

The WOG Transactions constitute major transaction for WOG under Chapter 14 of the Listing Rules and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The WOG SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the WOG Transactions.

APPLICATION FOR WHITEWASH WAIVER UNDER THE TAKEOVERS CODE BY WYT

The Concert Group holds in aggregate 334,616,677 CAP Shares, representing approximately 20.17% of the total issued CAP Shares. Under the Rights Issue and the Notes Issue, assuming no shareholder of CAP other than Onger Investments (taking up Rights Shares under its provisional entitlements and its excess application) takes up any Rights Shares, only Key High takes up all its underwriting Rights Shares and fully converts the WYT Convertible Note and both the Placing Convertible Notes and the 2016 Placing CN are not converted, the voting rights in CAP held by the Concert Group will increase from approximately 20.17% to not more than 59.53%.

WYT will, as a result of this acquisition of voting rights in CAP, incur an obligation to make a mandatory offer for all the Adjusted Shares other than those held or agreed to be acquired by the Concert Group, unless the Whitewash Waiver is granted. The grant of the Whitewash Waiver is a condition precedent to the underwriting obligations of the WYT Underwriter, which is incapable of being waived. If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

WYT will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the CAP Independent Shareholders at the CAP SGM by way of poll. The Concert Group and persons who are involved in, or interested in, the Rights Issue, the Underwriting Agreement, the Irrevocable Undertaking, the Notes Issue, the Special Deal and/or the Whitewash Waiver are required under the Takeovers Code to abstain from voting on the resolution(s) to be proposed at the CAP SGM to approve the Whitewash Waiver.

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

RESUMPTION OF TRADING

At the requests of CAP, EOG, WYT and WOG, respectively, trading in the CAP Shares, CAP's 1 per cent notes due 2024 (Stock Code: 5755), the EOG Shares, the WYT Shares and the WOG Shares on the Stock Exchange were suspended with effect from 9:00 a.m. on Wednesday, 5 July 2017 pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in the CAP Shares, CAP's 1 per cent notes due 2024 (Stock Code: 5755), the EOG Shares, the WYT Shares and the WOG Shares, respectively, on the Stock Exchange with effect from 9:00 a.m. on Thursday, 27 July 2017.

WARNING OF RISKS OF DEALINGS IN CAP SHARES, ADJUSTED SHARES, CAP'S 1 PER CENT NOTES DUE 2024 AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “5. Conditions of the Rights Issue” in Part B of this joint announcement. In particular, the Rights Issue is subject to the Underwriters not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Completion of the Notes Issue is subject to the fulfillment of the conditions precedent as set out in the Notes Placing Agreement and the WYT Note Subscription Agreement, respectively, and outlined in this joint announcement, thus the Notes Issue may or may not proceed. Any CAP Shareholders or potential investors contemplating selling or purchasing the CAP Shares, the Adjusted Shares, CAP's 1 per cent notes due 2024 (Stock Code: 5755) and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue and the Notes Issue are fulfilled will bear the risk that the Rights Issue and the Notes Issue may not become unconditional or may not proceed. The CAP Shareholders and potential investors should exercise caution when dealing in the CAP Shares, the Adjusted Shares, CAP's 1 per cent notes due 2024 (Stock Code: 5755) 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 : CAPITAL REORGANISATION OF CAP

1. Capital Reorganisation and Change in Board Lot Size

The CAP Board proposes to effect the Capital Reorganisation comprising:

- (i) a proposed Share Consolidation whereby every five (5) 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\$0.05;
- (ii) a proposed Capital Reduction whereby: (a) any fractional Consolidated Shares in the issued share capital of CAP arising from the Share Consolidation shall be cancelled; and (b) the nominal value of all the issued Consolidated Shares shall be reduced from HK\$0.05 each to HK\$0.01 each and the issued share capital of CAP shall be reduced by HK\$0.04 per Consolidated Share in issue; and
- (iii) applying the credit arising from the Capital Reduction to set off the accumulated losses of CAP.

The Capital Reorganisation is subject to, among other things, the passing of a special resolution by the CAP Shareholders approving the same at the CAP SGM. No CAP Shareholder is required to abstain from voting in this respect. Please refer to the section headed “5. CAP Circular; CAP SGM; and Despatch of the Prospectus Documents” in Part H of this joint announcement for information relating to the CAP SGM.

2. Conditions of the Capital Reorganisation

The implementation of the Share Consolidation and the Capital Reduction are inter-conditional on each other. The implementation of the Capital Reorganisation is conditional upon, among other things:

- (i) the passing of a special resolution approving the Capital Reorganisation by the CAP Shareholders at the CAP SGM;
- (ii) compliance with Section 46(2) of the Companies Act to effect the Capital Reduction, which includes the publication of a notice in relation to the Capital Reduction in Bermuda in accordance with the Companies Act; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Adjusted Shares.

Assuming the above conditions are fulfilled, the Capital Reorganisation is expected to become effective on the date immediately after the date of the CAP SGM after the passing of the relevant resolution approving the Capital Reorganisation. Subject to the fulfillment of the above conditions, the Capital Reorganisation will comply with the relevant laws of Bermuda and the CAP Bye-Laws.

3. Effects of the Capital Reorganisation

As at the date of this joint announcement, the authorised share capital of CAP is HK\$300,000,000.00 divided into 30,000,000,000 CAP Shares, of which 1,658,844,637 CAP Shares are issued and credited as fully paid. Upon the proposed Share Consolidation becoming effective and based on the issued share capital as at the date of this joint announcement, the issued share capital of CAP will be consolidated into 331,768,927 Consolidated Shares of nominal value of HK\$0.05 each.

Upon the proposed Capital Reduction becoming effective, the nominal value of all the issued Consolidated Shares shall be reduced from HK\$0.05 each to HK\$0.01 each and the issued share capital of CAP shall accordingly be reduced to the extent of HK\$0.04 per Consolidated Share in issue. Upon completion of the Share Consolidation and the Capital Reduction, the issued share capital of CAP will be reduced to approximately HK\$3,317,689.27 divided into 331,768,927 Adjusted Shares of nominal value of HK\$0.01 each.

Any fractional Consolidated Share in the issued share capital of CAP arising from the Share Consolidation shall be cancelled. The resulting Adjusted Shares of nominal value of HK\$0.01 each will rank *pari passu* in all respects with each other in accordance with the CAP Bye-Laws.

Assuming no further CAP Share will be issued or repurchased between the date of this joint announcement and the date on which the Capital Reorganisation becomes effective, a credit of HK\$13,270,757.10 will arise as a result of the Capital Reduction and will be applied to set off the accumulated losses of CAP or in any manner permitted by the Companies Act and the CAP Bye-Laws.

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the CAP Group, nor will it alter the underlying assets, business, operations, management or financial position of the CAP Group or the interests of the CAP Shareholders as a whole. The CAP Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of CAP and that on the date the Capital Reorganisation is to become effective, there are no reasonable grounds for believing that CAP is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of CAP or the repayment to the CAP Shareholders of any unpaid capital of CAP, nor will it result in any change in the relative rights of the CAP Shareholders.

4. Reasons for the Capital Reorganisation

As a result of the Capital Reorganisation, CAP's share capital and reserves will more closely reflect the available net assets of CAP. In addition, the Capital Reorganisation will provide greater flexibility for equity fund-raising of CAP in future (including the Rights Issue and the Notes Issue). The credit arising from the Capital Reduction will be applied to set off the accumulated losses of CAP or in any manner permitted by the Companies Act and the CAP Bye-Laws.

In view of the above, the CAP Board considers that the Capital Reorganisation is in the interests of CAP and the CAP Shareholders as a whole.

5. Listing and Dealings

An application will be made by CAP to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Adjusted Shares.

Subject to the granting of the listing of, and the permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

6. Free Exchange of Share Certificates

Subject to the Capital Reorganisation becoming effective, CAP Shareholders may submit certificates for the existing CAP Shares to the Registrar up to a date to be confirmed to exchange for the new certificates of the Adjusted Shares at the expenses of CAP. Thereafter, certificates for the existing CAP 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 CAP Shares submitted for cancellation or each new share certificate issued for the Adjusted Shares, whichever number of certificates cancelled or issued is higher. The existing certificates will be valid for trading and settlement up to the latest time for trading in board lot of 1,000 Adjusted Shares in the form of existing certificates (the date of which will be announced by CAP) and will continue to be good evidence of legal title after the Capital Reorganisation has become effective and may be exchanged for certificates of the Adjusted Shares at any time in accordance with the foregoing.

7. Change in Board Lot Size

As a result of the Capital Reorganisation, the board lot size of CAP Shares for trading on the Stock Exchange will temporarily decrease from 5,000 CAP Shares to 1,000 Adjusted Shares. The CAP Board announces that the board lot size of the Adjusted Shares will be changed from 1,000 Adjusted Shares to 5,000 Adjusted Shares after the Capital Reorganisation becomes effective.

Based on the closing price of HK\$0.241 per CAP Share as quoted on the Stock Exchange on the Last Trading Day, the prevailing board lot value is HK\$1,205 in the board lot size of 5,000 CAP Shares and, based on the theoretical ex-entitlement price of approximately HK\$0.544 per Adjusted Share with reference to the closing price of HK\$0.241 per CAP Share on the Last Trading Day, the new estimated board lot value would be approximately HK\$2,720 in the new board lot size of 5,000 Adjusted Shares. The CAP Board believes that the enlarged board lot size will facilitate the trading of the Adjusted Shares following the Capital Reorganisation. The change in board lot size will not affect any of the CAP Shareholders' rights.

Any new share certificates will be issued in board lots of 5,000 Adjusted Shares each (except for odd lots or where the Registrar is otherwise instructed).

The CAP Shareholders may submit their existing share certificates in board lots of 5,000 CAP Shares each to the Registrar in exchange for new share certificates in board lots of 5,000 Adjusted Shares each free of charge. The details about the free exchange of share certificates are set out in the section headed "6. Free Exchange of Share Certificates" in this Part A of the joint announcement.

8. Arrangements for Trading of Odd Lots

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation and change in board lot size, a designated broker will be appointed to match the purchase and sale of odd lots of the Adjusted Shares at the relevant market price per Adjusted Share. Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any CAP Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the CAP Circular.

PART B : PROPOSED RIGHTS ISSUE BY CAP

1. The Rights Issue

CAP proposes to raise gross proceeds of not less than approximately HK\$1,045.1 million (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) and not more than approximately HK\$1,299.9 million (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date), before expenses, by way of the Rights Issue. CAP shall allot and issue not less than 2,322,382,489 Rights Shares (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) and not more than 2,888,682,489 Rights Shares (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date) at the Subscription Price of HK\$0.45 per Rights Share, on the basis of seven (7) Adjusted Shares for every one (1) Adjusted Share held on the Record Date.

2. Issue Statistics

Basis of the Rights Issue	:	Seven (7) Adjusted Shares for every one (1) Adjusted Share held on the Record Date
Subscription Price	:	HK\$0.45 per Rights Share payable in full on acceptance
Number of CAP Shares in issue as at the date of this joint announcement	:	1,658,844,637 CAP Shares
Number of Adjusted Shares in issue upon completion of the Capital Reorganisation	:	331,768,927 Adjusted Shares (assuming that no further CAP Share is issued or repurchased between the date of this joint announcement and the date on which the Capital Reorganisation becomes effective)
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into CAP Shares as at the date of this joint announcement	:	<ul style="list-style-type: none">• the conversion rights attaching to the 2016 Placing CN to subscribe for 404,500,000 CAP Shares (or 80,900,000 Adjusted Shares) before the Record Date• the conversion rights attaching to the 2016 EOG CN will not be exercised as undertaken by Peony Finance under the Irrevocable Undertaking

Minimum number of Rights Shares pursuant to the Rights Issue (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) : 2,322,382,489 Adjusted Shares (representing 700% of the existing issued share capital immediately upon completion of the Capital Reorganisation and 87.5% of the share capital as enlarged by the Rights Issue)

Maximum number of Rights Shares pursuant to the Rights Issue (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date) : 2,888,682,489 Adjusted Shares (representing approximately 870.69% of the existing issued share capital immediately upon completion of the Capital Reorganisation and 87.5% of the share capital as enlarged by the Rights Issue and the issue of the 2016 CN Conversion Shares)

Number of Adjusted Shares in issue if the Rights Shares are allotted:

- (i) if 2,322,382,489 Rights Shares are issued 2,654,151,416 Adjusted Shares
- (ii) if 2,888,682,489 Rights Shares are issued 3,301,351,416 Adjusted Shares

As at the date of this joint announcement, save for the 2016 EOG CN and the 2016 Placing CN, CAP does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the CAP Shares. CAP also has no intention to issue or grant any convertible securities, options and/or warrants on or before the Record Date.

3. Subscription Price

The Subscription Price is HK\$0.45 per Rights Share, payable in full on acceptance. The Subscription Price represents:

- (i) a discount of approximately 62.66% to the adjusted closing price of HK\$1.205 per Adjusted Share, based on the closing price of HK\$0.241 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 63.74% to the adjusted average closing price of approximately HK\$1.241 per Adjusted Share, based on the average closing price of approximately HK\$0.2482 per CAP Share 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 17.28% to the theoretical ex-entitlement price of approximately HK\$0.544 per Adjusted Share after the Rights Issue, based on the closing price of HK\$0.241 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation; and
- (iv) a discount of approximately 85.15% to the unaudited total equity attributable to owners of CAP per Adjusted Share of approximately HK\$3.03 as at 31 December 2016 as adjusted for the Capital Reorganisation and after taking into account of the conversion of 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million on 6 April 2017 and 19 April 2017, respectively.

4. Basis of Determining the Subscription Price and Subscription Ratio

The Subscription Price and the subscription ratio were determined, among others, as a result of arm's length negotiations between CAP and the Underwriters, and reflects the best commercial deal that CAP could negotiate with the Underwriters on terms commercially acceptable to both CAP and the Underwriters. The determination was also driven by:

- (i) the financial position of the CAP Group, in light of a significant part of its present net assets consisting of property, particularly stock of properties, which have relatively lower liquidity and are not as readily realisable into cash that could otherwise be used to repay the CAP Group's outstanding and upcoming indebtedness (see the section headed "2. Use of proceeds by CAP" in Part D of this joint announcement for further details);
- (ii) the market price of the CAP Shares;
- (iii) previous fund-raising activity of the CAP Group (see the section headed "3. Previous Fund-Raising Exercise in the Prior 12-Month Period" in Part H of this joint announcement for further details); and
- (iv) the prevailing market conditions.

The net Subscription Price for minimum number of Rights Shares and maximum number of Rights Shares (after deduction of all related expenses) is approximately HK\$0.435 and HK\$0.438 per Rights Share, respectively.

In particular, the CAP Board also considers and notes the following key aspects of the Rights Issue:

- (i) strengthening of capital base — the Rights Issue, if successful, would enable CAP to raise net proceeds of not less than approximately HK\$1,010.3 million. Based on CAP's audited total equity attributable to owners of CAP of approximately HK\$805.6 million as of 31 December 2016 (as disclosed in the audited annual results of CAP for the year ended 31 December 2016), the Rights Issue can strengthen CAP's equity base by approximately 125.41% upon completion of the Rights Issue;
- (ii) costs of fund-raising through debt — had CAP raised not less than approximately HK\$1,010.3 million in the form of debt rather than equity, assuming the debt carried an interest of 9.0% per year (being the weighted average of the interest rate payable by CAP on its debt as of 31 December 2016), CAP would have to pay approximately HK\$90.9 million per year in interest. The equity raised through the Rights Issue would not be interest-bearing and hence CAP would have a notional savings in interest payable of approximately HK\$90.9 million per year compared with incurring debt of the same amount;
- (iii) CAP is in need of raising equity capital — CAP's auditors have noted (without qualifying their opinion) in its Independent Auditor's Reports for the year ended 31 December 2016 the existence of a material uncertainty which may cast significant doubt on CAP's ability to continue as a going concern related to a court case in relation to the acquisition of Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited by the CAP Group; and the fact that the CAP Group incurred a net loss of approximately HK\$778,558,000 during the year ended 31 December 2016 and, as of that date, the CAP Group's net current liabilities exceeded its current assets by approximately HK\$384,112,000. Please refer to the notes 2(b) and 36 in the consolidated financial statements as set out in the annual report of CAP for the year ended 31 December 2016 for further details. The Rights Issue is intended to enable the equity capital of CAP to be strengthened in the hope to help address the going concern issues. Also, CAP is in need of funding for payment of the Outstanding Interests which the payment date of which has been further extended to 30 November 2017 and repayment of financial institution and/or non-financial institution borrowings bearing interests ranging from 4.8% to 12.3% per annum;

- (iv) safeguards for the CAP Shareholders — the subscription ratio and discount structure of the Rights Issue is a commercial decision of CAP which is required to be approved, as part of the terms of the Rights Issue, by the CAP Independent Shareholders at the CAP SGM. The CAP Shareholders’ interests are safeguarded by the fact that the CAP Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee (comprising all independent non-executive CAP Directors) and the Independent Financial Adviser. The CAP Independent Shareholders can then make an informed decision as to whether to vote in favour of the Rights Issue on the terms proposed. If the Rights Issue is approved at the CAP SGM, it is unlikely that those CAP Independent Shareholders voting in favour of the Rights Issue would subsequently choose not to subscribe for their provisional entitlement of Rights Shares; and

- (v) Subscription Price to encourage participation — the discount of approximately 62.66% to the adjusted closing price per Adjusted Share on the Last Trading Day represented by the Subscription Price is made with a view to encouraging the Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in CAP and participate in the future growth of CAP. In addition, as has been indicated to CAP during the negotiation of the Underwriting Agreement, given the subscription ratio, the theoretically potential dilution effect and the structure of the Rights Issue, a subscription price with a discount to the closing price is necessary to induce the Underwriters to participate in the underwriting of the Underwritten Shares, which is an essential part of the Rights Issue. The CAP Board considers that this discount is acceptable for a company listed on the Stock Exchange having considered the characteristics and the market capitalisation of CAP as well as the prevailing market conditions of capital markets in Hong Kong as at the date of this joint announcement.

Taking into account all of the above factors and the alternative financing methods, CAP had considered and referred to under the section headed “1. Reasons for CAP to enter into the transactions” in Part D of this joint announcement, 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 the Independent Financial Adviser) is of the view that the structure and terms of the Rights Issue, including the Subscription Price and the subscription ratio are: (i) necessary and commercially unavoidable to attract the Underwriters to participate in the Rights Issue on terms acceptable to both CAP and the Underwriters, and therefore necessary for CAP to successfully complete the Rights Issue, and (ii) in light of the resulting benefits to CAP from completion of the Rights Issue and mechanisms in place to sufficiently safeguard the CAP Shareholders’ interests, in the interests of CAP and the CAP Shareholders as a whole.

5. Conditions of the Rights Issue

The Rights Issue is subject to, among others, 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 (Winding Up and Miscellaneous Provisions) 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, 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;
- (ii) the Capital Reorganisation having become effective;
- (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 Adjusted 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 any of the Underwriters pursuant to the terms thereof prior to the Latest Time For Termination;
- (vi) 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 transactions contemplated thereunder (including the Underwriting Agreement) and authorising the CAP Directors to allot and issue the Rights Shares (in their nil-paid and fully-paid forms) (to be voted on by the CAP Independent Shareholders), (c) the Special Deal (to be voted on by the CAP Independent Shareholders), and (d) the Whitewash Waiver (to be voted on by the CAP Independent Shareholders), each in accordance with the CAP Bye-Laws, the Listing Rules and the Takeovers Code on or before the Record Date;

- (vii) the passing of the necessary resolution(s) by the EOG Shareholders at the EOG SGM to approve, among others, the subscription of Rights Shares (including by way of excess application) under the Rights Issue pursuant to the Irrevocable Undertaking and the transactions contemplated thereunder;
- (viii) the Executive granting to the Concert Group (i.e. WYT) the Whitewash Waiver and the satisfaction of all conditions (if any) attached thereto and such other necessary waiver or consent (including for the Special Deal) as may be required to be obtained from the Executive for the transactions contemplated under the Rights Issue;
- (ix) the compliance with and performance of all the undertakings and obligations of Onger Investments, or any of its associates, under the Irrevocable Undertaking;
- (x) the passing of the necessary resolution(s) by the WYT Shareholders at the WYT SGM to approve, among others, the underwriting of the Underwritten Shares by the WYT Underwriter under the Rights Issue pursuant to the Underwriting Agreement and the transactions contemplated thereunder;
- (xi) the passing of the necessary resolution(s) by the WOG Shareholders at the WOG SGM to approve, among others, the underwriting of the Underwritten Shares by the WYT Underwriter under the Rights Issue pursuant to the Underwriting Agreement and the transactions contemplated thereunder;
- (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
- (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.

6. Principal Terms of the Underwriting Agreement

Date : 4 July 2017

Parties : (i) CAP;

(ii) Key High, an indirectly wholly-owned subsidiary of WYT;

(iii) WYT; and

(iv) Kingston. To the best of the knowledge, information and belief of the CAP Directors, having made all reasonable enquiries, Kingston and its ultimate beneficial owners are Independent Third Parties. As at the date of this joint announcement, Kingston and its associates are not interested in any CAP Shares.

Total number of Underwritten Shares : Being not less than 1,766,919,144 Rights Shares and not more than 2,333,219,144 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 under the Irrevocable Undertaking.

Underwriting obligation of each Underwriter : The WYT Underwriter has agreed to underwrite in total up to 860,000,000 Rights Shares.

Kingston has agreed to fully underwrite all Underwritten Shares that have not been taken up by the WYT Underwriter, being not less than 906,919,144 Rights Shares and not more than 1,473,219,144 Rights Shares.

- 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 market rate, and the CAP Board considers (excluding the independent non-executive CAP Directors whose opinion will be set out in the CAP Circular, after having been advised by the Independent Financial Adviser) that the underwriting commission rate is fair and reasonable and in the interests of CAP and the CAP Shareholders as a whole.
- Conditions** : Please refer to the section headed "5. Conditions of the Rights Issue" in this Part B of this joint announcement.
- Other undertakings** : 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 19.9% or more of the voting rights of CAP upon completion of the Rights Issue.

Kingston shall use its best endeavours to ensure that (1) 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 19.9 % or more of the voting rights of CAP upon completion of the Rights Issue; and (2) CAP shall maintain and/or meet the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue.

In consideration of CAP proceeding with the Rights Issue, WYT irrevocably undertakes to CAP that it will procure the due and punctual performance, observance and compliance by the WYT Underwriter, of all of its obligations under the Underwriting Agreement.

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.

Termination : If, prior to the Latest Time For Termination:

(i) in the absolute opinion of any of the Underwriters, 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 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; 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 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 any of the Underwriters 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) 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 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 and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Rights 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 20 consecutive Business Days, excluding any halt or suspension in connection with the clearance of this joint announcement, the CAP 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 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.

7. Qualifying Shareholders

To qualify for the Rights Issue, a CAP Shareholder must be registered as a member of CAP and not being an Excluded Shareholder on the Record Date.

CAP 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.

CAP will ascertain whether there are any Overseas Shareholders on the Record Date. In determining whether there will be Excluded Shareholders, CAP 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 CAP's offering of the Rights Shares to the Overseas Shareholders in compliance with the Listing Rules.

8. 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, CAP will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the CAP 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. CAP will send copies of the Prospectus to the Excluded Shareholders on the Prospectus Posting Date for their information only, but will not send any PAL(s) and EAF(s) to them.

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 CAP. 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 CAP Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the CAP Shares or Adjusted Shares.

9. Application for Excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements 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 CAP 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 Adjusted Shares whose Adjusted Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the CAP Board will regard the nominee company as a single CAP Shareholder according to the register of members of CAP. Accordingly, the beneficial owners of Adjusted Shares whose Adjusted Shares are registered in the 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 Adjusted Shares whose Adjusted 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 CAP, they must lodge all necessary documents with the Registrar for completion of the relevant registration.

10. 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 Adjusted 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.

11. Certificates of the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares will be sent to those entitled thereto by ordinary post at their own risks. Share certificates will be issued for the fully-paid Rights Shares.

12. Refund Cheques for the Rights Issue

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be posted by ordinary post to the applicants at their own risk.

13. Fractions of the Rights Shares

On the basis of provisional allotment of seven (7) Adjusted Shares for every one (1) Adjusted Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

14. Set-off Arrangement

Subject to the consents of CAP and the Underwriters, the Qualifying Shareholders, the Underwriters and their respective associates shall be entitled to set off all or part of the aggregate subscription monies in respect of the Rights Shares against such sums due from CAP to such Qualifying Shareholder, the Underwriters and their respective associates under any existing legally valid, binding and enforceable agreement between CAP and such Qualifying Shareholder as determined by the sole discretion of CAP.

15. Application for Listing

CAP 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 CAP 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.

16. The Irrevocable Undertaking

As at the date of this joint announcement, EOG, through its indirectly wholly-owned subsidiary, Onger Investments, is holding 334,616,677 CAP Shares, representing approximately 20.17% of the total issued CAP Shares.

On 4 July 2017, Onger Investments has granted the Irrevocable Undertaking in favour of CAP under which it agreed, among other things:

- (i) to subscribe, or procure its associates to subscribe, for 468,463,345 Rights Shares which comprise the full acceptance of its provisional entitlements;
- (ii) that the CAP Shares or the Adjusted Shares (as the case may be) comprising its current shareholding in CAP will remain beneficially owned by it on the Record Date;
- (iii) to procure that the 2016 EOG CN will remain beneficially owned by Peony Finance on the Record Date and the conversion rights attaching to the 2016 EOG CN will not be exercised on or prior to the Record Date;
- (iv) to procure that its acceptance of the 468,463,345 Rights Shares which will be provisionally allotted to it nil-paid 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);

- (v) to apply, or procure its associates to apply, by way of excess application, for 87,000,000 Rights Shares; and
- (vi) to procure that the EAF(s) for 87,000,000 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 Irrevocable Undertaking is conditional upon:

- (i) the passing of the necessary resolution(s) by the EOG Shareholders at the EOG SGM to approve, among others, the subscription of 555,463,345 Rights Shares comprising the EOG Group's provisional entitlement under the Rights Issue and the application for an additional 87,000,000 Rights Shares by way of excess application under the Rights Issue pursuant to the Irrevocable Undertaking; and
- (ii) the conditions for the Capital Reorganisation and the Rights Issue (other than condition (ix) referred to in the section headed "5. Conditions of the Rights Issue" in this Part B of this joint announcement) having been fulfilled.

The EOG Group will finance the payment for the EOG Transactions by way of offsetting the outstanding indebtedness owed by CAP to the EOG Group under the Bonds and the 2016 EOG CN.

17. Warning of the Risks of Dealings in CAP Shares, Adjusted Shares, CAP's 1 Per Cent Notes Due 2024 and Rights Shares in Nil-Paid Form

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed "5. Conditions of the Rights Issue" in this Part B 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 Adjusted Shares, the Rights Shares (in both nil-paid and fully-paid forms) by no later than the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between CAP and the Underwriters in writing); and**
- (ii) the obligations of the Underwriters 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 "6. Principal Terms of the Underwriting Agreement" in this Part B of this joint announcement).**

If the conditions of the Rights Issue are not fulfilled or if the Underwriters 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 CAP Shares or Adjusted Shares (as the case may be) from the date of this joint announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form, bear the risk that the Rights Issue may not become unconditional or may not proceed.

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

PART C : ISSUE, PLACING AND SUBSCRIPTION OF CONVERTIBLE NOTES UNDER THE SPECIFIC MANDATE

1. Agreements in relation to the placing and subscription of the Convertible Notes

On 4 July 2017, CAP entered into the following agreements:

- (a) the Notes Placing Agreement; and
- (b) the WYT Note Subscription Agreement.

Set out below are the details of each of these agreements.

2. The Notes Placing Agreement

The principal terms of the Notes Placing Agreement are as follows:

Date:	4 July 2017
Parties:	Issuer: CAP Placing Agent: Kingston
Subject:	CAP has appointed the Placing Agent for the purpose of procuring, as an agent of CAP, on a best efforts basis, Notes Placees to subscribe for the Placing Convertible Notes.
Aggregate principal amount and issue price:	The maximum aggregate principal amount of the Placing Convertible Notes to be placed by the Placing Agent is HK\$260 million. The issue price of the Placing Convertible Notes is 100% of their principal amount, which was arrived at after arm's length negotiations between CAP and the Placing Agent.
Notes Placees:	The Placing Agent has agreed to place, or procure the placing of, the Placing Convertible Notes to Notes Placees who and whose ultimate beneficial owners are Independent Third Parties and are not acting in concert with any connected persons of CAP.
Conditions of the Notes Placing:	Completion of the Notes Placing Agreement is conditional upon: (a) the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Placing Conversion Shares (subject to conditions to which neither the Placing Agent nor CAP may reasonably object);

- (b) the passing of all the necessary resolution(s) by the CAP Independent Shareholders at the CAP SGM approving and confirming the Notes Placing Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Placing Convertible Notes and the allotment and issue of the Placing Conversion Shares upon exercise of the conversion rights attaching to the Placing Convertible Notes), in accordance with the CAP Bye-Laws and the Listing Rules;
- (c) (if so required by the laws of Bermuda) the Bermuda Monetary Authority granting its permission to the issue of the Placing Convertible Notes and the allotment and issue of the Placing Conversion Shares upon exercise of the conversion rights attaching to the Placing Convertible Notes; and
- (d) the completion of the Rights Issue.

The conditions precedent set out in paragraphs (a) to (c) above are not capable of being waived by either CAP or the Placing Agent, while the condition precedent set out in paragraph (d) above may be waived by CAP in writing.

CAP and the Placing Agent shall use their reasonable endeavours to procure the fulfilment of the above conditions precedent and shall furnish such information, apply such document, pay such fees, and do all such acts and things as may be reasonably necessary to give effect to such conditions precedent. If such conditions precedent are not fulfilled or waived (as the case may be) on or prior to the Notes Placing Long Stop Date, the Notes Placing Agreement shall terminate and none of the parties thereto shall have any claim against the other for any costs or losses (save for any antecedent breaches thereof).

Notes Placing Period: The Notes Placing Period shall commence upon the execution of the Notes Placing Agreement and end on the Notes Placing Long Stop Date, unless the Notes Placing is completed or terminated pursuant to the terms of the Notes Placing Agreement prior to the Notes Placing Long Stop Date.

Placing Agent fees: In consideration of the services of the Placing Agent and other relevant services in relation to the Notes Placing, CAP shall pay to the Placing Agent:

- (a) in Hong Kong dollars, 2.5% of the amount equal to the aggregate principal amount of the Placing Convertible Notes actually placed by the Placing Agent; and
- (b) any out-of-pocket expenses properly and reasonably incurred by the Placing Agent in relation to the Notes Placing.

Such fees were negotiated on an arm's length basis between CAP and the Placing Agent, and determined with reference to, among other things, the market rate. The CAP Directors (including the independent non-executive CAP Directors) consider that such fees and expenses are fair and reasonable based on the current market conditions.

Completion date: Completion shall take place on a date falling on or before the fourth (4th) Business Day following all of the conditions precedent of the Notes Placing being fulfilled or waived (as the case may be), or such other date as CAP and the Placing Agent shall agree.

Termination rights of the Placing Agent: If, at any time prior to 10:00 a.m. on the completion date of the Notes Placing, in the absolute opinion of the Placing Agent, the success of the Notes Placing or the business or financial prospects of the CAP Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Notes Placing Agreement; or

- (b) any suspension in the trading of the CAP Shares or Adjusted Shares on the Stock Exchange for more than twenty (20) consecutive trading days save for the purposes of clearing of any announcements relating to the Notes Placing Agreement or circulars relating to the placing of the Placing Convertible Notes and the ancillary agreements thereto; or
- (c) any of the following events:
 - (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the CAP Group as a whole; or
 - (ii) 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 thereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the CAP Group as a whole or adversely prejudice the success of the placing of the Placing Convertible Notes by potential investor(s) or otherwise make it inexpedient or inadvisable for CAP or the Placing Agent to proceed with the placing of the Placing Convertible Notes; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) which would materially and adversely affect the success of the placing of the Placing Convertible Notes (such success being the placing of the Placing Convertible Notes to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for CAP or the Placing Agent to proceed with the placing of the Placing Convertible Notes,

then and in any such case, the Placing Agent may terminate the Notes Placing Agreement without liability to CAP by giving notice in writing to CAP, provided that such notice is received prior to 10:00 a.m. on the completion date of the Notes Placing and provided further that such termination shall not affect any partial completion of the Placing Convertible Notes that have taken place prior to such date of termination.

In the event that the Placing Agent terminates the Notes Placing Agreement, all obligations of each of the parties under the Notes Placing Agreement, save for certain exceptions, shall cease and determine and no party thereto shall have any claim against any other party in respect of any matter arising out of or in connection with the Notes Placing Agreement except for any breach arising prior to such termination.

**Terms of the Placing
Convertible Notes:**

Please see the section headed “4. Principal terms of the Convertible Notes” in this Part C of this joint announcement for further details.

3. The WYT Note Subscription Agreement

The principal terms of the WYT Note Subscription Agreement are as follows:

Date: 4 July 2017 (after trading hours)

Parties: **Issuer:** CAP

Subscriber: Key High

Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang, who controls more than 50% of the total issued share capital of WOG. Key High is an indirectly wholly-owned subsidiary of WYT (a listed 51.32%-owned subsidiary of WOG). Therefore, Key High is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

Subject: Subject to the conditions precedent and in accordance with the terms of the WYT Note Subscription Agreement, CAP has agreed to issue to Key High (or any person designated by Key High in writing), and Key High has agreed to subscribe for, the WYT Convertible Note.

Principal amount and issue price: The principal amount of the WYT Convertible Note to be issued by CAP to Key High is HK\$140 million, payable by WYT solely in cash. The issue price of the WYT Convertible Note is 100% of its principal amount, which was arrived at after arm's length negotiations between CAP and Key High.

Conditions of the WYT Note Subscription: Completion of the WYT Note Subscription Agreement is conditional upon:

(a) the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the WYT Conversion Shares (subject to conditions to which neither Key High nor CAP may reasonably object);

- (b) the passing of all of the necessary resolution(s) by the CAP Independent Shareholders at the CAP SGM approving and confirming the WYT Note Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the WYT Convertible Note and the allotment and issue of the WYT Conversion Shares upon exercise of the conversion rights attaching to the WYT Convertible Note), in accordance with the CAP Bye-Laws, the Listing Rules and the Takeovers Code;
- (c) the passing of all of the necessary resolution(s) by the WYT Shareholders at the WYT SGM approving and confirming the WYT Note Subscription Agreement and the transactions contemplated thereunder (including but not limited to the subscription of the WYT Convertible Note and the subscription of the WYT Conversion Shares upon exercise of the conversion rights attaching to the WYT Convertible Note), in accordance with the WYT Bye-Laws, the Listing Rules and the Takeovers Code;
- (d) the passing of all of the necessary resolution(s) by the WOG Shareholders at the WOG SGM approving and confirming the WYT Note Subscription Agreement and the transactions contemplated thereunder (including but not limited to the subscription of the WYT Convertible Note by WYT and the subscription of the WYT Conversion Shares upon exercise of the conversion rights attaching to the WYT Convertible Note by WYT), in accordance with the WOG Bye-Laws, the Listing Rules and the Takeovers Code;
- (e) the Executive granting to the Concert Group (i.e. WYT) 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 Notes Issue;

- (f) (if so required by the laws of Bermuda) the Bermuda Monetary Authority granting its permission to the issue of the WYT Convertible Note and the allotment and issue of the WYT Conversion Shares upon exercise of the conversion rights attaching to the WYT Convertible Note; and
- (g) completion of the Rights Issue.

The conditions precedent set out in paragraphs (a) to (f) above are not capable of being waived by either CAP or Key High, while the condition precedent set out in paragraph (g) above may be waived by CAP in writing.

CAP and Key High shall use their reasonable endeavours to procure the fulfilment of the above conditions precedent and shall furnish such information, apply such document, pay such fees, and do all such acts and things as may be reasonably necessary to give effect to such conditions precedent. If such conditions precedent are not fulfilled or waived (as the case may be) on or prior to the WYT Long Stop Date, the WYT Note Subscription Agreement shall terminate and none of the parties thereto shall have any claim against the other for any costs or losses (save for any antecedent breaches thereof).

Completion date:

Completion shall take place on a date falling on or before the fourth (4th) Business Day following all of the conditions precedent of the WYT Note Subscription being fulfilled or waived (as the case may be), or such other date as CAP and Key High shall agree.

Termination rights of Key High:

If, at any time prior to 10:00 a.m. on the completion date of the WYT Note Subscription, in the reasonable opinion of Key High, the business or financial prospects of the CAP Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties of CAP as set out in the WYT Note Subscription Agreement; or

- (b) any suspension in the trading of the CAP Shares or Adjusted Shares on the Stock Exchange for more than twenty (20) consecutive trading days save for the purposes of clearing of any announcements relating to the WYT Note Subscription Agreement or circulars relating to the WYT Convertible Note and the ancillary agreements thereto,

then and in any such case, Key High may terminate the WYT Note Subscription Agreement without liability to CAP by giving notice in writing to CAP, provided that such notice is received prior to 10:00 a.m. on the completion date.

Terms of the WYT Convertible Note: Please see the section headed “4. Principal terms of the Convertible Notes” in this Part C of this joint announcement for further details.

4. Principal terms of the Convertible Notes

The principal terms of the Convertible Notes were arrived at following arm’s length commercial negotiations between CAP and the Placing Agent and Key High, respectively and the Conversion Price was determined with reference to the prevailing market price of the CAP Share. The principal terms of the Convertible Notes are summarised as follows:

Denomination: HK\$1,000,000 each

Maturity Date: The Convertible Notes shall mature on the date falling upon the expiry of five (5) years from the date on which the Convertible Notes are first issued, or if such date is not a Business Day, the immediate preceding Business Day.

Interest: 7.5% per annum payable semi-annually in arrears on every six (6) calendar months after the date of the issue of the Convertible Notes

**Status of the
Convertible Notes:**

The Convertible Notes constitute a direct, general, unconditional and unsecured obligation of CAP and rank *pari passu* and rateably without preference (with the exception of obligations in respect of taxes and certain other mandatory provisions of applicable law exceptions) equally with all other present and/or future unsecured and unsubordinated obligations of CAP, except that the Convertible Notes are subordinate to the medium term notes in an aggregate principal amount of HK\$400 million issued pursuant to an arranger agreement dated 19 May 2014 entered into between, among others, CAP as issuer and Anglo Chinese Corporate Finance, Limited as arranger (details of which can be found in the announcement published by CAP on 19 May 2014).

Early redemption:

CAP shall, at any time before the Maturity Date, have the option to redeem the Convertible Notes in whole or in part by giving not less than seven (7) clear Business Days' prior notice. The amount payable for any redemption shall be the relevant amount of the principal amount of the Convertible Notes so redeemed.

Events of Default:

A Notes Holder may give a written notice in respect of the relevant Convertible Note(s) to CAP declaring an Event of Default and electing that such Convertible Notes be redeemed if any of the Events of Default occurs. The Events of Default are:

- (a) a default is made for more than fourteen (14) Business Days in the payment of any amount due in respect of the Convertible Notes when the same ought to be paid in accordance with the terms and conditions of the Convertible Notes;

- (b) a default is made by CAP in the performance or observance of any covenant, condition or provision contained in the terms and conditions of the Convertible Notes and on its part to be performed or observed (other than the covenant to pay the principal or any interest) and such default is incapable of remedy, or if capable of remedy is not remedied within fourteen (14) Business Days of service by a Notes Holder on CAP, of notice requiring such default to be remedied;
- (c) a resolution is passed or an order of a court of competent jurisdiction is made that CAP be wound up or dissolved;
- (d) any governmental or other authority expropriates, or threatens to expropriate, all or any substantial part of the business or assets of CAP save as permitted in the terms and conditions of the Convertible Notes;
- (e) an encumbrancer takes possession of or a receiver is appointed over the whole or a material part of the assets or undertaking of CAP and such possession or appointment is not terminated within twenty eight (28) Business Days of a written request by a Notes Holder;
- (f) a distress, execution or seizure order before judgment is levied or enforced upon or sued out against the whole or a material part of the property of CAP and is not discharged within twenty eight (28) Business Days thereof;
- (g) CAP initiates or consents to proceedings relating to itself under any applicable reorganisation or insolvency law or makes an assignment for the benefit of, or enters into any composition with, its creditors generally;
- (h) proceedings are initiated against CAP under any applicable reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of thirty (30) Business Days;

- (i) it is or will become unlawful for CAP to perform or comply with any one or more of their respective obligations under the terms and conditions of the Convertible Notes or under the Convertible Notes;
- (j) the Convertible Notes are not redeemed within fourteen (14) Business Days from the date of the notice being given after an Event of Default occurs;
- (k) the Convertible Notes are not redeemed on the Maturity Date or on the designated redemption date if CAP elects for early redemption;
- (l) any present or future indebtedness of CAP in excess of HK\$720 million becomes due and payable prior to its stated maturity or any such indebtedness is not paid after three (3) months of when it becomes due. For the avoidance of doubt, any indebtedness arising out of or in relation to any mediation, arbitration, litigation or any other form of dispute resolution (whether existing, pending or threatened) shall be excluded from the calculation of this limit unless and until a final court order or arbitration award has been made by the competent authority binding on the part of CAP which is not subject to any form of appeal or review or reconsideration; or
- (m) any event occurs which has an analogous effect to any of the events referred in paragraphs (a) to (l) above.

**Ranking of
Conversion Shares:**

The Conversion Shares will rank *pari passu* in all respects with the Adjusted Shares in issue at the date of the conversion notice.

Conversion:

A Notes Holder may convert the whole or part of the principal amount of the relevant Convertible Note(s) (in multiple of HK\$1,000,000 at any one time of conversion) into new Adjusted Shares unless the outstanding principal amount of the relevant Convertible Note(s) is less than HK\$1,000,000 in which case the whole (but not part only) of such outstanding principal amount shall be converted.

No conversion shall be made by a Notes Holder unless immediately after exercise of such conversion rights attaching to the relevant Convertible Note(s), CAP will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

Conversion Price:

The Conversion Price for the conversion of the principal amount of the Convertible Notes into Conversion Shares shall be HK\$0.58 per Conversion Share, subject to adjustments.

The Conversion Price may be adjusted upon occurrence of adjustment events, which include consolidation or subdivision of the Adjusted Shares, capitalisation of profits or reserves, capital distributions in cash or specie, rights issues or subsequent issue of securities in CAP, and will in any event not be adjusted below the par value of the Adjusted Share. In addition, every adjustment to the Conversion Price shall be certified (at the option of CAP) either by the auditors of CAP for the time being or by an approved merchant bank.

The Conversion Price may be adjusted upon occurrence of adjustment events, which include:

- (i) consolidation or subdivision of the Adjusted Shares resulting in the Adjusted Shares having a different nominal amount, where the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount;
- (ii) capitalisation of profits or reserves, where the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Adjusted Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Adjusted Shares issued in such capitalisation;

- (iii) capital distributions in cash or specie, where the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank, of the portion of the capital distribution or of such rights which is attributable to one Adjusted Share,

provided that the provisions of this adjustment event shall not apply in relation to the issue of the Adjusted Shares paid out of profits or reserves and issued in lieu of a cash dividend;

- (iv) rights issues, where the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of the Adjusted Shares in issue immediately before the date of such announcement plus the number of the Adjusted Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Adjusted Shares comprised therein would purchase at such market price and the denominator is the number of the Adjusted

Shares in issue immediately before the date of such announcement plus the aggregate number of the Adjusted Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant);

- (v) subsequent issue of securities in CAP which are convertible into new Adjusted Shares, where the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of the Adjusted Shares in issue immediately before the date of the issue plus the number of the Adjusted Shares which the total effective consideration receivable for the securities issued would purchase at such market price and the denominator is the number of the Adjusted Shares in issue immediately before the date of the issue plus the number of the Adjusted Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price;
- (vi) subsequent issue of the Adjusted Shares wholly for cash, where the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of the Adjusted Shares in issue immediately before the date of such announcement plus the number of the Adjusted Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of the Adjusted Shares in issue immediately before the date of such announcement plus the number of the Adjusted Shares so issued; or

(vii) subsequent issue of the Adjusted Shares for the acquisition of asset, where the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total effective consideration per Adjusted Share and the denominator shall be such market price,

and will in any event not be adjusted below the par value of the Adjusted Share. In addition, every adjustment to the Conversion Price shall be certified (at the option of CAP) either by the auditors of CAP for the time being or by an approved merchant bank.

In the adjustment events set out above, “market price” shall mean the average of the closing prices of one Adjusted Share trading on the Stock Exchange for each of the last five Stock Exchange trading days on which trading in the Adjusted Shares on the Stock Exchange took place ending on the last such trading day preceding the day on or as of which the market price is to be ascertained, and “effective consideration” shall mean the aggregate consideration credited as being paid for such Adjusted Shares by CAP on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof.

Transfer:

The Convertible Notes may be assigned or transferred with the prior written notifications made to CAP, provided that, the Convertible Notes shall not be assigned or transferred to any connected person of CAP. CAP will notify the Stock Exchange should it become aware of the Convertible Notes having assigned or transferred to any connected person of CAP. The principal amount to be transferred must be at least HK\$1,000,000 or integral multiples of HK\$1,000,000.

Listing:

No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

5. Specific Mandate for Convertible Notes

The issue of the Placing Conversion Shares and the WYT Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes will be subject to the Specific Mandate to be approved by the CAP Independent Shareholders at the CAP SGM.

No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

6. The Conversion Price and Conversion Shares

The Conversion Price

The Conversion Price of HK\$0.58 per Conversion Share (subject to adjustments) was arrived at after arm's length negotiations between CAP, Key High and the Placing Agent and represents:

- (a) a discount of approximately 51.87% to the adjusted closing price of HK\$1.205 per Adjusted Share, based on the closing price of HK\$0.241 per CAP Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (b) a discount of approximately 53.26% to the adjusted average closing price of approximately HK\$1.241 per Adjusted Share, based on the average closing price of approximately HK\$0.2482 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; and
- (c) a discount of approximately 80.86% to the unaudited total equity attributable to owners of CAP per Adjusted Share of approximately HK\$3.03 as at 31 December 2016 as adjusted for the Capital Reorganisation and after taking into account of the conversion of 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million on 6 April 2017 and 19 April 2017, respectively.

The Placing Conversion Shares

Assuming that there will be no new issue of CAP Shares or Adjusted Shares (as the case may be, other than the Consolidated Shares or Adjusted Shares as part of the Capital Reorganisation) from the date of this joint announcement to the completion of the issue of the Placing Conversion Shares, based on the Conversion Price of HK\$0.58 per Conversion Share, 448,275,862 Placing Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Placing Convertible Notes in full, which represents:

- (a) approximately 135.12% of the 331,768,927 Adjusted Shares in issue upon completion of the Capital Reorganisation;
- (b) approximately 13.41% of the total issued Adjusted Shares as to be enlarged by the allotment and issue of the Conversion Shares and a minimum of 2,322,382,489 Rights Shares; and
- (c) approximately 11.23% of the total issued Adjusted Shares as to be enlarged by the allotment and issue of the Conversion Shares, the 2016 CN Conversion Shares and a maximum of 2,888,682,489 Rights Shares.

The WYT Conversion Shares

Assuming that there will be no new issue of CAP Shares or Adjusted Shares (as the case may be, other than the Consolidated Shares or Adjusted Shares as part of the Capital Reorganisation) from the date of this joint announcement to the completion of the issue of the WYT Conversion Shares, based on the Conversion Price of HK\$0.58 per Conversion Share, 241,379,310 WYT Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the WYT Convertible Note in full, which represents:

- (a) approximately 72.76% of the 331,768,927 Adjusted Shares in issue upon completion of the Capital Reorganisation;
- (b) approximately 7.22% of the total issued Adjusted Shares as to be enlarged by the allotment and issue of the Conversion Shares and a minimum of 2,322,382,489 Rights Shares; and
- (c) approximately 6.05% of the total issued Adjusted Shares as to be enlarged by the allotment and issue of the Conversion Shares, the 2016 CN Conversion Shares and a maximum of 2,888,682,489 Rights Shares.

The Conversion Shares in aggregate

The aggregate nominal value of 689,655,172 Conversion Shares is HK\$6,896,551.72. The net Conversion Price (after deduction of all related expenses) is approximately HK\$0.57 per Conversion Share.

PART D : REASONS FOR THE RIGHTS ISSUE AND THE NOTES ISSUE AND USE OF PROCEEDS BY CAP

1. Reasons for CAP to enter into the transactions

The CAP Group is principally engaged in the management and sales of agricultural produce exchanges in the PRC. The audited total value of the CAP Group's investment properties and stock of properties as at 31 December 2016 (as disclosed in the audited annual results of CAP for the year ended 31 December 2016) is approximately HK\$5,150.1 million and its property portfolio includes a total land reserve of approximately 2.1 million square meters as at 31 December 2016.

Based on the audited financial information set out in the annual report of CAP for the year ended 31 December 2016, as at 31 December 2016, CAP had audited consolidated net assets attributable to owners of CAP of approximately HK\$805.6 million, consolidated total assets of approximately HK\$5,957.2 million and consolidated total liabilities of approximately HK\$4,798.2 million.

The following information is extracted respectively from the audited financial statements of CAP for the two financial years ended 31 December 2015 and 31 December 2016:

	For the financial year ended 31 December 2016 (HK\$'000)	For the financial year ended 31 December 2015 (HK\$'000)
Revenue	603,132	365,192
Loss before taxation	(852,442)	(493,558)
Loss for the year	(778,558)	(493,940)

CAP has been loss making for the last three years. In addition, its net current (liabilities)/ assets position has swung from the net current assets of HK\$895,331,000 as of 31 December 2015 to the net current liabilities of approximately HK\$384,112,000 as of 31 December 2016. Reference is also made to the joint announcement issued by WOG, WYT and CAP dated 29 May 2017 where CAP due to its tight cash position has requested for, and the Bonds holders have agreed to, an extension of the interest payment period for the Outstanding Interests. For the year ended 31 December 2016, CAP incurred a total amount of HK\$269.4 million as interest expenses for its outstanding interest-bearing bank and other borrowings, bonds and promissory notes. In light of the above as well as in view of cash required for ongoing business operations and general working capital purpose and for repayment of debt when due, it is vital for CAP to raise new equity (such as through the Rights Issue and the Notes Issue) and additional funds to improve its current challenging financial position, in particular, to address the material uncertainty related to going concern as mentioned in the section headed “4. Basis of Determining the Subscription Price and Subscription Ratio” in Part B of this joint announcement; as well as to help to alleviate its tight cash position.

In light of the above, the CAP Directors believe that the Rights Issue and the Notes Issue will directly and indirectly strengthen the capital base of CAP and bolster its ability to capitalise upon potential business opportunities associated with its principal business engagements.

The expenses in relation to the Rights Issue and the Notes Issue, including financial, legal and other professional advisory fees, underwriting commissions, placing commission, printing and translation expenses, will be borne by CAP. Having sought financing in various ways such as equity placements, as well as 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 the Independent Financial Adviser) presently considers the combination of the Rights Issue and the Notes Issue as the most commercially viable option for CAP in the prevailing circumstances. This is the case for the reasons set out above, as well as after taking into account the following considerations:

- (i) **benefits of a combination of Rights Issue and Notes Issue** — the Rights Issue affords all Qualifying 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 all CAP Shareholders to participate in the capital exercise and they would be diluted without being given an opportunity to maintain their percentage interests.

On the other hand, in view of the general tightening of credit in the banking and finance industry, it is difficult for the CAP Group to obtain bank borrowings of such a magnitude of the Rights Issue and the Notes Issue on acceptable terms. CAP Directors consider it might have over-burdened the CAP Shareholders with an imminent and more significant dilution effect (in case a CAP Shareholder decides not to participate) if the size of the Rights Issue were to increase to cover the capital which would otherwise be raised under the Notes Issue. Having taken into account the capital requirements of the CAP Group, the Conversion Shares will be issued at a Conversion Price of HK\$0.58 per Conversion Share under the Notes Issue, which represents a premium of approximately 28.89% over the Subscription Price of HK\$0.45 per Rights Share under the Rights Issue. In light of the above, the combination of the Rights Issue and the Notes Issue would not only reduce the number of the Rights Shares which would otherwise be required to be issued to cover the capital to be raised under the Notes Issue, but also provide an enhancement to the capital of CAP for the Conversion Shares to be issued at a premium. Separately, CAP Directors consider the Notes Issue, in particular, the WYT Note Subscription, provides an assured source of funding which will be directly used to offset loans owed to WYT and therefore the potential dilution in shareholdings to the CAP Independent Shareholders is justifiable;

- (ii) **costs of other fund-raising alternatives** — as of 31 December 2016, the CAP Group has outstanding interest-bearing bank and other borrowings, convertible bonds, bonds and promissory notes of approximately HK\$2,992.9 million. During the financial year ended 31 December 2016, the interest rate of the CAP Group's outstanding interest-bearing bank and other borrowings, bonds and promissory notes was ranging from approximately 2.7% to approximately 12.3%.

This represented a gearing ratio of approximately 2.3 as of 31 December 2016 being a ratio of total bank and other borrowings, bonds, convertible bonds and promissory notes of approximately HK\$2,992.9 million net of cash and cash equivalents of approximately HK\$330.1 million to total shareholders' funds in the amount of approximately HK\$1,159.0 million. 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. Please also refer to the section headed "4. Basis of Determining the Subscription Price and Subscription Ratio" in Part B of this joint announcement for a calculation of the notional interest savings of the Rights Issue over borrowings; 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, during the past 12 months, CAP has undertaken the issue of the 2016 Placing CN and the 2016 EOG CN. CAP has also approached certain financial institutions and obtained certain loan facilities, with the borrowings from PRC banks and financial institutions having effective interest rates of approximately 5.2% to approximately 6.2%.

The CAP Directors are of the view that the Rights Issue and the Notes Issue represent a good opportunity to raise new equity and additional funds for, among others, the general working capital, repayment of indebtedness and future development of CAP, and therefore to alleviate the current challenging financial position of CAP. In addition, the Rights Issue, as well as upon the exercise of the conversion rights attaching to the Convertible Notes, the long-term development of CAP is expected to be benefited by broadening the capital base of CAP. Meanwhile, reducing the indebtedness of the CAP Group can reduce the finance cost and improve the gearing ratio of the CAP Group, which is more the case in view of the net current liability position of CAP.

From a long term perspective, the CAP Directors are still hopeful that there is an opportunity to turn the current challenging financial position around, largely in view of the continuing support of the agricultural sector by the PRC government. The agricultural sector has historically been an important component of China's economy, the PRC government aims to enhance the industry based on the national modern agriculture development plan. Under 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 its agricultural reward and subsidy policy and reforming the regulatory mechanism for agricultural markets, and (iii) further liberalise and open-up the PRC's agriculture sector to the outside world by promoting international cooperation in agriculture and enhancing agricultural trade.

On the basis of the above, the CAP Directors (excluding the independent non-executive CAP Directors who will give their view after taking into consideration of the advice of the Independent Financial Advisor) consider that the Rights Issue and the Notes Issue, and the terms of the Underwriting Agreement, the Notes Placing Agreement and the WYT Note Subscription Agreement, which were each arrived at after arm's length negotiations between CAP and the respective counterparty, are fair and reasonable and are in the interests of CAP and the CAP Shareholders as a whole.

To reiterate, the CAP Shareholders' interests are safeguarded by the following: (i) the Rights Issue will be subject to the approval by the CAP Independent Shareholders at the CAP SGM (whereby, among others, the Concert Group, will abstain from voting), and (ii) the CAP Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee (comprising all independent non-executive CAP Directors) and the Independent Financial Adviser. Accordingly, the Rights Issue will be subject to the scrutiny of the Independent Financial Adviser and the Independent Board Committee and the decision of the CAP Independent Shareholders. The CAP Independent Shareholders are then expected to be able to make an informed decision as to whether to vote in favour of the Rights Issue on the terms proposed.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in CAP will be significantly diluted.

2. Use of proceeds by CAP

The Rights Issue and the Notes Issue are proposed with a view to facilitate the CAP Group's business development and expansion by improving its debt profile through the repayment of the CAP Group's financial indebtedness. The aggregate net proceeds to be raised from the Rights Issue and the Notes Issue, being not less than approximately HK\$1,403.8 million and not more than HK\$1,658.7 million are intended to be applied as follows:

When the aggregate net proceeds to be raised from the Rights Issue and the Notes Issue is at lower end at HK\$1,403.8 million, they are intended to be applied as follows:

- (a) approximately HK\$527 million will be utilised towards the offsetting of outstanding principal amounts of the Bonds issued by CAP to Winning Rich;
- (b) approximately HK\$140 million will be utilised towards the offsetting of outstanding principal amounts of the 2016 EOG CN issued by CAP to Peony Finance;
- (c) approximately HK\$110 million will be utilised towards the offsetting of Bonds issued by CAP to Peony Finance;
- (d) approximately HK\$100 million will be utilised towards the repayment of outstanding principal amounts on loans of the CAP Group due to the WOG Group;
- (e) approximately HK\$58 million will be utilised towards the repayment of the Outstanding Interests;

- (f) approximately HK\$441 million will be utilised towards the repayment of outstanding principal amounts and related interest on financial institution and non-financial institution borrowings owing by the CAP Group; and
- (g) the remaining proceeds of not less than approximately HK\$27.8 million will be utilised as general working capital (major components of which are salary and rental expenses) of the CAP Group.

When the aggregate net proceeds to be raised from the Rights Issue and the Notes Issue is at upper end at HK\$1,658.7 million, they are intended to be applied as follows:

- (a) approximately HK\$527 million will be utilised towards the offsetting of outstanding principal amounts of the Bonds issued by CAP to Winning Rich;
- (b) approximately HK\$140 million will be utilised towards the offsetting of outstanding principal amounts of the 2016 EOG CN issued by CAP to Peony Finance;
- (c) approximately HK\$110 million will be utilised towards the offsetting of Bonds issued by CAP to Peony Finance;
- (d) approximately HK\$100 million will be utilised towards the repayment of outstanding principal amounts on loans of the CAP Group due to the WOG Group;
- (e) approximately HK\$58 million will be utilised towards the repayment of the Outstanding Interests;
- (f) approximately HK\$695 million will be utilised towards the repayment of outstanding principal amounts on loans and related interest owing by the CAP Group; and
- (g) the remaining proceeds of not less than approximately HK\$28.7 million will be utilised as general working capital (major components of which are salary and rental expenses) of the CAP Group.

Announcement(s) will be made by the CAP Group in accordance with the Listing Rules as and when necessary when there is a material change in the use of net proceeds from the Rights Issue and the Notes Issue.

3. The Special Deal

The repayment by CAP of indebtedness owed to the EOG Group (i.e. paragraphs (b), (c) and (to the extent relevant to the EOG Group) (e) only of the section headed “2. Use of proceeds by CAP”) and the arrangement for the payment for the EOG Transactions to be off-set by the outstanding indebtedness owed by CAP to the EOG Group under the Bonds and the 2016 EOG CN constitutes a “special deal” under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the Special Deal is an arm’s length transaction on normal commercial terms and that its terms are fair and reasonable, and (ii) it is approved by the CAP Independent Shareholders at the CAP SGM by way of poll. An application will be made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

4. Reasons for the EOG Transactions

Based on the following reasons, the EOG Directors consider that the terms of the Irrevocable Undertaking are fair and reasonable and believe that the EOG Transactions are in the interests of EOG and the EOG Shareholders as a whole:

- (i) **Participation in CAP’s future development and growth in the PRC agricultural produce exchanges industry:** Notwithstanding that CAP has been loss making for the last three years and there exists a material uncertainty related to going concern as mentioned in the section headed “4. Basis of Determining the Subscription Price and Subscription Ratio” in Part B of this joint announcement, it is noted that the CAP Directors believe it is hopeful to have an opportunity to turn it around for the reasons given by the CAP Board as mentioned under the section headed “1. Reasons for CAP to enter into the transactions” in this Part D of this joint announcement. The EOG Board believes that the Rights Issue will strengthen the capital base of CAP so that CAP will be expected to be in a position to capture more business opportunities associated with its principal business engagements ahead. In addition, the Irrevocable Undertaking is given in order to support and maintain the value of the EOG Group’s investment in CAP and the excess application to be made thereunder to increase its shareholding in CAP will provide the EOG Group an opportunity to participate in additional future returns of CAP;

- (ii) **Subscription of Rights Shares:** On the basis that, in addition to the Rights Shares to which Onger Investments is provisionally entitled under the Rights Issue, Onger Investments will receive in full the 555,463,345 Rights Shares for which it will have made an excess application pursuant to the Irrevocable Undertaking, the EOG Group will have a maximum shareholding interest of up to approximately 23.45% in CAP upon completion of the Rights Issue, and remain a substantial shareholder of CAP. On such basis, the EOG Group will retain significant influence over CAP's management, including participation in the financial and operational decisions in CAP; and

- (iii) **Subscription Price:** Given that the Subscription Price represents: (a) a discount of approximately 62.66% to the adjusted closing price of HK\$1.205 per Adjusted Share as quoted on the Stock Exchange on the Last Trading Day (and adjusted for the effect of the Capital Reorganisation), (b) a discount of approximately 17.28% to the theoretical ex-entitlement price of approximately HK\$0.544 per Adjusted Share after the Rights Issue, based on the adjusted closing price of HK\$1.205 per Adjusted Share as quoted on the Stock Exchange on the Last Trading Day (and adjusted for the effect of the Capital Reorganisation), (c) a discount of approximately 85.15% to the audited total equity attributable to owners of CAP per Adjusted Share of approximately HK\$3.03 as at 31 December 2016 (as adjusted for the Capital Reorganisation and after taking into account of the conversion of the 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million on 6 April 2017 and 19 April 2017, respectively), the EOG Board considers the Subscription Price to be attractive and that the Rights Issue is a valuable opportunity for the EOG Group to increase its shareholding in CAP.

5. Reasons for the WYT Transactions

Based on the following reasons, each of the WYT Directors and the WOG Directors consider that the terms of the Underwriting Agreement and the WYT Note Subscription Agreement are fair and reasonable and believe that the WYT Transactions are in the interests of each of WYT and the WYT Shareholders and WOG and the WOG Shareholders as a whole:

- (i) **Participation in CAP’s future development and growth in the PRC agricultural produce exchanges industry:** Notwithstanding that CAP has been loss making for the last three years and there exists a material uncertainty related to going concern as mentioned in the section headed “4. Basis of Determining the Subscription Price and Subscription Ratio” in Part B of this joint announcement, it is noted that the CAP Directors believe it is hopeful to have an opportunity to turn it around for the reasons given by the CAP Board as mentioned under the section headed “1. Reasons for CAP to enter into the transactions” in this Part D of this joint announcement. Each of the WYT Board and the WOG Board believes that the Rights Issue will strengthen the capital base of CAP so that CAP will be expected to be in a better position to capture more business opportunities associated with its principal business engagements ahead. In addition, the WYT Transactions will provide the WOG Group, through its listed 51.32%-owned WYT Group, an opportunity to participate in additional future returns of CAP and will ensure that the Rights Shares are fully subscribed for. The WYT Group can obtain additional protection in its investment in CAP through the WYT Note Subscription, as it is flexible for WYT to hold the WYT Convertible Note until maturity without conversion should the performance of CAP is not satisfactory;
- (ii) **Subscription Price and Conversion Price:** Given that each of the Subscription Price and Conversion Price represents: (a) a discount of approximately 62.66% and 51.87% to the adjusted closing price of HK\$1.205 per Adjusted Share as quoted on the Stock Exchange on the Last Trading Day, (b) a discount of approximately 17.28% and a premium of approximately 6.62% to the theoretical ex-entitlement price of approximately HK\$0.544 per Adjusted Share after the Rights Issue, based on the closing price of HK\$1.205 per CAP Share as quoted on the Stock Exchange on the Last Trading Day, (c) a discount of approximately 85.15% and 80.86% to the audited total equity attributable to owners of CAP per Adjusted Share of approximately HK\$3.03 as at 31 December 2016 (as adjusted for the Capital Reorganisation and after taking into account of the conversion of the 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million on 6 April 2017 and 19 April 2017, respectively), each of the WYT Board and the WOG Board considers the Subscription Price and the Conversion Price to be attractive and that the Rights Issue and the Notes Issue represent a valuable opportunity for the WOG Group, through its listed 51.32%-owned WYT Group, to have equity and equity-linked participation in CAP; and

- (iii) **Flexibility:** Each of the WYT Directors and the WOG Directors are of the view that the Rights Issue and the Notes Issue would enable CAP to raise funds to repay the Outstanding Interests and other outstanding loans and the Bonds that are owed to the WOG Group and the WYT Group. The WYT Transactions would transform the outstanding indebtedness owed by CAP to Winning Rich into the form of Convertible Notes held by Winning Rich. The WYT Transactions would not only provide the underwriting commission and maintain stable attractive interest income to WYT through the WYT Convertible Note but also provide additional flexibility for WYT for conversion of the WYT Convertible Note into the Adjusted Shares if and when necessary.

PART E : LISTING RULES IMPLICATIONS

1. Rights Issue by, and connected transactions for, CAP

Rights Issue by CAP

As the Rights Issue will result in an increase in the number of issued Adjusted Shares by more than 50%, the Rights Issue is subject to, among other things, the approval by the CAP Independent Shareholders at the CAP SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any CAP controlling shareholder and their associates, or where there is no such CAP controlling shareholder, the CAP Directors (excluding the independent non-executive CAP Directors), the chief executive of CAP 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, there is no CAP controlling shareholder.

Connected transactions for CAP

As at the date of this joint announcement, Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang, who controls more than 50% of the total issued share capital of WOG. Key High is an indirectly wholly-owned subsidiary of WYT (a listed 51.32%-owned subsidiary of WOG). Therefore, Key High is an associate of Mr. Yau Yuk Shing, and thus a connected person of CAP under the Listing Rules.

Underwriting Agreement

Pursuant to the Underwriting Agreement, CAP shall pay each of the Underwriters 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. The proposed payment of the commission fee from CAP to Key High constitutes a connected transaction. As the terms of the payment of a commission fee are on normal commercial terms and all applicable percentage ratios are less than 5% but higher than 0.1%, the payment of the commission fee to the WYT Underwriter by CAP is therefore subject to the reporting and announcement requirements only, but exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

The WYT Note Subscription Agreement

The WYT Note Subscription Agreement and the transactions contemplated thereunder also constitute a connected transaction on the part of CAP under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. WOG and its associates are required to abstain from voting on the relevant resolution to approve, among other things, the WYT Note Subscription Agreement and the transactions contemplated thereunder at the CAP SGM.

Independent Board Committee

CAP has established the Independent Board Committee to advise the CAP Independent Shareholders as to (i) whether each of the Rights Issue (including the Underwriting Agreement), the WYT Note Subscription Agreement and the transactions contemplated thereunder, the Special Deal and the Whitewash Waiver are fair and reasonable and in the interests of CAP and the CAP Shareholders as a whole, and (ii) voting by the CAP Independent Shareholders, taking into account the recommendation of the Independent Financial Adviser. In this regard, the Independent Financial Adviser will be appointed to advise the Independent Board Committee and the CAP Independent Shareholders accordingly.

Please refer to the section headed "5. CAP Circular; CAP SGM; and Despatch of the Prospectus Documents" in Part H of this joint announcement for further details about the CAP SGM.

2. Very substantial acquisition for EOG

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the EOG Transactions exceed 100%, the transactions contemplated under the EOG Transactions constitute a very substantial acquisition for EOG under Chapter 14 of the Listing Rules, and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The EOG SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the EOG Transactions.

Financial impact on EOG of the EOG Transactions

Assuming:

- (i) EOG Group subscribes for its provisional entitlement under the Rights Issue in full in accordance with the terms of the Irrevocable Undertaking; and
- (ii) EOG Group receives in full the 87,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the Irrevocable Undertaking,

the direct interests of the EOG Group in the issued share capital of CAP immediately upon completion of the minimum number of the Rights Issue will increase from approximately 20.17% to not more than approximately 23.45%. The EOG Group's investment in CAP will still be accounted for as an interest in an associate using equity accounting treatment.

Upon completion of the minimum number of the Rights Issue, assuming the EOG Group subscribes for its provisional entitlement under the Rights Issue in full in accordance with the terms of the Irrevocable Undertaking:

- (i) if none of the 87,000,000 Rights Shares are subscribed by the EOG Group under its excess application pursuant to the terms of the Irrevocable Undertaking, the EOG Group would record a loss of approximately HK\$7.0 million (before deduction of the relevant expenses incurred thereon); or

- (ii) if the 87,000,000 Rights Shares are subscribed in full by the EOG Group under its excess application pursuant to the terms of the Irrevocable Undertaking, the EOG Group would record a net gain (taking into account the potential loss of HK\$7.0 million arising from the subscription for provisional entitlement) of approximately HK\$20 million (before deduction of necessary reasonable expenses), which is calculated:
- (a) on the basis of the audited total equity attributable to owners of CAP of approximately HK\$805.6 million for the year ended 31 December 2016;
 - (b) taking into account the conversion of the 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million completed on 6 April 2017 and 19 April 2017, respectively; and
 - (c) by reference to the minimum number of the Rights Shares to be issued under the Rights Issue which is expected to generate net proceeds of approximately HK\$1,010.3 million.

Such potential gain is estimated based on currently available information and is subject to the valuation of the fair value of the net identifiable assets of CAP and to CAP's financial position as at the date of completion of the Rights Issue and is subject to the review by the auditors of EOG.

Based on the assumptions set out in this section, the EOG Group will pay a maximum amount of approximately HK\$250 million for the EOG Transactions. The EOG Group will finance the payment for the EOG Transactions by way of offsetting outstanding indebtedness owed by CAP to the EOG Group under the Bonds and the 2016 EOG CN.

3. Very substantial acquisition for WYT

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the WYT Transactions exceed 100%, the transactions contemplated under the WYT Transactions constitute a very substantial acquisition for WYT under Chapter 14 of the Listing Rules, and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The WYT SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the WYT Transactions.

Financial impact on WYT of the WYT Transactions

Assuming:

- (i) the WYT Underwriter takes up 860,000,000 Rights Shares pursuant to the Underwriting Agreement, the direct interests of the WYT Group in the issued share capital of CAP immediately upon completion of the minimum number of the Rights Issue will increase from nil to approximately 32.40%. The WYT Group's investment in CAP will be accounted for as an interest in an associate using equity accounting treatment;
- (ii) Key High subscribes for the WYT Convertible Note in accordance with the WYT Note Subscription Agreement; and
- (iii) none of the 2016 Placing CN and the Placing Convertible Notes are converted, except for the WYT Convertible Note are converted in full, the direct interests of the WYT Group in the issued share capital of CAP immediately upon such conversion will further increase from approximately 32.40% to approximately 38.04%.

Upon completion of the minimum of the Rights Issue and subscription of the WYT Convertible Note:

- (i) if the WYT Underwriter is not required to subscribe for any of the 860,000,000 Rights Shares pursuant to the Underwriting Agreement, the WYT Underwriter will receive approximately HK\$9.68 million as commission fee; or
- (ii) if the 860,000,000 Rights Shares are subscribed for by the WYT Underwriter pursuant to the Underwriting Agreement, the WYT Group would record a gain of approximately HK\$265.6 million (before deduction of the relevant expenses incurred thereon) and a commission income of HK\$9.68 million as underwriter; or

- (iii) if the 860,000,000 Rights Shares are subscribed for by the WYT Underwriter pursuant to the Underwriting Agreement and the conversion rights under the WYT Convertible Note are fully exercised, the WYT Group would record a gain of approximately HK\$292.4 million (before deduction of the relevant expenses incurred thereon) and a commission income of HK\$9.68 million as underwriter

which is calculated:

- (a) on the basis of the audited total equity attributable to owners of CAP of approximately HK\$805.6 million for the year ended 31 December 2016;
- (b) taking into account the conversion of the 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million were completed on 6 April 2017 and 19 April 2017, respectively;
- (c) by reference to the minimum number of the Rights Shares to be issued under the Rights Issue which is expected to generate net proceeds of approximately HK\$1,010.3 million; and
- (d) by reference to proceeds of the WYT Convertible Note of HK\$140 million assuming full conversion of the WYT Convertible Note.

Such potential gain is estimated based on currently available information and is subject to the valuation of the fair value of the net identifiable assets of CAP and to CAP's financial position as at the date of completion of the Rights Issue and is subject to the review by the auditors of WYT.

Based on the assumptions set out in this section, the WYT Group will pay a maximum amount of approximately HK\$527 million for the WYT Transactions. The WYT Group will finance the payment for the WYT Transactions by way of offsetting outstanding indebtedness owed by CAP to the WYT Group under the Bonds.

4. Major Transaction for WOG

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the WOG Transactions exceed 25% but are less than 100%, the transactions contemplated under the WOG Transactions constitute a major transaction for WOG under Chapter 14 of the Listing Rules, and are therefore subject to the notification, publication and shareholders' approval requirements under the Listing Rules. The WOG SGM will be held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the WOG Transactions.

Financial impact on WOG of the WOG Transactions

Assuming:

- (i) the WYT Underwriter takes up 860,000,000 Rights Shares pursuant to the Underwriting Agreement, the direct interests of the WYT Group in the issued share capital of CAP immediately upon completion of the minimum number of the Rights Issue will increase from nil to approximately 32.40%. The WYT Group's investment in CAP will be accounted for as an interest in an associate using equity accounting treatment;
- (ii) Key High subscribes for the WYT Convertible Note in accordance with the WYT Note Subscription Agreement; and
- (iii) none of the 2016 Placing CN and the Placing Convertible Notes are converted, except for the WYT Convertible Note are converted in full, the direct interests of the WYT Group in the issued share capital of CAP immediately upon such conversion will further increase from approximately 32.40% to approximately 38.04%.

Upon completion of the minimum of the Rights Issue and subscription of the WYT Convertible Note:

- (i) if the WYT Underwriter is not required to subscribe for any of the 860,000,000 Rights Shares pursuant to the Underwriting Agreement, the WYT Underwriter will receive approximately HK\$9.68 million as commission fee; or

- (ii) if the 860,000,000 Rights Shares are subscribed for by the WYT Underwriter pursuant to the Underwriting Agreement, the WOG Group, through the WYT Group, would record a gain of approximately HK\$265.6 million (before deduction of the relevant expenses incurred thereon) and a commission income of HK\$ 9.68 million as underwriter; or
- (iii) the 860,000,000 Rights Shares are subscribed for by the WYT Underwriter pursuant to the Underwriting Agreement and the conversion rights under the WYT Convertible Note are fully exercised, the WOG Group, through the WYT Group, would record a gain of approximately HK\$292.4 million (before deduction of the relevant expenses incurred thereon) and a commission income of HK\$9.68 million as underwriter

which is calculated:

- (a) on the basis of the audited total equity attributable to owners of CAP of approximately HK\$805.6 million for the year ended 31 December 2016;
- (b) taking into account the conversion of the 2016 Placing CN of the principal amount of HK\$152 million and HK\$46.2 million were completed on 6 April 2017 and 19 April 2017, respectively;
- (c) by reference to the minimum number of the Rights Shares to be issued under the Rights Issue which is expected to generate net proceeds of approximately HK\$1,010.3 million; and
- (d) by reference to proceeds of the WYT Convertible Note of HK\$140 million assuming full conversion of the WYT Convertible Note.

Such potential gain is estimated based on currently available information and is subject to the valuation of the fair value of the net identifiable assets of CAP and to CAP's financial position as at the date of completion of the Rights Issue and is subject to the review by the auditors of WOG.

Based on the assumptions set out in this section, the WYT Group will pay a maximum amount of approximately HK\$527 million for the WYT Transactions. The WYT Group will finance the payment for the WYT Transactions by way of offsetting outstanding indebtedness owed by CAP to the WYT Group under the Bonds.

PART F : PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

References are made to (i) the joint announcements issued by CAP, WOG, WYT and EOG dated 4 October 2014 and 28 November 2014 in respect of, among other things, the subscription of the Bonds issued by CAP by Winning Rich (an indirectly wholly-owned subsidiary of WYT (a listed 51.32%-owned subsidiary of WOG)) and Double Leads (an indirectly wholly-owned subsidiary of WOG); (ii) the joint announcement issued by WOG and WYT dated 8 July 2016 in respect of, among other things, the acquisition of the Bonds by Winning Rich from Double Leads; and (iii) the joint announcements issued by WOG, WYT and CAP dated 29 May 2017 in respect of the extension of the payment date for the Outstanding Interests.

On 4 July 2017, CAP entered into the Amendment Agreements with each of the holders of the Bonds (being Double Leads, Winning Rich and Peony Finance), pursuant to which the holders of the Bonds conditionally agreed that (i) the interest rate of the Bonds shall be changed from 10% to 7.5%; and (ii) the interest payment date under the Bonds shall be further extended from 31 August 2017 to 30 November 2017 in consideration for an interest calculated at the rate of 12% per annum which shall be payable on the Outstanding Interests for such extension period and the proposed use of the net proceeds from the Rights Issue and the Notes Issue to repay the Outstanding Interests and/or redemption of the Bonds. Except for the change of interest rate and the extension of payment date, all other terms and conditions of the Bonds remain unchanged. The terms of the Amendment Agreements were arrived between the parties after arm's length negotiation.

In light of the proposed Rights Issue and the Notes Issue and the intended use of net proceeds by CAP to repay the Outstanding Interests and/or redemption of the Bonds, the EOG Directors, the WOG Directors and the WYT Directors consider that the Proposed Amendments are fair and reasonable and are in the interests of the respective EOG Shareholders, WOG Shareholders and WYT Shareholders (as the case may be) as a whole.

The Executive is considering whether there are any Rule 25 implications in the proposed amendments to the terms and conditions of the Bonds.

PART G : APPLICATION FOR WHITEWASH WAIVER UNDER THE TAKEOVERS CODE AND FURTHER INFORMATION ON WYT

The Executive is concerned whether the proposed transactions set out in this joint announcement is oppressive to the minority shareholders and contrary to the General Principles of the Takeovers Code.

1. Application for the Whitewash Waiver

The Concert Group currently includes Mr. Tang, WOG, WYT and EOG and their respective associates and parties acting in concert with each of them (including the WYT Underwriter, Onger Investments and Peony Finance), which holds in aggregate 334,616,677 CAP Shares, representing approximately 20.17% of the issued share capital and voting rights of CAP and the 2016 EOG CN as of the date of this joint announcement. Other than such interests, the Concert Group does not hold or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of CAP, or any outstanding derivative in respect of the securities of CAP.

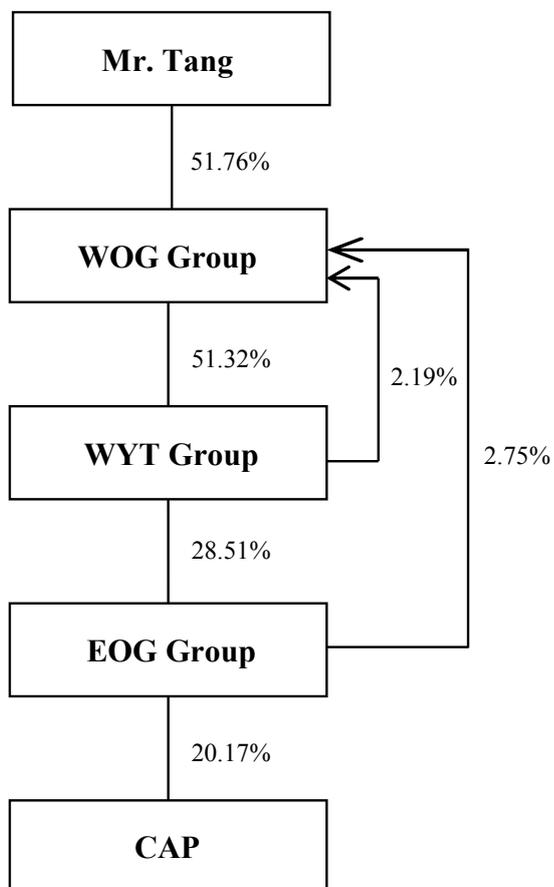
WYT is a substantial shareholder of EOG holding approximately 28.51% of the issued share capital and voting rights of EOG. WOG holds 51.32% of the issued share capital and voting rights of WYT. Mr. Tang and his associates hold 51.76% of the issued share capital and voting rights of WOG. To the best knowledge and belief of the WOG Board, the WYT Board and the EOG Board, respectively, EOG does not have a controlling shareholder.

As at the date of this joint announcement, (i) Mr. Yau Yuk Shing, being a CAP Director, is a brother-in-law of Mr. Tang (who controls more than 50% of the total issued share capital of WOG and also an executive director of each of WYT and WOG); (ii) Mr. Chan Chun Hong, Thomas is an executive director of each of WOG, WYT, EOG and CAP; (iii) Mr. Cheung Wai Kai, being an executive director of EOG, is the brother-in-law of Mr. Tang; (iv) Ms. Stephanie, being an executive director of EOG, is the daughter-in-law of Mr. Tang; (v) Ms. Tang Mui Fun, being an executive director of WYT, is Mr. Tang's younger sister; and (vi) Ms. Yau Yuk Yin, being an executive director of WOG, is Mr. Tang's spouse. Save for the foregoing, to the best of the knowledge, information and belief of the respective directors after making all reasonable enquiries, CAP and its ultimate beneficial owners (other than EOG, WYT, WOG and their respective ultimate beneficial owners) are third parties independent of and not connected with each of EOG, WOG and WYT and its respective connected person(s).

Under the Rights Issue and the Notes Issue, assuming no CAP Shareholder other than Onger Investments (taking up Rights Shares under its provisional entitlements and its excess application) takes up any Rights Shares, only Key High takes up all its underwriting Rights Shares and fully converts the WYT Convertible Note and both the Placing Convertible Notes and the 2016 Placing CN are not converted, the voting rights in CAP held by the Concert Group will increase from approximately 20.17% to not more than 59.53%. WYT will, as a result of this acquisition of voting rights in CAP, incur an obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code for all the Adjusted Shares other than those held or agreed to be acquired by the Concert Group, unless the Whitewash Waiver is granted. The grant of the Whitewash Waiver is a condition precedent to the underwriting obligations of the WYT Underwriter, which is incapable of being waived. If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed, and thus the Notes Issue will not become unconditional and will not proceed.

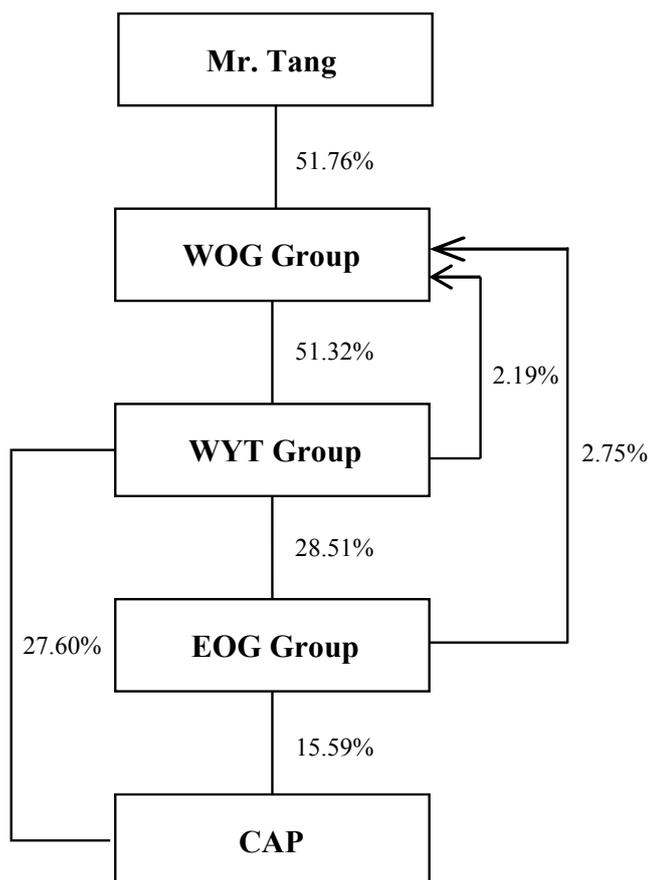
As at the date of this joint announcement, each of WOG, WYT, EOG and CAP does not believe that the Rights Issue and the Notes Issue give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, each of WOG, WYT, EOG and CAP will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the relevant whitewash circulars. Each of WOG, WYT, EOG and CAP notes that the Executive may not grant the Whitewash Waiver if the Rights Issue and the Notes Issue do not comply with other applicable rules and regulations.

The following chart shows the Concert Group's shareholding in CAP as at the date of this joint announcement:

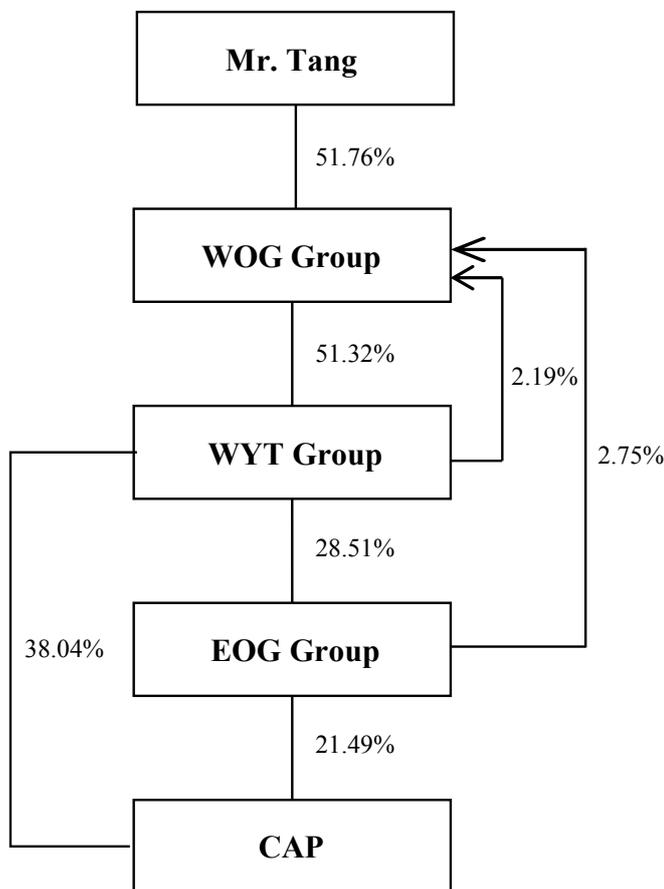


The following chart shows the Concert Group's shareholding in CAP immediately after completion of the Rights Issue in the following scenarios:

- (i) Assuming a maximum of 2,888,682,489 Rights Shares were issued under the assumption that all Rights Shares are subscribed by Onger Investments (including by way of excess application) and the Underwriters and the full conversion of the 2016 Placing CN and the Convertible Notes:



- (ii) Assuming a minimum of 2,322,382,489 Rights Shares were issued under the assumption that all Rights Shares are subscribed by Onger Investments (including by way of excess application) and only Key High takes up the underwritten Rights Shares and the full conversion of the WYT Convertible Note, but Placing Convertible Notes and the 2016 Placing CN remained unexercised:



WYT will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the CAP Independent Shareholders at the CAP SGM by way of poll. The Concert Group and persons who are involved in, or interested in, the Rights Issue, the Underwriting Agreement, the Irrevocable Undertaking, the WYT Note Subscription, the Special Deal and/or the Whitewash Waiver are required under the Takeovers Code to abstain from voting on the resolution to be proposed at the CAP SGM to approve the Whitewash Waiver.

2. Further Information on the Concert Group

As at the date of this joint announcement:

- (i) none of the members of the Concert Group has any dealings in any securities of CAP in the six-month period preceding the date of this joint announcement;
- (ii) none of the members of the Concert Group has received any irrevocable commitment to vote for or against the proposed resolution approving the Rights Issue or the Whitewash Waiver at the CAP SGM;
- (iii) save for the transactions contemplated under the Underwriting Agreement and the Notes Agreements, there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the CAP Shares or the Adjusted Shares (as the case may be) or the shares of WOG, WYT and EOG and which may be material to the Rights Issue, the Notes Issue or the Whitewash Waiver;
- (iv) save for the Underwriting Agreement and the WYT Note Subscription Agreement, there is no arrangement or agreement to which the Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Rights Issue, the Notes Issue or the Whitewash Waiver; and
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CAP which the Concert Group has borrowed or lent.

PART H : GENERAL MATTERS

1. Changes in the Shareholding Structure of CAP Arising from the Rights Issue and the Notes Issue

The changes in the shareholding structure of CAP arising from the Rights Issue and the Notes Issue are as follows:

(i) Assuming a maximum of 2,888,682,489 Rights Shares were issued (on the basis that the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date):

	As at the date of this joint announcement		Immediately after the Capital Reorganisation and full conversion of the 2016 Placing CN but before the completion of the Rights Issue and the Notes Issue		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters*		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters and after full conversion of the Convertible Notes*	
	Approximate		No. of Approximate		No. of Approximate		No. of Approximate		No. of Approximate	
	No. of CAP Shares	%	Adjusted Shares	%	Adjusted Shares	%	Adjusted Shares	%	Adjusted Shares	%
Concert Group										
EOG Group										
Onger Investments	334,616,677	20.17%	66,923,335	16.22%	535,386,680	16.22%	622,386,680	18.85%	622,386,680	15.59%
WYT Group										
Key High	—	0.00%	—	0.00%	—	0.00%	860,000,000	26.05%	1,101,379,310	27.60%
Other CAP Shareholders										
Kingston (including subscribers procured by it)										
Holder of 2016 Placing CN	—	0.00%	80,900,000	19.60%	647,200,000	19.60%	80,900,000	2.45%	80,900,000	2.03%
Other public										
CAP Shareholders	1,324,227,960	79.83%	264,845,592	64.18%	2,118,764,736	64.18%	264,845,592	8.02%	264,845,592	6.64%
Total	1,658,844,637	100.00%	412,668,927	100.00%	3,301,351,416	100.00%	3,301,351,416	100.00%	3,991,006,588	100.00%

Notes:

* This scenario is for illustration purpose only and is unlikely to occur since it assumes that: (i) the CAP Independent Shareholders have voted in favour of the Rights Issue at the CAP SGM, but (ii) no Qualifying Shareholder other than Onger Investments would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the CAP Independent Shareholders and their subscription for the Rights Shares.

Kingston, as one of the Underwriters, shall use its best endeavours to ensure CAP shall maintain and/or meet the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue. No conversion rights may be exercised by the Notes Holders unless immediately after exercise of such conversion rights, CAP will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

^ None of the directors of CAP, WOG, EOG and WYT holds any CAP Shares as at the date of this joint announcement.

(ii) Assuming a minimum of 2,322,382,489 Rights Shares were issued (on the basis that the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date):

	As at the date of this joint announcement		Immediately after the Capital Reorganisation but before the completion of the Rights Issue and the Notes Issue		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters*		Immediately after completion of the Rights Issue and the Notes Issue, assuming all Rights Shares are subscribed by Onger Investments and the Underwriters and after full conversion of the Convertible Notes*	
	No. of CAP Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %
Concert Group										
EOG Group										
Onger Investments	334,616,677	20.17%	66,923,335	20.17%	535,386,680	20.17%	622,386,680	23.45%	622,386,680	18.61%
WYT Group										
Key High	—	0.00%	—	0.00%	—	0.00%	860,000,000	32.40%	1,101,379,310	32.94%
Other CAP Shareholders										
Kingston (including subscribers procured by it)	—	0.00%	—	0.00%	—	0.00%	906,919,144	34.17% [#]	1,355,195,006	40.53% [#]
Other public CAP Shareholders										
Shareholders	1,324,227,960	79.83%	264,845,592	79.83%	2,118,764,736	79.83%	264,845,592	9.98%	264,845,592	7.92%
Total	1,658,844,637	100.00%	331,768,927	100.00%	2,654,151,416	100.00%	2,654,151,416	100.00%	3,343,806,588	100.00%

Notes:

* This scenario is for illustration purpose only and is unlikely to occur since it assumes that: (i) the CAP Independent Shareholders have voted in favour of the Rights Issue at the CAP SGM, but (ii) no Qualifying Shareholder other than Onger Investments would take up their provisional entitlements under the Rights Issue, which is a complete misalignment between the voting behaviour of the CAP Independent Shareholders and their subscription for the Rights Shares.

Kingston, as one of the Underwriters, shall use its best endeavours to ensure CAP shall maintain and/or meet the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue. No conversion rights may be exercised by the Notes Holders unless immediately after exercise of such conversion rights, CAP will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

^ None of the directors of CAP, WOG, EOG and WYT holds any CAP Shares as at the date of this joint announcement.

The tables above are for illustration purposes only and are not intended to be exhaustive. As CAP has no control over, among other things, whether the Placing Agent will be successful in placing the maximum aggregate principal amount of the Placing Convertible Notes proposed to be issued and whether the Specific Mandate described in the section headed “5. Specific Mandate for Convertible Notes” in Part C of this joint announcement will be obtained at the CAP SGM, there are a significant number of other possible scenarios (including where only a partial conversion of the Convertible Notes and/or the 2016 Placing CN have taken place), an exhaustive list of which is beyond the scope of this joint announcement.

2. Expected Timetable

A detailed timetable will be announced as and when available.

3. *Previous Fund-Raising Exercise in the Prior 12-Month Period*

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

Date of initial announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this joint announcement
23 August 2016	Issue and placing of 2016 Placing CN and 2016 EOG CN	Approximately HK\$488 million	<p>(a) Approximately HK\$440 million for the repayment of and offsetting borrowings and interests of the CAP Group, of which (i) approximately HK\$200 million for repayment of bond principal amount and interest; (ii) approximately HK\$40 million for offsetting bond principal amount; (iii) approximately HK\$100 million for offsetting principal amount and interest of a non-financial institution loan; and (iv) approximately HK\$100 million for repayment of financial/non-financial institution borrowings and interests; and</p> <p>(b) approximately HK\$48 million for general working capital of the CAP Group.</p>	<p>(a) (i) Approximately HK\$200 million was utilised for repayment of bond principal amount and interest;</p> <p>(ii) approximately HK\$40 million was utilised towards offsetting bond principal amount;</p> <p>(iii) approximately HK\$100 million was utilised for offsetting principal amount and interest of non-financial institution borrowings; and</p> <p>(iv) approximately HK\$100 million was utilised for repayment of financial/non-financial institution borrowings and interests.</p> <p>(b) approximately HK\$48 million was utilised for general working capital (major component of which is salary expenses).</p>

4. Possible Adjustment to the 2016 Placing CN

Completion of the Rights Issue may lead to adjustments to the exercise price and/or number of Adjusted Shares to be issued upon conversion of the 2016 Placing CN. CAP will notify the holders of the 2016 Placing CN by way of announcement regarding adjustments to be made (if any) pursuant to the terms and conditions of the 2016 Placing CN and such adjustments will be certified by an approved merchant bank or the auditors of CAP (as and when appropriate).

5. CAP Circular; CAP SGM; and Despatch of the Prospectus Documents

The CAP Circular containing, among other things:

- (i) further details of the Capital Reorganisation, the change in board lot size, the Rights Issue, the Irrevocable Undertaking, the Underwriting Agreement, the Whitewash Waiver, the Special Deal and the Notes Issue and the transactions contemplated thereunder;
- (ii) a letter of recommendation from the Independent Board Committee to the CAP Independent Shareholders in respect of the Rights Issue, the Special Deal, the Whitewash Waiver and the Notes Issue as to (i) whether they are fair and reasonable and in the interests of CAP and the CAP Shareholders as a whole, and (ii) voting by the CAP Independent Shareholders;
- (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the CAP Independent Shareholders on the Rights Issue, the Special Deal, the Whitewash Waiver and the Notes Issue as to (i) whether they are fair and reasonable and in the interests of CAP and the CAP Shareholders as a whole, and (ii) voting by the CAP Independent Shareholders; and
- (iv) a notice convening the CAP SGM,

is expected to be despatched to the CAP Shareholders on or before 16 August 2017, subject to obtaining clearance from the Stock Exchange and the Executive.

The CAP SGM will be convened and held for the CAP Shareholders (or the CAP Independent Shareholders, where appropriate) to consider and, if thought fit, to approve, among other things:

- (i) the proposed Capital Reorganisation;

- (ii) the Rights Issue;
- (iii) the Special Deal;
- (iv) the Whitewash Waiver; and
- (v) the Notes Issue,

each in accordance with the CAP Bye-Laws, the Listing Rules and the Takeovers Code.

Upon approval of the Capital Reorganisation, the Underwriting Agreement, the Rights Issue, the Notes Issue, the Special Deal and the Whitewash Waiver by the CAP Shareholders (or the CAP Independent Shareholders, as the case may be) at the CAP SGM, the Prospectus Documents setting out, among other things, details of the Rights Issue, the Irrevocable Undertaking and the Underwriting Agreement 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.

6. EOG Circular and EOG SGM

A circular containing, among other things, further details of the EOG Transactions and any other transactions contemplated thereunder and a notice convening the EOG SGM, is expected to be despatched to the EOG Shareholders on or before 16 August 2017, subject to obtaining clearance from the Stock Exchange and the Executive.

The EOG SGM will be convened and held for the EOG Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the EOG Transactions.

Other than the WYT Group, no EOG Shareholder has any material interest in the EOG Transactions which is materially different from the other EOG Shareholders. Accordingly, no EOG Shareholder other than the WYT Group will be required to abstain from voting at the EOG SGM.

7. WYT Circular and WYT SGM

A circular containing, among other things, further details of the WYT Transactions and any other transactions contemplated thereunder and a notice convening the WYT SGM, is expected to be despatched to the WYT Shareholders on or before 16 August 2017, subject to obtaining clearance from the Stock Exchange and the Executive.

The WYT SGM will be convened and held for the WYT Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WYT Transactions.

Other than the WOG Group, no WYT Shareholder has any material interest in the WYT Transactions which is materially different from the other WYT Shareholders. Accordingly, no WYT Shareholder other than the WOG Group will be required to abstain from voting at the WYT SGM.

8. WOG Circular and WOG SGM

A circular containing, among other things, further details of the WOG Transactions and any other transactions contemplated thereunder and a notice convening the WOG SGM, is expected to be despatched to the WOG Shareholders on or before 16 August 2017, subject to obtaining clearance from the Stock Exchange and the Executive.

The WOG SGM will be convened and held for the WOG Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve, among other things, the WOG Transactions.

Other than Mr. Tang and his associates, the WYT Group and the EOG Group, no WOG Shareholder has any material interest in the WOG Transactions which is materially different from the other WOG Shareholders. Accordingly, no WOG Shareholder other than Mr. Tang and his associates, the WYT Group and the EOG Group will be required to abstain from voting at the WOG SGM.

9. General Information on the EOG Group, the WYT Group and the WOG Group

The EOG Group is principally engaged in the businesses of property development in the PRC, provision of finance and securities brokerage services.

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, health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; and (iii) property investment.

The WOG Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through Wang On Properties Limited, a listed 75%-owned subsidiary of WOG; and (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT (a listed 51.32%-owned subsidiary of WOG).

WARNING:

POSSIBLE REJECTION OF LISTING APPROVAL AND FAILURE OF RIGHTS ISSUE

The Rights Issue is conditional upon, among others, the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Adjusted Shares and the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings.

CAP has received negative feedback from the Listing Division of the Stock Exchange. Based on information provided to it, the Listing Division is concerned with the substantial dilution of non-subscribing minority shareholders' interests. CAP has not yet demonstrated, to the satisfaction of the Listing Division, that the terms of the Rights Issue are fair and reasonable.

The Executive is concerned whether the proposed transactions set out in this joint announcement is oppressive to the minority shareholders and contrary to the General Principles of the Takeovers Code.

CAP Board does not share the same view in respect of the above concerns from the Stock Exchange and the Executive and is currently looking into addressing the Stock Exchange and the Executive's concerns. Shareholders and potential investors should note that, unless CAP addresses the above concerns to the satisfaction of the Stock Exchange, the Stock Exchange will not grant listing approval to deal in the Adjusted Shares and the Rights Shares and if so the Rights Issue and the Notes Issue will not proceed and will lapse.

PART I : RESUMPTION OF TRADING

1. Resumption of Trading of CAP Shares and the CAP's 1 per cent notes due 2024 (Stock Code: 5755)

At the request of CAP, trading in the CAP Shares and the CAP's 1 per cent notes due 2024 (Stock Code: 5755) on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 5 July 2017 pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the CAP Shares and the CAP's 1 per cent notes due 2024 on the Stock Exchange with effect from 9:00 a.m. on Thursday, 27 July 2017.

2. Resumption of Trading of EOG Shares

At the request of EOG, trading in the EOG Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 5 July 2017 pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the EOG Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 27 July 2017.

3. Resumption of Trading of WYT Shares

At the request of WYT, trading in the WYT Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 5 July 2017 pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the WYT Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 27 July 2017.

4. Resumption of Trading of WOG Shares

At the request of WOG, trading in the WOG Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 5 July 2017 pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the WOG Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 27 July 2017.

DEFINITIONS

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

“2016 CN Conversion Shares”	those CAP Shares or Adjusted Shares to be issued upon the exercise of the conversion rights attaching to the 2016 Placing CN
“2016 EOG CN”	the five-year 7.5% convertible redeemable notes in an aggregate principal amount of HK\$140 million issued by CAP on 19 October 2016 and subscribed by Peony Finance, which shall be applied by the EOG Group to offset the payment for the EOG Transactions
“2016 Placing CN”	the five-year 7.5% convertible redeemable notes in an aggregate principal amount of HK\$360 million issued by CAP on 19 October 2016 and placed by Kingston, of which an aggregate principal amount of HK\$161.8 million are still outstanding
“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
“Amendment Agreements”	letters of request for the Proposed Amendments issued by CAP and acknowledged by each of Winning Rich, Double Leads and Peony Finance on 4 July 2017
“Application Forms”	collectively, the EAF(s) and the PAL(s)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bonds”	the five-year 10.0% coupon bonds with an aggregate principal amount of HK\$1,200 million issued by CAP on 28 November 2014, of which an aggregate of HK\$1,160 million are still outstanding and held as to HK\$130 million by the WOG Group, as to HK\$920 million by the WYT Group and as to HK\$110 million by the EOG Group as at the date of this joint announcement

“Business Day(s)”	day(s) (other than a Saturday, Sunday, public holiday, or days on which a typhoon signal No. 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks are generally open for business in Hong Kong
“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 the CAP Directors
“CAP Bye-Laws”	the bye-laws of CAP
“CAP Circular”	the circular to be despatched to the CAP Shareholders in relation to, among other things, the Capital Reorganisation, the change in board lot size, the Rights Issue, the Irrevocable Undertaking, the Underwriting Agreement, the Special Deal, the Whitewash Waiver and the Notes Issue
“CAP Directors”	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, and (ii) members of the Concert Group and shareholders who are involved in, or interested in, the Rights Issue, the Underwriting Agreement, the Irrevocable Undertaking, the Special Deal, the Whitewash Waiver and the Notes Issue
“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, the Notes Issue, the Special Deal and the Whitewash Waiver
“CAP Shareholder(s)”	the holder(s) 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 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: (a) any fractional Consolidated Shares in the issued share capital of CAP arising from the Share Consolidation shall be cancelled; and (b) the nominal value of all the issued Consolidated Shares shall be reduced from HK\$0.05 each to HK\$0.01 each and the issued share capital of CAP shall be reduced by HK\$0.04 per Consolidated Share in issue
“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 losses of CAP
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	Companies Act 1981 of Bermuda
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Concert Group”	means, as at the date of this joint announcement, Mr. Tang, EOG, WYT, WOG and parties acting in concert with each one of them, including WYT (being an associated company of EOG under the Takeovers Code) and their respective (a) subsidiaries (including Onger Investments (the wholly-owned subsidiary of EOG that holds the CAP Shares or the Adjusted Shares) and Key High (a wholly-owned subsidiary of WYT)) and (b) associates (including Mr. Tang, EOG and their associates)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of CAP immediately upon the Share Consolidation becoming effective and prior to the Capital Reduction

“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	the conversion price for the conversion of the principal amount of the Convertible Notes into Conversion Shares, which is HK\$0.58 per Conversion Share, subject to adjustments
“Conversion Share(s)”	together, the Placing Conversion Shares and the WYT Conversion Shares
“Convertible Notes”	together, the Placing Convertible Notes and the WYT Convertible Note, principal terms of which are set out in the section headed “4. Principal terms of the Convertible Notes” in Part C of this joint announcement
“Double Leads”	Double Leads Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by WOG as at the date of this joint announcement, being the registered holder of the Bonds in the principal amount of HK\$130 million
“EAF(s)”	the form of application for excess Rights Shares
“EOG”	Easy One Financial Group Limited 易易壹金融集團有限公司, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 221)
“EOG Board”	the board of the EOG Directors
“EOG Directors”	the director(s) of EOG
“EOG Group”	EOG and its subsidiaries
“EOG SGM”	the special general meeting of EOG to be convened and held to consider and approve, among other things, the EOG Transactions
“EOG Shareholder(s)”	the holder(s) of the EOG Share(s)

“EOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of EOG
“EOG Transactions”	the subscription in full for Onger Investments’ provisional entitlement under the Rights Issue and the subscription for additional Rights Shares by way of excess application under the Irrevocable Undertaking and (to the extent relevant to the EOG Group) the Proposed Amendments
“Event(s) of Default”	the event(s) of default provided for in the terms and conditions of the Convertible Notes, details of which are set out in the row titled “Events of Default” in the section headed “4. Principal terms of the Convertible Notes” in Part C of this joint announcement
“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 to such CAP Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate(s)
“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 CAP Board comprising all of the three independent non-executive CAP Directors formed for the purpose of advising the CAP Independent Shareholder(s) on the Rights Issue (including the Underwriting Agreement), the Special Deal, the Notes Issue and the Whitewash Waiver

“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee and the CAP Independent Shareholders on the Rights Issue (including the Underwriting Agreement), the Special Deal, the Notes Issue and the Whitewash Waiver to be appointed by the Independent Board Committee
“Independent Third Party”	a person who: <ul style="list-style-type: none"> (i) is not 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 or the Convertible Notes directly or indirectly by a connected person of CAP; and (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
“Irrevocable Undertaking”	an irrevocable undertaking dated 4 July 2017 granted by Onger Investments in favour of CAP as described in the section headed “16. The Irrevocable Undertaking” in Part B of this joint announcement
“Kingston” or “Placing Agent”	Kingston Securities Limited, a corporation licensed by the SFC to carry out business in Type 1 regulated activity (dealing in securities) under the SFO, being one of the Underwriters under the Underwriting Agreement and the placing agent under the Notes Placing Agreement
“Last Trading Day”	4 July 2017, being the last trading day for the CAP Shares on the Stock Exchange before the release of this joint announcement

“Latest Time For Acceptance”	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 Underwriters and CAP in writing, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the maturity date of the Convertible Notes, being the date falling upon the expiry of five years from the date on which the Convertible Notes are first issued, or if such date is not a Business Day, the immediate preceding Business Day
“Mr. Tang”	Mr. Tang Ching Ho, the ultimate controlling shareholder of the WOG Group
“Notes Agreements”	collectively, the Notes Placing Agreement and the WYT Note Subscription Agreement
“Notes Holder(s)”	holder(s) of the Convertible Note(s)
“Notes Issue”	collectively, the Notes Placing and the WYT Note Subscription
“Notes Placee(s)”	the placee(s) of the Placing Convertible Notes, details of whom are set out in the row titled “Notes Placee(s)” in the section headed “2. The Notes Placing Agreement” in Part C of this joint announcement
“Notes Placing”	the placing of the Placing Convertible Notes for a maximum aggregate principal amount of HK\$260 million to the Notes Placees procured by or on behalf of the Placing Agent in accordance with the Notes Placing Agreement

“Notes Placing Agreement”	the placing agreement dated 4 July 2017 entered into between CAP and the Placing Agent, details of which are set out in the section headed “2. The Notes Placing Agreement” in Part C of this joint announcement
“Notes Placing Long Stop Date”	the 30th day from the date of the CAP SGM (or such later date as may be agreed between CAP and the Placing Agent in writing)
“Notes Placing Period”	the period commencing upon the execution of the Notes Placing Agreement and ending on the Notes Placing Long Stop Date, unless the Notes Placing is completed or terminated pursuant to the terms of the Notes Placing Agreement prior to the Notes Placing Long Stop Date
“Onger Investments”	Onger Investments Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of EOG, which is principally engaged in investment holding, being the substantial shareholder of CAP
“Outstanding Interests”	all outstanding interests accrued on the Bonds of an aggregate amount of HK\$57,809,206 to be otherwise due and payable on 29 May 2017, of which (i) HK\$45,848,894 accrued on the Bonds held by Winning Rich; (ii) HK\$6,478,472 accrued on the Bonds held by Double Leads; and (iii) HK\$5,481,840 accrued on the Bonds held by Peony Finance
“Overseas Shareholder(s)”	the CAP Shareholder(s) whose address(es) on the register of members of CAP on the Record Date are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“Peony Finance”	Peony Finance Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirectly wholly-owned subsidiary of EOG
“Placing Conversion Share(s)”	those Adjusted Share(s) to be issued upon the exercise of the conversion rights attaching to the Placing Convertible Notes

“Placing Convertible Notes”	those Convertible Notes to be issued by CAP to the Notes Placers pursuant to the Notes Placing Agreement
“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
“Proposed Amendments”	the proposed amendments to the terms and conditions of the Bonds, including the change of interest rate from 10% to 7.5% and the extension of the payment date of the Outstanding Interests from 31 August 2017 to 30 November 2017 pursuant to the Amendment Agreements
“Prospectus”	the prospectus to be despatched to the CAP Shareholders on the Prospectus Posting Date in connection with the Rights Issue in such form as may be agreed between CAP and the Underwriters
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	being the date of despatch of the Prospectus Documents
“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”	being the date by reference to which entitlements to the Rights Issue will be determined, the date of which is to be confirmed
“Registrar”	CAP’s branch share registrar and transfer office in Hong Kong, which is Tricor Investor Services 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 to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarised herein

“Rights Share(s)”	not less than 2,322,382,489 Adjusted Shares of an aggregate nominal value of HK\$23,223,824.89 (assuming the conversion rights under the 2016 Placing CN are not exercised on or before the Record Date) and not more than 2,888,682,489 Adjusted Shares of an aggregate nominal value of HK\$28,886,824.89 (assuming the conversion rights under the 2016 Placing CN are fully exercised on or before the Record Date) proposed to be offered to the Qualifying Shareholders for subscription on the basis of seven (7) Adjusted Shares for every one (1) Adjusted Share held on the Record Date pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the consolidation of share(s) in the issued share capital of CAP whereby every five (5) 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\$0.05
“Special Deal”	the repayment by CAP of indebtedness owed to the EOG Group using a portion of the aggregate net proceeds from the Rights Issue and the arrangement for the payment for the EOG Transactions to be off-set by the outstanding indebtedness owed by CAP to the EOG Group under the Bonds and the 2016 EOG CN as more particularly set out in the sub-section headed “3. The Special Deal” in section 9 of Part D of this joint announcement, which constitutes a “special deal” under Note 5 to Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate to be sought from the CAP Independent Shareholders at the CAP SGM in respect of the issue of the Convertible Notes and the allotment and issue of Conversion Shares

“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\$0.45 per Rights Share
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	collectively, WYT Underwriter and Kingston
“Underwriting Agreement”	the underwriting agreement dated 4 July 2017 entered into between CAP, WYT and the Underwriters in relation to the Rights Issue
“Underwritten Shares”	all the Rights Shares in excess of the aggregate of: (i) 468,463,345 Rights Shares that will be provisionally allotted to and subscribed for by Onger Investments (or its associates); and (ii) 87,000,000 Rights Shares for which Onger Investments (or its associates) will subscribe by way of excess application, pursuant to the Irrevocable Undertaking, which are fully underwritten by the Underwriters 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 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 WYT 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 and the Adjusted Shares upon conversion of the WYT Convertible Note by Key High pursuant to the Underwriting Agreement and the WYT Note Subscription Agreement
“Winning Rich”	Winning Rich Investments Limited, an indirectly wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands, being the registered holder of the Bonds in the principal amount of HK\$920 million
“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 Board”	the board of the WOG Directors
“WOG Bye-Laws”	the bye-laws of WOG
“WOG Director(s)”	the director(s) of WOG
“WOG Group”	WOG and its subsidiaries
“WOG SGM”	the special general meeting of WOG to be convened and held to consider and approve, among other things, the WOG Transactions
“WOG Shareholder(s)”	the holder(s) of the WOG Share(s)
“WOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WOG
“WOG Transactions”	the WYT Transactions and (to the extent relevant to the WOG Group through Double Leads) the Proposed Amendments

“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), a 51.32%-owned subsidiary of WOG
“WYT Board”	the board of the WYT Directors
“WYT Bye-Laws”	the bye-laws of WYT
“WYT Conversion Shares”	those Adjusted Shares to be issued upon the exercise of the conversion rights attaching to the WYT Convertible Note
“WYT Convertible Note”	the convertible note to be issued by CAP to Key High in accordance with the WYT Note Subscription Agreement
“WYT Director(s)”	the director(s) of WYT
“WYT Group”	WYT and its subsidiaries
“WYT Long Stop Date”	the 30th day from the date of the CAP SGM (or such later date as may be agreed between Key High and CAP in writing)
“WYT Note Subscription”	the subscription by Key High of the WYT Convertible Note in accordance with the WYT Note Subscription Agreement
“WYT Note Subscription Agreement”	the subscription agreement dated 4 July 2017 entered into between CAP and Key High, details of which are set out in the section headed “3. The WYT Note Subscription Agreement” in Part C of this joint announcement
“WYT SGM”	the special general meeting of WYT to be convened and held to consider and approve, among other things, the WYT Transactions
“WYT Shareholder(s)”	the holder(s) of the WYT Share(s)
“WYT Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WYT

“WYT Transactions”	the underwriting by the WYT Underwriter of up to 860,000,000 Rights Shares (being the total Underwritten Shares that the WYT Underwriter has agreed to underwrite) under the Underwriting Agreement, the WYT Note Subscription and (to the extent relevant to the WYT Group) the Proposed Amendments
“WYT Underwriter” or “Key High”	Key High Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of WYT, being one of the Underwriters under the Underwriting Agreement and the subscriber under the WYT Note Subscription Agreement
“%”	per cent.

By Order of the CAP Board
**CHINA AGRICULTURAL PRODUCTS EXCHANGE
LIMITED**
中國農產品交易所有限公司
Leung Sui Wah, Raymond
Executive Director

By Order of the EOG Board
**EASY ONE FINANCIAL GROUP
LIMITED**
易易壹金融集團有限公司
Chan Chun Hong, Thomas
Chairman and Managing Director

By Order of the WYT Board
**WAI YUEN TONG MEDICINE
HOLDINGS LIMITED**
(位元堂藥業控股有限公司*)
Tang Mui Fun
Executive Director

By Order of the WOG Board
WANG ON GROUP LIMITED
(宏安集團有限公司*)
Tang Ching Ho
Chairman

Hong Kong, 26 July 2017

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

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

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 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 directors. The WYT Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to CAP, EOG, WOG or any of their associates or any parties acting in concert with any of them (excluding the WYT Group)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by CAP, EOG or WOG or any of their associates or any parties acting in concert with any of them (excluding the WYT Group)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the WOG Board comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, as the executive directors, and Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, as the independent non-executive directors. The WOG Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to CAP, EOG, WYT or any of their associates or any parties acting in concert with any of them (excluding the WOG Group other than the WYT Group)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by CAP, EOG or WYT or any of their associates or any parties acting in concert with any of them (excluding the WOG Group other than the WYT Group)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

** For identification purpose only*