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CHINA AGRI-PRODUCTS EXCHANGE LIMITED

中國農產品交易有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)

ANNOUNCEMENT

- (I) VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION;**
- (II) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION;**
- (III) ISSUE OF CONSIDERATION SHARES AND SUBSCRIPTION SHARES
UNDER SPECIFIC MANDATE;**
- (IV) PROPOSED CHANGE OF DIRECTORS;**
- (V) APPLICATION FOR WHITEWASH WAIVER; AND**
- (VI) RESUMPTION OF TRADING**

THE SALE AND PURCHASE AGREEMENT

On 16 November 2016, the Company entered into the Sale and Purchase Agreement with the Vendors pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the right and power to control over and the right to enjoy the economic benefits in the pawn loan business operated by the Target Company through the Structured Contracts.

The aggregate consideration for the Acquisition is HK\$3,116,632,579, which will be satisfied by the allotment and issue of 2,308,616,725 Consideration Shares at the issue price of HK\$1.35 per Share.

The Consideration Shares will rank equally among themselves and pari passu in all respects with the Shares in issue on the date of the allotment and issue of the Consideration Shares. The Consideration Shares will be allotted and issued on the Completion Date under a Specific Mandate proposed to be obtained at the SGM.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, the Subscribers have conditionally agreed to subscribe for (on a several but not joint basis), and the Company has conditionally agreed to allot and issue, an aggregate of 114,400,626 new Shares (with an aggregate nominal value of HK\$1,144,006.26) at the Subscription Price of HK\$1.35 per Subscription Share.

The Subscription Shares will rank equally among themselves and pari passu in all respects with the Shares in issue on the date of the allotment and issue of the Subscription Shares. The Subscription Shares will be allotted and issued under a Specific Mandate proposed to be obtained at the SGM.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and the Subscription Shares to be allotted and issued pursuant to the Sale and Purchase Agreement and the Subscription Agreement, respectively.

PROPOSED CHANGE OF DIRECTORS

Pursuant to the Sale and Purchase Agreement, CITIC AMC will nominate six candidates for appointment as Directors at the SGM and all existing Directors (except for two existing executive Directors, one of which will be re-designated as a non-executive Director upon Completion) will resign at Completion. As a result, the Board will comprise eight members, including three executive Directors and three independent non-executive Directors nominated by CITIC AMC and one executive Director and one non-executive Director from the existing Board.

IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Sale and Purchase Agreement exceed(s) 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders at the SGM.

Further, as CITIC AMC, being a substantial shareholder of the Target Company, will upon Completion become a controlling Shareholder and thus a controller of the Company as a result of the Acquisition, the Acquisition constitutes a connected transaction of the Company pursuant to Rule 14A.28 of the Listing Rules.

In addition, the Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules, on the basis that the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and at the same time results in a change in control (as defined under the Takeovers Code) of the Company. Accordingly, under Rule 14.54 of the Listing Rules, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of a new listing application to be made by the Company. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. As at the date of this announcement, none of the relevant materials regarding the new listing application have been submitted to the Stock Exchange, and the Company will initiate the new listing application process as soon as practicable. The Listing Committee may or may not grant its approval of the new listing application.

It is one of the conditions precedent to the Completion that the approval of the new listing application by the Listing Committee has been obtained. In the event that the approval for the new listing application is not granted by the Listing Committee, the Sale and Purchase Agreement will not become unconditional and the Acquisition and the Subscription will not proceed.

IMPLICATIONS OF THE TRANSACTIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As the Shareholders Agreement will impose obligations or restrictions on the Vendors and the Subscribers with respect to their use, retention or disposal of their interests in the Shares and the Vendors and the Subscribers will acquire such Shares pursuant to the Sale and Purchase Agreement and the Subscription Agreement upon completion of the Transactions, the Vendors and the Subscribers are parties acting in concert (as defined in the Takeovers Code). Immediately following the allotment and issue of the Consideration Shares and the Subscription Shares, the shareholding of the Vendors and the Subscribers and parties acting in concert with any of them will increase to approximately 67.56% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares but before conversion or exercise of any convertible securities, share options, warrants or other derivatives in issue as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, the Vendors and the Subscribers and parties acting in concert with any of them would be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Vendors and the Subscribers and parties acting in concert with any of them, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

An application will be made by the Vendors and the Subscribers 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, will be subject to, among other things, (i) approval of the Independent Shareholders in respect of the Whitewash Waiver at the SGM where voting on the relevant resolutions shall be taken by way of poll; (ii) the Vendors and the Subscribers and parties acting in concert with any of them not having acquired any voting rights of the Company in the six months prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Sale and Purchase Agreement and the Subscription Agreement; and (iii) the Vendors and the Subscribers and parties acting in concert with any of them not having any acquisitions or disposals of voting rights of the Company between the date of this announcement and Completion unless with the prior consent of the Executive.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to completion of the Transactions that the Whitewash Waiver has been obtained. In the event that the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Sale and Purchase Agreement and the Subscription Agreement will not become unconditional and the Transactions will not proceed.

The Whitewash Waiver is subject to approval by the Independent Shareholders (who are permitted to vote under the Listing Rules and the Takeovers Code) at the SGM. Onger Investments Limited will abstain from voting at the SGM.

POTENTIAL CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the Structured Contracts will constitute a continuing connected transaction of the Company upon Completion. Further disclosures will be made in the circular to be despatched by the Company to the Shareholders in compliance with the requirements of the Listing Rules if and when required.

Members of the Target Group have entered into certain transactions with entities which will become connected persons of the Company upon Completion and such transactions may continue after Completion and therefore constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of such continuing connected transactions will be disclosed in the circular to be despatched by the Company to the Shareholders in compliance with the requirements of the Listing Rules if and when required.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent committee of the Board comprising Mr. Ng Yat Cheung, Mr. Lau King Lung and another independent non-executive Director to be appointed by the Company to fill in vacancy in due course, being all the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Transactions and the Whitewash Waiver. Until the third independent non-executive Director is appointed, the independent committee of the Board will comprise Mr. Ng Yat Cheung and Mr. Lau King Lung, who will perform the function and duties of the independent committee of the Board.

The Company will, with the approval of the independent committee of the Board, appoint an independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to advise the independent committee of the Board and the Independent Shareholders on the Transactions and the Whitewash Waiver. A further announcement will be made by the Company upon the appointment of the independent financial adviser as soon as possible.

DESPATCH OF CIRCULAR

The Company will despatch a circular in accordance with requirements under the Listing Rules and Rule 8.2 of the Takeovers Code, which will contain, among other things, (i) further details of the Transactions; (ii) further information about the Whitewash Waiver; (iii) the recommendation of the independent board committee of the Company in relation to the Transactions; (iv) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Transactions and the Whitewash Waiver; (v) financial information of the Target Company and of the Enlarged Group; (vi) information relating to the change of Directors; and (vii) a notice of the SGM and a form of proxy. The circular will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application and it is currently expected to be by 31 March 2017.

RESUMPTION OF TRADING

Trading in the Shares and the 1 per cent notes due 2024 (Stock Code: 5755) of the Company on the Stock Exchange has been halted at the request of the Company with effect from 9:00 a.m. on Thursday, 17 November 2016 pending release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and 2024 Notes with effect from 9:00 a.m. on Monday, 5 December 2016.

It should be noted that each of the Acquisition and the Subscription is subject to a number of conditions, which may or may not be fulfilled. In addition, the approval of the new listing application to be made by the Company and the Whitewash Waiver may or may not be granted. The Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Shares or other securities of the Company.

On 16 November 2016, the Company entered into the Sale and Purchase Agreement with the Vendors pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the right and power to control over and the right to enjoy the economic benefits in the pawn loan business operated by the Target Company through the Structured Contracts. Details of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 16 November 2016

Parties:

(i) The Company, as the Purchaser; and

(ii) CITIC AMC
Tibet Junhe
Beijing Wanhao
Tibet Dazi
Beijing Jingzhihu
Shanghai Chenggao
Wenzhou Xina
Shenzhen Zhongjiu
Qingdao Yuantai
Jianlong Biotech
Shenzhen Qianhai

Collectively, as the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

The Company has conditionally agreed to acquire from the Vendors the right and power to control over and the right to enjoy the economic benefits in the pawn loan business operated by the Target Company through the Structured Contracts. Further information on the Structured Contracts is set out in the section headed "Information of the Structured Contracts — Structured Contracts" below.

The Target Company is primarily engaged in the pawn loan business in the PRC. Further information on the Target Group is set out in the section headed "Information of the Target Group" below.

Conditions precedent

Completion of the Acquisition is conditional upon the satisfaction (or, if applicable, the waiver) of certain conditions precedent, which are set out below:

- (a) the approval of Independent Shareholders at the SGM to the Sale and Purchase Agreement and the transactions contemplated under the Sale and Purchase Agreement, including without limitation, (i) the Specific Mandate in relation to the allotment and issue of the Consideration Shares, (ii) the entering into of the Structured Contracts, (iii) the application for the Whitewash Waiver, and (iv) the appointment of six directors nominated by CITIC AMC, effective upon Completion, having been obtained;
- (b) all existing Directors (except for two existing Directors, one of which will be re-designated as non-executive Director upon Completion), having resigned with effect from Completion;
- (c) the Purchaser having completed the due diligence review of the Target Group and its assets and other affairs as determined by the Purchaser and the results of such review being satisfactory to the Purchaser in its absolute discretion;
- (d) the Vendors having completed the due diligence review of the Group and its assets and other affairs as determined by the Vendors and the results of such review being satisfactory to the Vendors in its absolute discretion;
- (e) the Purchaser having received an opinion issued by a competent PRC legal adviser of the Vendors in respect of the Target Group related matters (in particular to the legality of the use of the Structured Contracts) and in the form and substance satisfactory to the Purchaser;
- (f) all necessary consents, approval, authorisation, permit, waiver, order, concession and notices from the creditors and shareholders of the Purchaser or any relevant governmental or regulatory authorities in Bermuda for the entering into or the implementation or completion of the transactions contemplated under the Sale and Purchase Agreement by the Purchaser having been obtained and not having been revoked or withdrawn before Completion;
- (g) all necessary consents, approval, authorisation, permit, waiver, order, concession and notices from the creditors and shareholders of the Vendors or any third parties or any relevant governmental or regulatory authorities for the entering into or the implementation or completion of the transactions contemplated under the Sale and Purchase Agreement by the Vendors having been obtained and not having been revoked or withdrawn before Completion;
- (h) approval in principle by the Listing Committee of the new listing application by the Purchaser having been granted and not having been revoked or withdrawn;
- (i) the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing of, and permission to deal in, the Consideration Shares on the Main Board of the Stock Exchange and such permission not subsequently being revoked or withdrawn;

- (j) the Whitewash Waiver having been granted by the Executive to the Vendors subject to, among other things, the Independent Shareholders' approval and such waiver remaining to be valid;
- (k) no material adverse change having occurred to the business, operations and financial performance of the Target Group between the date of this announcement and the Completion Date;
- (l) no material adverse change having occurred to the business, operations and financial performance of the Group between the date of this announcement and the Completion Date, without taking into account any possible property depreciation pursuant to applicable accounting standards and based on the opinions of independent valuers and the reporting accountant;
- (m) the representations and warranties given by the Vendors in the Sale and Purchase Agreement remaining true, accurate and not misleading in all material aspects, as such representations and warranties being made at the Completion Date with reference to the circumstances and facts then existing;
- (n) the representations and warranties given by the Purchaser in the Sale and Purchase Agreement remaining true, accurate and not misleading in all material aspects, as such representations and warranties being made at the Completion Date with reference to the circumstances and facts then existing;
- (o) the Vendors having performed or complied with, in all material respects, all of their undertakings and obligations required to be performed or complied with prior to Completion;
- (p) the Purchaser having performed or complied with, in all material respects, all of their undertakings and obligations required to be performed or complied with prior to Completion;
- (q) full and complete discharge of the pledge of the shares of the Target Company by Jianlong Biotech;
- (r) no prohibition by laws, regulations, rules or orders from any relevant governmental or regulatory authorities preventing the Completion; and
- (s) all the conditions precedent for the completion of the transactions under the Subscription Agreement having been fulfilled according to the terms therein and the Subscription Agreement not having been terminated according to the terms therein.

The conditions precedent set out in paragraphs (c), (e), (g), (k), (m), (o), and (q) above may be waived by the Purchaser through serving a written notice to CITIC AMC. The conditions precedent set out in paragraphs (b), (d), (f), (l), (n) and (p) above may be waived by CITIC AMC through serving a written notice to the Purchaser. None of the other conditions precedent set out above may be waived by any party.

If any of the conditions precedent set out above has not been fulfilled (or, if applicable, waived by the Purchaser or CITIC AMC) on or before 30 September 2017 (or such later date as may be agreed between the Purchaser and the Vendors), the Sale and Purchase Agreement will terminate with immediate effect.

In the event that there is any future prohibition by the Pawning Measures or the Draft Law preventing the Completion, the Sale and Purchase Agreement will terminate with immediate effect.

As confirmed by the Company's Bermuda legal adviser, the Transactions do not require any consent, approval, authorisation, permit, waiver, order, concession or notice from any governmental or regulatory authorities in Bermuda.

Consideration

The aggregate consideration for the Acquisition is HK\$3,116,632,579, which will be satisfied by the allotment and issue of 2,308,616,725 Consideration Shares at the issue price of HK\$1.35 per Share. The consideration was determined after arm's length negotiations between the Company and the Vendors with reference to the financial conditions of the Target Group (particularly the unaudited consolidated total equity attributable to the owners of the Target Company as of 30 September 2016, being RMB2,088.1 million), the prevailing market prices of the Shares and the recent market conditions.

The Consideration Shares to be allotted and issued by the Company to the Vendors (or their respective nominated persons, being their wholly-owned subsidiaries) pursuant to the Sale and Purchase Agreement represent (i) approximately 198.45% of the total Shares in issue as at the date of this announcement; (ii) approximately 66.49% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares only but before conversion or exercise of any convertible securities, share options and warrants or other derivatives in issue as at the date of this announcement; (iii) approximately 64.37% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares but before conversion or exercise of any convertible securities, share options and warrants or other derivatives in issue as at the date of this announcement; and (iv) approximately 47.73% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares and after conversion or exercise of all convertible securities, share options and warrants or other derivatives in issue as at the date of this announcement. Further details on the effect of the Acquisition on the shareholding structure of the Company are set out in the section headed "Effect of the Transactions on the Shareholding Structure of the Company" below.

The Consideration Shares will be allotted and issued on the Completion Date under a Specific Mandate proposed to be obtained at the SGM. The Consideration Shares will rank equally among themselves and pari passu in all respects with the Shares in issue on the date of the allotment and issue of the Consideration Shares.

The issue price of HK\$1.35 for each Consideration Share represents:

- (a) a premium of approximately 5.47% over the closing price of HK\$1.280 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 2.12% over the average of the closing price per Share of approximately HK\$1.322 for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (c) a premium of approximately 4.65% over the average of the closing price per Share of approximately HK\$1.290 for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (d) a premium of approximately 27.12% over the average of the closing price per Share of approximately HK\$1.062 for the last thirty trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The issue price of HK\$1.35 for each Consideration Share also represents a premium of approximately 11.48% over the unaudited consolidated total equity attributable to owners of the Company of approximately HK\$1.211 per Share as at 30 June 2016 (based on the total number of issued Shares as at the date of this announcement).

Structured Contracts

Prior to the despatch of the circular, the relevant parties will enter into the Structured Contracts conditional upon Completion. Please refer to the section headed “Information of the Structured Contracts” for further details of the Structured Contracts.

Completion

Completion is scheduled to take place on the 5th business day after the last condition precedent having been fulfilled (or, if applicable, waived) or a later date as may be agreed by the parties in writing.

Upon Completion,

- CITIC AMC will provide a tax indemnity in favour of the Company to indemnify the Company (for itself and as trustee of its subsidiaries from time to time) from and against certain tax liabilities of the Target Group prior to the date of the tax indemnity, subject to the terms and limitations as set out therein;
- Mr. Tang Ching Ho (a brother-in-law of Mr. Yau Yuk Shing, an executive Director) and the Company (together the “**Undertaking Party**”) will jointly and severally undertake to indemnify the Vendors (for itself and as trustee of its affiliated companies, directors, senior managements, agents or employees) (together, the “**Indemnified Party**”) from and against (A) any and all litigation, claims or legal proceedings initiated by any person or government authorities, and (B) any losses, damages and reasonable expenses, fees and costs (including legal fees) incurred or suffered by the Indemnified Party, as a result of or in connection with, directly or indirectly, (i) the Wuhan Legal Proceedings; (ii) any Regulatory Investigation; (iii) any actual or potential

extraordinary losses incurred, existed or accumulated by the Company (x) before Completion or (y) associated with the Company's operation of its existing business after Completion; or (iv) any breach of the Company's representations, warranties, undertakings or any other obligations under the Sale and Purchase Agreement, provided that Mr. Tang Ching Ho's indemnity is subject to a cap of HK\$30 million; and

- the Vendors and other relevant parties are expected to enter into the Shareholders Agreement. Please refer to the section headed "Information of the Structured Contracts — Shareholders Agreement" for further information.

Mr. Tang Ching Ho ("**Mr. Tang**") is neither a director nor a shareholder of the Company. However, as at the date of this announcement, the Company is owned as to approximately 28.76% by Easy One Financial Group Limited (stock code: 221); Easy One Financial Group Limited is in turn owned as to approximately 28.51% by Wai Yuen Tong Medicine Holdings Ltd. (stock code: 897), which in turn is owned as to approximately 51.32% by Wang On Group Ltd. (stock code: 1222), and in turn is owned as to approximately 51.76% by Mr. Tang.

THE SUBSCRIPTION AGREEMENT

Date: 16 November 2016

Parties:

- (i) The Company, as the issuer; and
- (ii) Oriental Gold, Beijing Kaiweiming and Shenzhen Heruikang, collectively, as the Subscribers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscribers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Due to the arrangements under the Shareholders Agreement, the Vendors and the Subscribers are parties acting in concert (as defined in the Takeovers Code). Please refer to the section headed "Information of the Structured Contracts — Shareholders Agreement" for further information.

The Subscription

Pursuant to the Subscription Agreement, the Subscribers have conditionally agreed to subscribe for (on a several but not joint basis), and the Company has conditionally agreed to allot and issue, an aggregate of 114,400,626 new Shares (with an aggregate nominal value of HK\$1,144,006.26) at the Subscription Price of HK\$1.35 per Subscription Share.

The Subscription Shares represent (i) approximately 9.83% of the total Shares in issue as at the date of this announcement; (ii) approximately 3.19% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares but before conversion or exercise of any convertible securities, share options and warrants or other derivatives in issue as at the date of this announcement; and (iii) approximately 2.37%

of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares and after conversion or exercise of all convertible securities, share options and warrants or other derivatives in issue as at the date of this announcement. Further details on the effect of the Subscription on the shareholding structure of the Company are set out in the section headed “Effect of the Transactions on the Shareholding Structure of the Company” below.

The aggregate amount of the consideration for the Subscription Shares is HK\$154,440,846, which shall be payable by the Subscribers in cash upon completion of the Subscription.

The Subscription Price of HK\$1.35 for each Subscription Share is the same as the issue price for the Consideration Shares, which represents:

- (a) a premium of approximately 5.47% over the closing price of HK\$1.280 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 2.12% over the average of the closing price per Share of approximately HK\$1.322 for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (c) a premium of approximately 4.65% over the average of the closing price per Share of approximately HK\$1.290 for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (d) a premium of approximately 27.12% over the average of the closing price per Share of approximately HK\$1.062 for the last thirty trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The issue price of HK\$1.35 for each Subscription Share also represents a premium of approximately 11.48% over the unaudited consolidated total equity attributable to owners of the Company of approximately HK\$1.211 per Share as at 30 June 2016 (based on the total number of issued Shares as at the date of this announcement).

The Subscription Price was determined after arm’s length negotiations between the Company and the Subscribers with reference to the financial conditions of the Company, the prevailing market prices of the Shares and the recent market conditions.

The Subscribers have confirmed that the Subscription will be funded by their respective internal resources.

Ranking of the Subscription Shares

The Subscription Shares will rank equally among themselves and *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under a Specific Mandate proposed to be obtained at the SGM.

Conditions precedent

Completion of the Subscription is conditional upon satisfaction of the following conditions:

- (a) all the conditions precedent for the Completion having been fulfilled or otherwise waived according to the terms therein and the Sale and Purchase Agreement not having been terminated according to the terms therein;
- (b) the approval of Independent Shareholders at the SGM, including without limitation, the Specific Mandate in relation to the allotment and issue of the Subscription Shares, having been obtained;
- (c) the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange and such permission not subsequently being revoked or withdrawn;
- (d) the Whitewash Waiver having been granted by the Executive in relation to the Transactions subject to, among other things, the Independent Shareholders' approval and such waiver remaining to be valid;
- (e) all necessary consents, approval, authorisation, permit, waiver, order, concession and notices from the creditors and shareholders of the Subscribers or any third parties or any relevant governmental or regulatory authorities for the entering into or the implementation or completion of the transaction contemplated under the Subscription Agreement by the Subscribers having been obtained and not having been revoked or withdrawn before the completion of the Subscription; and
- (f) no prohibition by laws, regulations, rules or orders from any relevant governmental or regulatory authorities preventing the completion of the Subscription.

None of the conditions precedent set out above may be waived by the parties. If any of the conditions precedent set out above has not been fulfilled on or before 30 September 2017 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreement will terminate with immediate effect.

In the event that there is any future prohibition by the Pawning Measures or the Draft Law preventing the Completion and hence the completion of the Subscription, the Subscription Agreement will terminate with immediate effect.

The Completion and the completion of the Subscription are inter-conditional.

Completion

Completion of the Subscription is scheduled to take place on the 5th business day after all conditions precedent having been fulfilled or another date as may be agreed by the parties in writing.

Upon completion of the Subscription, the Subscribers and other relevant parties are expected to enter into the Shareholders Agreement. Please refer to the section headed "Information of the Structured Contracts — Shareholders Agreement" for further information.

Use of proceeds

The gross proceeds from the Subscription will amount to approximately HK\$154.4 million. The net proceeds to be raised from the Subscription will be approximately HK\$119 million. The net subscription price per Subscription Share would be approximately HK\$1.04.

The Company intends to use the net proceeds of the Subscription as working capital, including:

- approximately 90%, or HK\$107.1 million to be used to strengthen the Company's capital base and expand its pawn loan business; and
- the remaining amount of approximately 10%, or HK\$11.9 million to be used for other general corporate purposes, including operating costs and expenses such as rental and salary expenses.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and the Subscription Shares to be allotted and issued pursuant to the Sale and Purchase Agreement and the Subscription Agreement, respectively.

PROPOSED CHANGE OF DIRECTORS

Pursuant to the Sale and Purchase Agreement, CITIC AMC will nominate six candidates for appointment as Directors at the SGM and all existing Directors (except for two existing Directors, one of which will be re-designated as non-executive Director upon Completion) will resign upon Completion. As a result, the Board will comprise eight members, including three executive Directors and three independent non-executive Directors nominated by CITIC AMC and one executive Director and one non-executive Director from the existing Board.

The biographical details of the new Directors will be included in further announcement(s) and the circular to be despatched by the Company to the Shareholders in relation to the Sale and Purchase Agreement as and where required.

EFFECT OF THE TRANSACTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement:

- (a) the Company has 1,163,344,637 Shares in issue;
- (b) the Company has issued the Convertible Notes on 19 October 2016; and
- (c) save for the Convertible Notes, the Company does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares nor any rights to subscribe for Shares.

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Transactions (assuming (i) no exercise of the conversion right under the Convertible Notes at all; and (ii) full exercise of the conversion right under the Convertible Notes) are as follows:

Shareholders	As at the date of this announcement		Upon allotment and issue of the Consideration Shares and the Subscription Shares but before any exercise of conversion rights under the Convertible Notes		Upon allotment and issue of the Consideration Shares and the Subscription Shares and after full exercise of the conversion rights under the Convertible Notes	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Onger Investments Limited	334,616,677	28.76	334,616,677	9.33*	684,616,677	14.16
Kingston Securities Limited	183,346,176	15.76	183,346,176	5.11*	183,346,176	3.79*
Third party places	—	—	—	—	900,000,000	18.61*
The Vendors and the Subscribers and their respective concert parties						
CITIC AMC and its concert parties (other than the Minority Vendors, the Subscribers and their respective concert parties)	—	—	1,385,962,013	38.65	1,385,962,013	28.66
Minority Vendors and their respective concert parties (other than CITIC AMC, the Subscribers and their respective concert parties)	—	—	922,654,712	25.73	922,654,712	19.08
Tibet Junhe	—	—	241,553,380	6.74	241,553,380	4.99
Beijing Wanhao	—	—	205,494,608	5.73	205,494,608	4.25
Tibet Dazi	—	—	154,120,956	4.30	154,120,956	3.19
Beijing Jingzhihu	—	—	107,261,580	2.99	107,261,580	2.22
Shanghai Chenggao	—	—	49,318,468	1.38	49,318,468	1.02
Wenzhou Xina	—	—	49,318,468	1.38	49,318,468	1.02
Shenzhen Zhongjiu	—	—	35,639,023	0.99	35,639,023	0.74
Qingdao Yuantai	—	—	35,639,023	0.99	35,639,023	0.74
Jianlong Biotech	—	—	23,759,349	0.66	23,759,349	0.49
Shenzhen Qianhai	—	—	20,549,857	0.57	20,549,857	0.42
Subscribers and their respective concert parties (other than the Vendors and their respective concert parties)	—	—	114,400,626	3.19	114,400,626	2.37
Oriental Gold	—	—	42,900,234	1.20	42,900,234	0.89
Beijing Kaiweiming	—	—	35,750,196	1.00	35,750,196	0.74
Shenzhen Heruikang	—	—	35,750,196	1.00	35,750,196	0.74
Subtotal:	—	—	2,423,017,351	67.56	2,423,017,351	50.10
Other public Shareholders	645,381,784	55.48*	645,381,784	18.00*	645,381,784	13.34*
Total	1,163,344,637	100.00	3,586,361,988	100.00	4,836,361,988	100.00

Note 1: Numbers may not add up to 100% due to rounding.

Note 2: Onger Investments Limited is an indirect wholly-owned subsidiary of Easy One Financial Group Limited (stock code: 221).

* Shares held by public

In each of the scenarios set out above, the Company would maintain sufficient public float, being 55.48%, 32.44% and 35.74%, respectively. The Company has undertaken to the Vendors and the Subscribers that it will maintain sufficient public float taking into account the allotment and issue of the Consideration Shares and the Subscription Shares.

INFORMATION OF THE STRUCTURED CONTRACTS

Reasons for the proposed arrangement under the Structured Contracts

As advised by the PRC legal adviser of the Company, the Administrative Measures for Pawning (典當管理辦法) jointly issued by the MOFCOM and the Ministry of Public Security (公安部) which came into effect on 1 April 2005 (the “**Pawning Measures**”), which regulate the pawn loan business in the PRC, do not explicitly permit foreign invested companies to operate a pawn loan business in the PRC.

According to the Foreign Investment Catalogue jointly promulgated by the National Development and Reform Commission and the MOFCOM in March 2015, foreign investments in the pawn loan business are neither expressly prohibited nor restricted. According to Article 71 of the Pawning Measures, rules and regulations governing the investment by foreign invested companies in the pawn loan business in the PRC will be separately announced by MOFCOM and other relevant authorities.

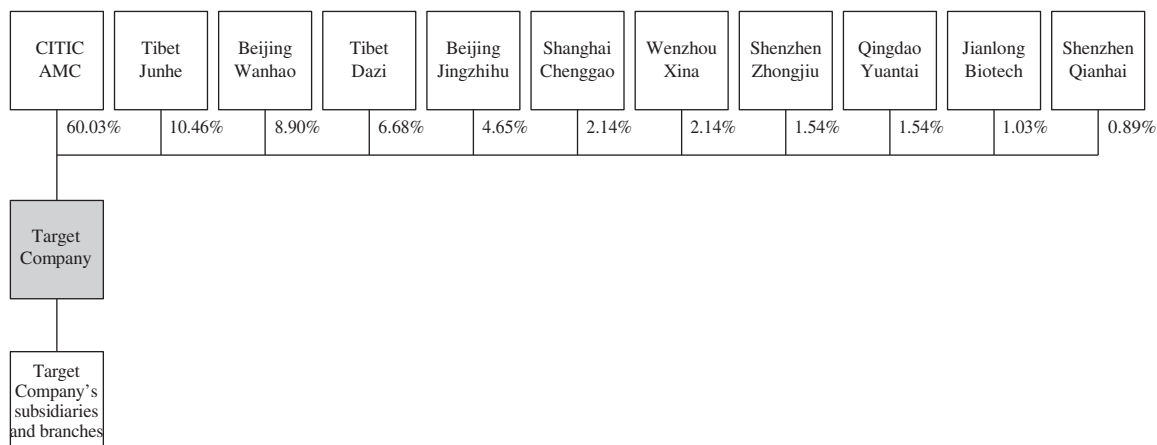
As at the date of this announcement, no relevant rules and regulations have been announced by MOFCOM or the relevant local authorities of places where the Target Group operates. According to the Administrative Licensing Law of the PRC (中華人民共和國行政許可法), administrative licensing regimes may only be set up and implemented where there are established laws setting out relevant procedures, parameters, conditions and scope of administrative power. As the approval of investment in pawn loan business by foreign invested companies in the PRC falls under an administrative act, no approval can be granted and no licence can be issued to a foreign invested company if there are no established laws governing the investments by foreign invested companies in pawn loan business.

In order for the Group to control and manage the pawn loan business of the Target Group in the PRC, it is proposed that the parties will enter into the Structured Contracts, under which all the business, financial and operating activities of the Target Group will be managed by the Group through the PRC Subsidiary. The Structured Contracts are designed to provide the Company with the right and power to control over and the right to enjoy the economic benefits in the pawn loan business operated by the Target Company. Through the Structured Contracts, the control over and economic benefits from the business of the Target Group will flow to the Group through the PRC Subsidiary.

Ownership structure of the Target Company

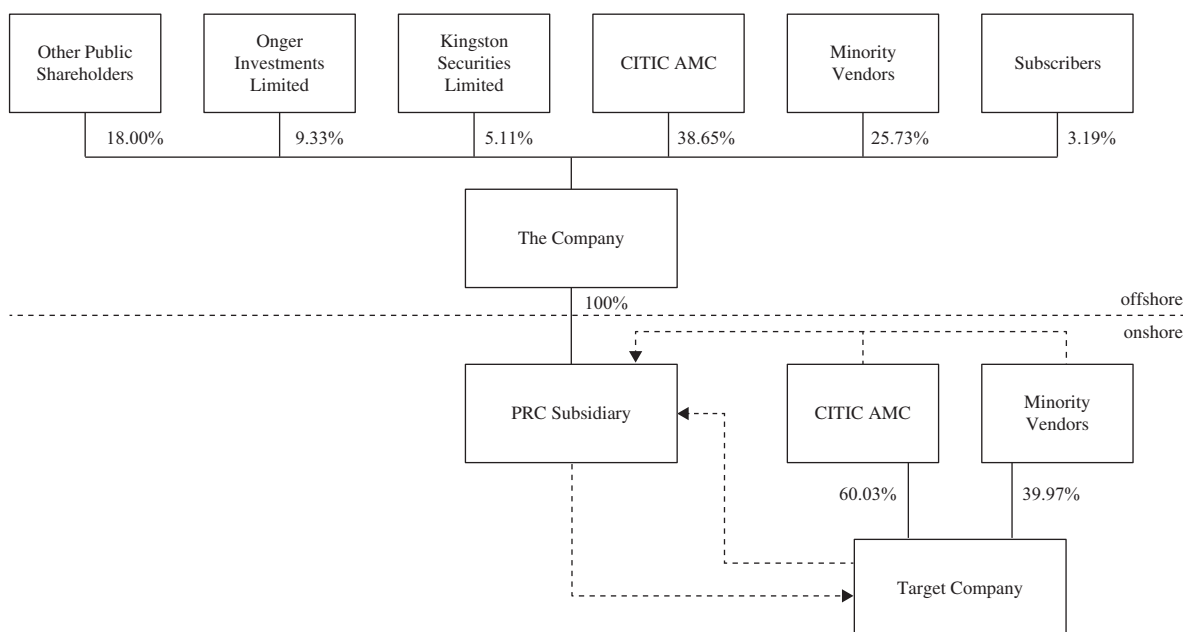
Set out below is the simplified ownership structure of the Target Company as at the date of this announcement and immediately after completion of the Transactions:

As at the date of this announcement



Note: Numbers may not add up to 100% due to rounding.

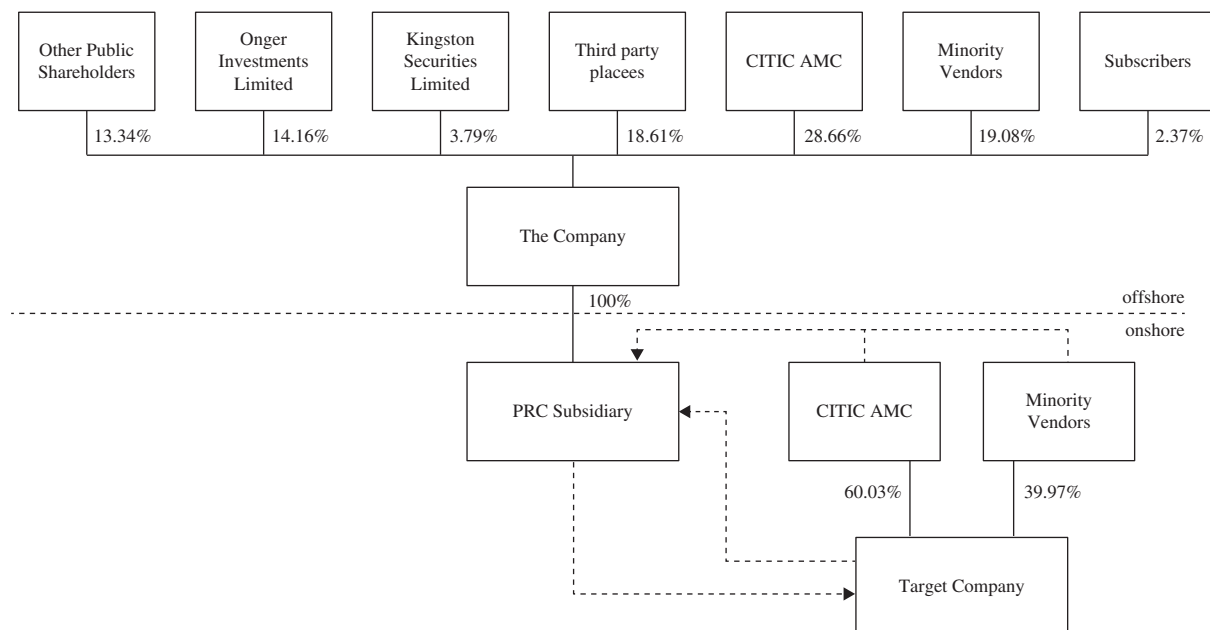
Immediately after completion of the Transactions (before any exercise of conversion rights under the Convertible Notes)



“—” denotes legal ownership in the equity interest and “---▶” denotes contractual relationship.

Note: Numbers may not add up to 100% due to rounding.

Immediately after completion of the Transactions (after full exercise of the conversion rights under the Convertible Notes)



“—” denotes legal ownership in the equity interest and “---▶” denotes contractual relationship.

Note: Numbers may not add up to 100% due to rounding.

Structured Contracts

The Vendors, the Target Company and the PRC Subsidiary (as the case may be) will enter into the Structured Contracts conditional upon Completion prior to the despatch of the circular. The details of the Structured Contracts are summarised as follows:

(1) Exclusive Option Agreement

Parties: PRC Shareholders
 PRC Subsidiary
 Target Company

Subject: The PRC Shareholders and the Target Company irrevocably agree, to the extent permitted under the laws of the PRC (i.e. foreign equity investment in the pawn loan business becomes permissible under the PRC Laws), to transfer to the PRC Subsidiary or any person(s) designated by the PRC Subsidiary at any time and from time to time, all or in tranches of their equity interests or assets in the Target Company.

(2) *Exclusive Management Consultancy Services Agreement*

Parties: PRC Subsidiary
Target Company

Subject: The Target Company engages the PRC Subsidiary on an exclusive basis for the PRC Subsidiary to provide management consultancy services in connection with the business of the Target Company. In consideration of the provision of management consultancy services, the Target Company will pay the PRC Subsidiary a service fee equivalent to the profit before taxation of the Target Company every year after deduction of necessary costs and expenses.

(3) *Equity Pledge Agreement*

Parties: PRC Subsidiary
PRC Shareholders
Target Company

Subject: The PRC Shareholders agree to pledge all of their equity interests in the Target Company to the PRC Subsidiary.

(4) *Shareholder Rights Entrustment Agreement and Power of Attorney*

Parties: PRC Subsidiary
PRC Shareholders
Target Company

Subject: The PRC Shareholders, among other things, irrevocably and unconditionally undertake to entrust the PRC Subsidiary or any person as designated by the PRC Subsidiary (including but not limited to the directors of the PRC Subsidiary and their respective successors or liquidators) to exercise on their behalf full shareholders' rights under the articles of association of the Target Company and applicable PRC laws and regulations. Such rights include, among others, (i) convening and attending the meetings of shareholders of the Target Company and signing the minutes or resolutions thereof, exercising as equity holder the voting rights on all matters requiring shareholders' consideration and approval, including but not limited to nomination, appointment and removal of directors, supervisors and senior management of the Target Company, and execution and filing of documents to the relevant authorities and the companies registry; (ii) passing resolutions on the disposal of the assets of the Target Company; (iii) passing resolutions on the dissolution and liquidation of the Target Company, forming a liquidation committee and exercising the rights and powers of the committee, including but not limited to dealing with the assets of the Target Company; (iv) deciding on transfer or disposal of the equity interests held by the PRC Shareholders in the Target Company; (v) instructing the directors and legal representatives of the Target Company to follow its instructions; and (vi) other shareholders' rights under applicable PRC laws and regulations and the articles of association of the Target Company.

Information on the registered owners of the Target Company

The PRC Shareholders are the registered owners of the Target Company. For further information of the PRC Shareholders, please refer to the section headed “Information of the Vendors” below of this announcement.

Compliance of Structured Contracts with laws and regulations of the PRC

Among the Structured Contracts, the Equity Pledge Agreement is required to be registered with the relevant administration bureau for industry and commerce under the PRC Laws. The Group will carry out the relevant filing and registration of the Equity Pledge Agreement after Completion.

Upon execution of the Structured Contracts, it is expected that the PRC legal adviser of the Company will provide an opinion to the effect that (i) save as disclosed in the sections headed “Information of the Structured Contracts — Dispute Resolutions” and “Risk factors in relation to the Structured Contracts”, and subject to the completion of the equity pledge registration in relation to the Equity Pledge Agreement, the execution, delivery and performance of each of the Structured Contracts do not result in any violation of or penalty under any PRC Laws; and each of the Structured Contracts is valid, legally binding and enforceable to each party to such agreements under the PRC Laws; and (ii) the Structured Contracts would not be deemed as concealing illegal intentions with a lawful form and would not be void under the PRC Contract Law.

On the basis of the above, the Directors believe that the Structured Contracts upon Completion would be enforceable under the relevant laws and regulations in the PRC, and to provide a mechanism that enables the PRC Subsidiary to exercise effective control over the Target Group.

Dispute Resolutions

The Structured Contracts will be governed by and constructed in accordance with the laws of the PRC and contain a provision for resolving disputes by arbitration at China International Economic and Trade Arbitration Commission (CIETAC) in accordance with its then prevailing arbitration rules in Beijing when disputes cannot be friendly settled within 30 days. The Structured Contracts include a clause in relation to dispute resolution among the parties where upon request by a disputing party, the arbitral body may (1) award remedies over shares and/or assets of the Target Company, (2) injunctive relief, such as requesting Target Company to carry out the business, or forcing Target Company to transfer its assets and/or (3) winding up of the Target Company, and that courts in the PRC, Hong Kong and Bermuda are of competent authorities to grant interim remedies in support of arbitration pending formation of arbitral tribunal or in appropriate cases. The Company has been advised by its PRC legal advisers that the above mentioned provisions regarding injunctive relief or interim remedies contained in the Structured Contracts may not be enforceable in the PRC, and that under the laws and regulations of the PRC, arbitral body does not have the power to grant any injunctive relief or liquidation order in case of dispute. Accordingly, such remedies may not be available to the Company or its subsidiaries timely or at all notwithstanding the relevant contractual provisions contained in the Structured Contracts.

Liquidation

Pursuant to the Shareholder Rights Entrustment Agreement, in the event of dissolution or liquidation of the Target Company, the PRC Subsidiary or its nominee shall be authorized, on behalf of the PRC Shareholders, to form the liquidation committee of the Target Company. The PRC Shareholders shall further procure the Target Company to assist the liquidator in the relevant dissolution or liquidation and undertake that, all the proceeds obtained therefrom shall be transferred, at nil consideration, to the PRC Subsidiary.

Succession

Pursuant to the Structured Contracts, the PRC Shareholders have undertaken to the PRC Subsidiary that they will make their directors and ultimate shareholders properly arrange and sign all necessary documents to ensure that, in the event of liquidation, death, incapacity, bankruptcy, divorce or other circumstances that may affect the exercise of their voting rights, their successors and other persons who may acquire the equity interests or related rights hereunder shall not affect or impede the performance of the Structured Contracts.

Internal control measures to be implemented by the Group

In order to have effective control over and to safeguard the assets of the Target Company, the Exclusive Option Agreement provides that, without the prior written consent of the PRC Subsidiary, the PRC Shareholders and the Target Company shall not, and shall procure the management of the Target Company not to, at any time sell, transfer, gift, mortgage or dispose of in any manner any legal or beneficial interests in the assets, business or revenue of the Target Company, or allow any security interest created thereon. The PRC Shareholders and the Target Company shall always operate all of the Target Company's businesses in the ordinary and usual course of business and shall maintain the asset value of the Target Company and refrain from any action or omission that may affect the Target Company's operating status and asset value.

In addition to the abovementioned internal control measures as provided in the Structured Contracts, the Company intends to implement upon Completion, through the Target Company, additional internal control measures on the Target Company with reference to the internal control measures adopted by the Group from time to time, which may include (without limitation):

- requiring the Target Company to make available monthly management accounts and submit key operating data and bank statements after each month-end and provide explanations on any material fluctuations to the Target Company;
- requiring the Target Company to assist and facilitate the PRC Subsidiary to conduct periodically onsite internal audit on the Target Company; and
- if required, engaging legal advisers and/or other professionals to deal with specific issues arising from the Structured Contracts and ensure that the operation of the Target Company will from time to time comply with applicable laws and regulations in all material respects.

Undertaking to mitigate any potential conflict of interests between the Target Company and the PRC Shareholders

The PRC Shareholders may have potential conflict of interest with the Company. To mitigate any potential conflict of interest, the PRC Shareholders will undertake in the Shareholder Rights Entrustment Agreement and the Power of Attorney that during the period that the Structured Contracts remain effective, if the PRC Shareholders are officers and directors of the Company, such power of attorney for the attorneys to exercise on their behalf full shareholders' rights will be granted to other officers and directors of the Company.

Board's view on the Structured Contracts

Based on the above and subject to further due diligence exercise to be conducted on the Target Group, the Board is of the view that the Structured Contracts upon Completion are narrowly tailored to achieve the Target Company's business purpose and to minimize the potential conflicts with and are enforceable under the relevant laws and regulations of the PRC. The Structured Contracts enable the PRC Subsidiary to gain control over the Target Company, and to be entitled to the economic interests and benefits of the Target Company. The Company will unwind the Structured Contracts as soon as relevant PRC rules and regulations governing foreign investment in the operation of pawn loan business are issued which allow the PRC Subsidiary to directly operate the pawn loan business. The PRC Shareholders will undertake to the Company on Completion that, subject to the relevant laws and regulations, they must compensate the Company for any consideration paid in the event that the Company acquires the shares of the Target Company.

The Company is fully aware of the requirements under Guidance Letter GL77-14 issued by the Stock Exchange and as of the date of this announcement, the Company is not aware of any deviation of the Structured Contracts from such guidance letter.

Consolidation of the financial results of the Target Company in the Company's consolidated accounts

When the Group enters into the Structured Contracts with the Target Company and the PRC Shareholders, including Exclusive Management Consultancy Services Agreement for the Group to manage and operate the Target Company in depth, Exclusive Option Agreement for the Group to acquire the equity interests in and assets of the Target Company subject to compliance with the PRC Laws, Equity Pledge Agreement over certain equity interests of the Target Company, and Shareholder Rights Entrustment Agreement and Power of Attorney for the Group to exercise all of its rights and powers as a shareholder of the Target Company, the Group believes that, notwithstanding the lack of equity ownership, the Structured Contracts described above give the Group control over the Target Company in substance. Accordingly, when these Structured Contracts are effective, it is currently expected that the Target Company will be regarded as an indirect wholly-owned subsidiary of the Company, and the financial position and operating results of the Target Company will be included in the Group's consolidated financial statements. The Company's auditors have confirmed to the Company that it will have the right to consolidate the financial results of the Target Group under the prevailing accounting principles.

Shareholders Agreement

It is proposed that upon completion of the Transactions, the Company, the Vendors and the Subscribers are expected to enter into a shareholders agreement (the “**Shareholders Agreement**”) pursuant to which the Vendors and the Subscribers agree to take all reasonable acts and measures to maintain that Chinese investors (as defined under the Draft Law) will continue to hold more than 50% voting rights of the Company or otherwise to exercise control (as defined under the Draft Law) on the Company. The Vendors and the Subscribers will each undertake to the Company and will procure relevant registered owners of the Shares that (a) they will obtain prior written consent of the Company as to the identity of the transferee(s) before they dispose of or transfer any of their beneficial interest in the Shares, and (b) prior to any transfer or disposal of such Shares that might result in Chinese investors (as defined under the Draft Law) holding 50% or less voting rights of the Company, they would demonstrate to the Company that the Target Company would still be considered as under the control of Chinese investors according to the Draft Law.

In fulfillment of the undertaking (b) above, the Vendors and the Subscribers will need to either (a) transfer their beneficial interest in the Shares to a Chinese investor (as defined under the Draft Law), or (b) except in the case of CITIC AMC, when transferring such interest to foreign investors (as defined under the Draft Law), procure such transferee(s) to undertake to the Company and CITIC AMC that the transferee(s) will at all times act in concert with CITIC AMC when exercising their voting rights in respect of the composition of the board of directors, including the appointment and removal of directors of the Company. Under both circumstances, the transferor shall procure the transferee to give an undertaking to the Company as if it were a Vendor or Subscriber under the Shareholders Agreement.

Besides, as the controlling shareholder of Shenzhen Zhongjiu, one of the Vendors, Mr. Zhongjie Luan (樂中傑), has become a Hong Kong citizen since August 2013, Shenzhen Zhongjiu undertakes to the Company and CITIC AMC in the Shareholders Agreement that after Shenzhen Zhongjiu becomes a Shareholder, it will at all times act in concert with CITIC AMC when exercising its voting rights in respect of the composition of the board of directors, including the appointment and removal of directors of the Company.

Other than the above undertakings and agreements, the Vendors and the Subscribers will exercise their voting rights over the Shares independently.

The above undertakings will become effective from the date when the Vendors and the Subscribers become Shareholders and will remain effective until the earlier of (i) compliance with the requirements from the Stock Exchange or other regulatory authorities in respect of maintaining Chinese investors’ control over the Target Company not being required, or (ii) subject to the restrictions under the Shareholders Agreement, the Vendors and the Subscribers having disposed of all of their beneficial interest in the Shares.

RISK FACTORS IN RELATION TO THE STRUCTURED CONTRACTS

There is no assurance that the Structured Contracts could comply with future changes in the PRC foreign investment legal regime and the PRC government may determine that the Structured Contracts do not comply with applicable regulations.

On 19 January 2015, the MOFCOM circulated the Draft Law, which proposed changes to the PRC foreign investment legal regime and the treatment of the variable interest entity (the “VIE”) structure, including contractual arrangement such as the Structured Contracts. The Draft Law, if finally adopted, may have material impact on the PRC foreign investment legal regime. According to the PRC legal adviser of the Company, the Draft Law is currently in consultation stage and has not yet been effective or legally binding. As there are uncertainties on the final content and interpretations of the Draft Law, there is no assurance that the Structured Contracts will comply with the Draft Law when it is adopted and becomes law. Under the MOFCOM’s notes accompanying the Draft Law (the “Notes”), in the event that the Group’s business falls within the restricted or prohibited lists of the new foreign investment law, the Group will have to (i) report to competent authority: if the reporting regime is finally adopted, the existing VIE structure being permitted to continue following reporting to MOFCOM of the VIE structure should be ultimately controlled by a PRC investor, but the Draft Law and the Notes have not mentioned how to deal with the existing VIE structures ultimately controlled by a foreign investor and whether the relevant entity could continue its business operations under the reporting regime; (ii) obtain verification from the competent authority: if the verification regime is finally adopted, the existing VIE structure being permitted to continue following verification, on the application of the investor, by MOFCOM of the VIE structure should be ultimately controlled by a PRC investor, but the Draft Law and the Notes have not mentioned how to deal with the existing VIE structures ultimately controlled by a foreign investor and whether the relevant entity could continue its business operations under the verification regime; or (iii) obtain access permission from the competent authorities: if the access permission regime is finally adopted, the existing VIE structure will be permitted to continue following access permission by MOFCOM after taking into account a number of considerations including, without limitation, the identity (whether PRC investor or foreign investor) of the ultimate control person. However, there is no guarantee that the Group will be able to obtain such verification or permission. If the Group is unable to obtain such verification or permission, the Group may be required to terminate the contractual arrangements under the Structured Contracts. As a result, the Group will lose control of the Target Company, which would, in turn, result in a material adverse effect on the Group’s business, financial condition and results of operations.

The Board will monitor the development of the Draft Law and discuss with its PRC legal adviser on a regular basis in order to assess its possible impact on the Structured Contracts and the business of the Target Company. In case there would be material impact on the Group or the business of the Target Company, the Company will timely publish announcements in relation to material developments of and arising from the Draft Law.

Despite the foregoing, there is currently no indication that the Structured Contracts will be interfered or objected by any PRC regulatory authorities. The PRC legal adviser of the Company has advised that the relevant PRC regulatory authorities may have different opinions in the future on the interpretation of the relevant regulations and would not agree that the Structured Contracts comply with the PRC Laws, and the authorities may deny the validity, effectiveness and enforceability of the Structured Contracts. If the PRC regulatory authorities find that the Structured Contracts that propose to establish the structure for operating the Target Group's business in the PRC do not comply with the PRC Laws, or if these regulations or their interpretations change in the future, the Group could be subject to severe penalties or be forced to relinquish the Group's interests in those operations.

The Structured Contracts may not be as effective as direct ownership in providing control over the Target Company.

Upon Completion, the Group will rely on contractual arrangements under the Structured Contracts to operate the pawn loan business of the Target Company. These contractual arrangements may not be as effective in providing the Group with control over the Target Company as direct ownership. If the Group has direct ownership of the Target Company, the Group will be able to exercise its rights as a shareholder to effect changes in the board of directors of the Target Company, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the Structured Contracts, the Group will rely on the performance by the PRC Shareholders of their obligations under the Structured Contracts to exercise control over the Target Company. Therefore, the Structured Contracts with the PRC Shareholders may not be as effective in ensuring the Group's control over the Target Group's operation in PRC as direct ownership would be.

The shareholders of the Target Company may potentially have a conflict of interest with the Group.

The Group's control over the Target Company will be based on the contractual arrangements with the PRC Shareholders under the Structured Contracts. The PRC Shareholders may potentially have a conflict of interest with the Group, and they may not act in the best interests of the Group or may not perform their obligations under the Structured Contracts. Such risks exist and they are expected to continue to exist throughout the period in which the Group intends to operate the pawn loan business under the Structured Contracts with the Target Company.

Pursuant to the Shareholder Rights Entrustment Agreement, each of the PRC Shareholders will irrevocably authorize the PRC Subsidiary or any person as designated by the PRC Subsidiary (including but not limited to the directors of the PRC Subsidiary and their respective successors or liquidators) as his representative to exercise his voting rights as shareholder of the Target Company. Therefore, the risk of potential conflict of interests between the PRC Subsidiary and the PRC Shareholders is not substantial. However, in the unlikely event that conflict of interests arises and cannot be resolved, the PRC Subsidiary will consider removing and replacing the PRC Shareholders.

A substantial amount of costs and time may be involved in transferring the ownership of the Target Company to the Group under the Exclusive Option Agreement.

The Exclusive Option Agreement grants the PRC Subsidiary or its nominee a right to acquire part or all of the equity interest in the Target Company from the PRC Shareholders at the lowest price permitted by the PRC Laws. Nevertheless, the exercise of the exclusive option is subject to the PRC Laws, in particular, the limitations on foreign ownership in PRC companies that engage in pawn loan business. In addition, a substantial amount of costs and time may be involved in transferring the ownership of the Target Company to the PRC Subsidiary if it chooses to exercise the option to acquire all or part of the PRC Shareholders' equity interests in the Target Company under the Exclusive Option Agreement, which may have a material adverse impact on the Group's business, prospects and results of operation.

The Company does not have any insurance which covers the risks relating to the Structured Contracts and the transactions contemplated thereunder.

The Company has no intention to purchase any insurance to cover the risks relating to the Structured Contracts upon Completion. If any event affecting the enforceability of the Structured Contracts or the operation of Structured Contracts arises in the future, the financial and operation results of the Group may be materially and adversely affected. The Group will continue to monitor the relevant legal and operational environment on a regular basis in order to comply with the applicable laws and regulations.

The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed.

Under the PRC Laws, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transaction is conducted. The Group could face material adverse tax consequences if the PRC tax authorities determine that the contractual arrangements under the Structured Contracts do not represent arm's length negotiations and consequently adjust the income and expenses of the PRC Subsidiary for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Group's financial position by increasing the relevant tax liabilities of the PRC Subsidiary without reducing the tax liabilities of the Target Company. In addition, the PRC tax authorities may impose late payment fees and other penalties to the Target Company for any unpaid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Group's financial position and results of operations.

The Group may bear economic risk which may arise from difficulties in the operation of the Target Company.

Although the Group will not be obligated to share the losses of the Target Company under the Structured Contracts, as the ultimate beneficiary of the Target Company upon Completion, the Group will bear economic risks which may arise from difficulties in the operation of the Target Company's business. In the event that the Target Company requires financial assistance from the Group, the Group may decide and resolve, at its sole and absolute discretion, to provide financial support to the Target Company in any manner permitted by the PRC Laws in order to maintain the Target Company's sound operations.

INFORMATION OF THE TARGET GROUP

Business carried on by the Target Company

The Target Group has been principally engaged in pawn loan business in the PRC since the acquisition of its first pawn shop in 2008. As of the date of this announcement, the Target Group has 25 pawn shops in 15 provinces or municipalities in the PRC. The Target Group offers pawn loans through its local pawn shops primarily to small businesses and individuals. The pawn loan business of the Target Group can be divided into three categories based on types of collateral, including real estate, equity interest and personal property. For each pawn loan the Target Group provides, it generally charges interests and composite administrative fees based on the limits set by the Pawning Measures. Under the Pawning Measures, the maximum interest rate for pawn loans is the then benchmark interest rate for a six-month loan published by the People's Bank of China and the maximum monthly composite administrative fees for loans secured by real estate, equity interest and personal property collaterals are 2.7%, 2.4% and 4.2% of the principal amounts of loans, respectively.

According to the relevant PRC laws and regulations, the provision of pawn loans is a "Special Administrated Industry" which is administrated by the Ministry of Public Security and MOFCOM. As advised by CITIC AMC, as of the date of this announcement, the Target Group had obtained all the necessary licenses and permits for the operation of its business, including the Pawn Operations Business License and the Special Industry License.

According to the Pawning Measures, a pawn shop must have a minimum registered capital of (i) RMB3 million; (ii) RMB5 million in case it provides financing secured by real estate mortgages; or (iii) RMB10 million in case that it provides financing secured by pledges over equity interest. In each case, the minimum registered capital must be contributed in the form of cash. Pawn shops that establish branch offices in provinces and regions outside the jurisdiction of their registration must have a minimum registered capital of RMB15 million. For each such branch office, the pawn shop must provide a minimum working capital of RMB5 million.

As confirmed by CITIC AMC, during the three preceding financial years and as of the date of this announcement, the Target Group was in compliance with the Pawning Measures and other applicable PRC laws in all material aspects and there was no non-compliance record of the Target Group that had materially affected its operations.

Financial information on the Target Company

The audited consolidated total equity attributable to the owners of the Target Company as shown in the consolidated financial statements of the Target Company as at 31 December 2015 prepared by Zhongjia Friendship Certified Public Accountants Firm (中嘉友誼會計師事務所) in accordance with the generally accepted accounting principles of the PRC (the "PRC GAAP") was RMB1,988.5 million and the unaudited consolidated total equity attributable to the owners of the Target Company as shown in the management accounts of the Target Company as at 30 September 2016 was RMB2,088.1 million.

The audited financial information of the Target Company prepared in accordance with the PRC GAAP for the respective periods was as follows:

	For the year ended	
	31 December	
	2014	2015
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	685,607.0	499,361.9
Profit before taxation	271,672.8	194,705.4
Profit after taxation	202,561.0	145,873.5
Profit attributable to owners of the Target Company	192,767.5	133,862.1

A full set of accountants' reports relating to the Target Group prepared under Hong Kong Financial Reporting Standards (the "HKFRS") will be included in the circular to be despatched by the Company to the Shareholders. Shareholders should note that due to the differences between the PRC GAAP and the HKFRS, there may be differences between the financial information relating to the Target Group as presented in this announcement and the financial information to be presented in the circular to be despatched by the Company to the Shareholders as a result of any auditing adjustments.

INFORMATION OF THE GROUP

The Group is principally engaged in the business of management and sales of agricultural product exchange markets in the PRC.

INFORMATION OF THE VENDORS

CITIC AMC is a company with limited liability incorporated in the PRC, which is primarily engaged in business such as asset management, short-term financing, pawn loans, finance lease and private equity investment. It is wholly-owned by CITIC Group, a large wholly state-owned multinational conglomerate with both financial and non-financial businesses. CITIC AMC has been the controlling shareholder of the Target Company since 2008. As of the date of this announcement, CITIC AMC holds approximately 60.03% equity interest in the Target Company.

Tibet Junhe is a company with limited liability incorporated in the PRC, which is primarily engaged in investments and sale of electronic equipment. It is owned as to 25% by Jianping Wang (王堅平), 25% by Jianzhong Wu (吳堅忠), 25% by Shenghua Zhang (張勝華) and the remaining 25% by Weichun Zhang (張偉春), all PRC citizens. It became a shareholder of the Target Company in March 2013. As of the date of this announcement, Tibet Junhe holds approximately 10.46% equity interest in the Target Company.

Beijing Wanhao is a company with limited liability incorporated in the PRC, which is primarily engaged in investments, consulting and assets management. It is owned as to 50% by Ran Wan (宛然), a PRC citizen, and 50% by Tibet Nyingchi Dingfangyuan Investment Consulting Company Limited* (西藏林芝鼎方源投資顧問有限公司), a company incorporated in the PRC and primarily engaged in investments consulting, corporate planning and products design, whose controlling shareholder is Shenzhen Yongfengsheng Investment Consulting Company Limited* (深圳市永豐盛投資顧問有限公司) ("Shenzhen

Yongfengsheng”), a company incorporated in the PRC and primarily engaged in investments, consulting and domestic trade. Shenzhen Yongfengsheng is owned as to 50% by Jinsong Yan (嚴勁松) and 50% by Jianyi Deng (鄧建儀), both PRC citizens. It became a shareholder of the Target Company in October 2015. As of the date of this announcement, Beijing Wanhao holds approximately 8.90% equity interest in the Target Company.

Tibet Dazi is a limited liability partnership established in the PRC, which is primarily engaged in investments, consulting and market research. It is managed and operated by its general partner, Beijing Fenxin Investment Management Co. Ltd.* (北京奮信投資管理有限公司), a company incorporated in the PRC which is primarily engaged in investment management and financial consultancy and owned as to 50% by Hanghang Sha (沙航航) and 50% by Lei Zhang (張蕾), both PRC citizens. It became a shareholder of the Target Company in October 2015. As of the date of this announcement, Tibet Dazi holds approximately 6.68% equity interest in the Target Company.

Beijing Jingzhihu is a joint stock company with limited liability incorporated in the PRC, which is primarily engaged in hotel and catering services, retail business, entertainment services and sports events management. It is controlled by Zhong Bei Property Development Co. Ltd.* (中北房地產開發有限公司), a company incorporated in the PRC which is primarily engaged in property development and wholly-owned by Jinxue Chen (陳進學), a PRC citizen. It became a shareholder of the Target Company in October 2015. As of the date of this announcement, Beijing Jingzhihu holds approximately 4.65% equity interest in the Target Company.

Shanghai Chenggao is a limited liability partnership established in the PRC, which is primarily engaged in investments, investment management and business consulting. It is managed and operated by its general partner, Beijing Chunxin Capital Management Co. Ltd.* (北京淳信資本管理有限公司) (“**Beijing Chunxin**”), a company incorporated in the PRC, which is primarily engaged in investment management and consultancy and owned as to 20% by CITIC AMC. Beijing Chunxin has a widely dispersed shareholding structure and there’s no single shareholder having control over its board of directors. It became a shareholder of the Target Company in October 2016. As of the date of this announcement, Shanghai Chenggao holds approximately 2.14% equity interest in the Target Company.

Wenzhou Xina is a limited liability partnership established in the PRC, which is primarily engaged in private-equity investments management and provision of services in cultural industry. It is controlled, managed and operated by its general partner Lifang Zhou (周麗芳), a PRC citizen. It became a shareholder of the Target Company in October 2016. As of the date of this announcement, Wenzhou Xina holds approximately 2.14% equity interest in the Target Company.

Shenzhen Zhongjiu is a company with limited liability incorporated in the PRC, which is primarily engaged in investments, domestic trade and information consulting. It is controlled by Zhongjie Luan (樂中傑), a Hong Kong citizen since August 2013, who holds 80% equity interest in Shenzhen Zhongjiu. It became a shareholder of the Target Company in March 2013. As of the date of this announcement, Shenzhen Zhongjiu holds approximately 1.54% equity interest in the Target Company.

Qingdao Yuantai is a company with limited liability incorporated in the PRC, which is primarily engaged in sale of chemical materials and products. It is wholly-owned by Bo Gao (高波), a PRC citizen. It became a shareholder of the Target Company in March 2013. As of the date of this announcement, Qingdao Yuantai holds approximately 1.54% equity interest in the Target Company.

Jianlong Biotech is a joint stock company with limited liability incorporated in the PRC, which is primarily engaged in production and sale of biologics. The single largest shareholder of Jianlong Biotech is Haibiao Hao (郝海標), a PRC citizen, who holds 22.64% equity interest in Jianlong Biotech. It became a shareholder of the Target Company in March 2013. As of the date of this announcement, Jianlong Biotech holds approximately 1.03% equity interest in the Target Company.

Shenzhen Qianhai is a company with limited liability incorporated in the PRC, which is primarily engaged in financial intermediaries services, equity investments, consulting and trade. It is controlled by Yonglin Li (李永林), a PRC citizen, who holds 60% equity interest in Shenzhen Qianhai. It became a shareholder of the Target Company in October 2015. As of the date of this announcement, Shenzhen Qianhai holds approximately 0.89% equity interest in the Target Company.

INFORMATION OF THE SUBSCRIBERS

Oriental Gold is a company with limited liability incorporated in the British Virgin Islands, which is primarily engaged in investments. Oriental Gold is wholly-owned by Zhuhai Hengqin Zhongzheng Huichun Investment Management and Consulting Partnership (Limited Partnership)* (珠海市橫琴中證匯樁投資管理諮詢合夥企業(有限合夥)), an enterprise primarily engaged in investment management and consultancy, whose limited partner is Mingyong Cao (曹明勇). It is managed and operated by its general partner, CITIC Treasury (Shenzhen) Fund Management Co. Ltd.* (中證匯金(深圳)基金管理有限公司) (“**Zhongzheng Huijin**”), a company incorporated in the PRC and primarily engaged in investment management. Zhongzheng Huijin is owned as to 40% by Shenzhen Qianhai Zhongzheng City Development Management Co. Ltd.* (深圳市前海中證城市發展管理有限公司) (“**Qianhai Zhongzheng**”), 30% by Shenzhen Qianhai Kaishi Investment Development Company Limited* (深圳市前海凱石投資發展有限公司) (“**Qianhai Kaishi**”), and the remaining 30% by Xinyu Hexiang Investment Management Centre (Limited Partnership)* (新餘和祥投資管理中心(有限合夥)) (“**Xinyu Hexiang**”). The single largest shareholder holding 35% of the equity interest of Qianhai Zhongzheng is Goldstone Investment Limited (金石投資有限公司), a wholly-owned subsidiary of CITIC Securities Company Limited (中信証券股份有限公司) (“**CITIC Securities**”), the shares of which are listed on both the Shanghai Stock Exchange (stock code: 600030) and the Stock Exchange (stock code: 6030). CITIC Securities is controlled as to 16.66% by CITIC Group as at the date of this announcement. Accordingly, CITIC Securities is not a party acting in concert with the Vendors and the Subscribers. Xinyu Hexiang is owned as to 95% by Jiao Nong (農嬌) and 5% by Qiong Nong (農琼). Xinyu Hexiang is a party acting in concert with Qianhai Kaishi under an acting-in-concert agreement between them and therefore Qianhai Kaishi has the control over 60% of the voting rights of Zhongzheng Huijin. Qianhai Kaishi is a company incorporated in the PRC and primarily engaged in investments, consulting, hotel

management, property management, real estate development and domestic trade. Qianhai Kaishi is controlled by Mingyong Cao (曹明勇), a PRC citizen, who holds 70% equity interest in Qianhai Kaishi, and is held as to 30% by Youmin Deng (鄧有民).

Beijing Kaiweiming is a company with limited liability incorporated in the PRC, which is primarily engaged in investments and consulting. Beijing Kaiweiming is controlled by Jilong Wang (王紀龍), a PRC citizen, who holds 95% equity interest in Beijing Kaiweiming, and is held as to 5% by Pin Lv (呂品).

Shenzhen Heruikang is a company with limited liability incorporated in the PRC, which is primarily engaged in investments, real estate development and domestic trade. Shenzhen Heruikang is owned as to 50% by Jianfeng Chen (陳劍峰) and the remaining 50% by Junkuan Ye (葉君寬), both PRC citizens.

REASONS FOR THE TRANSACTIONS

The Board (excluding all the independent non-executive Directors, who will give their opinion based on the recommendation from the independent financial adviser to be appointed) considers the Transactions to be in the interests of the Company as well as the Shareholders taken as a whole for the following reasons.

The Group is principally engaged in the business of management and sales of agricultural product exchange markets in the PRC. In view of the financial performance of its existing business, the Company has been consciously looking for potential acquisition opportunities to diversify its existing business portfolio into new line of business with growth potential, and to broaden the source of income and eventually to enhance the value of the Group. The Company has identified the acquisition of the Target Group's pawn loan business in the PRC as a good opportunity for this purpose on the basis of the following:

- ***Significant growth of the pawn loan industry in the PRC*** — The pawn loan industry in the PRC has experienced significant development in the last decade. It has benefited from the economic growth in China which brings about increased commercial activities and business expansion of enterprises of all sizes, and in turn creates ever-increasing capital needs. The pawn loan industry developed in part to specifically address the capital needs of small and medium enterprises (SMEs), which are historically underserved by traditional commercial banks.
- ***High entrance barriers and constraints on carrying out the pawn loan business in the PRC*** — The pawn loan industry in China is highly regulated and closely supervised by the competent commerce authorities and the public security bureaus, at both the national and provincial level. In addition to the Business License issued by the Administration of Industry and Commerce, a pawn loan service provider is required to obtain a Pawn Operations Business License issued by MOFCOM as well as a Special Industry License issued by local counterpart of Public Security Bureau to operate.
- ***The size and historical financial performance of the Target Group*** — the Target Group has an established business with good track record in developing its pawn loan business. Please refer to the section headed “Information of the Target Group” above for more information.

Although the Target Group's pawn loan business is completely different from the Company's existing principal business and is subject to higher credit risk and default risk than normal financial institutions, it is expected that the Acquisition can help turn the long term loss-making position of the Company to profit-making with substantial enhancement of the net asset value of the Group. The existing management of the Company will work with the new directors to be nominated by the Vendors upon Completion and their relevant experiences in managing the pawn loan business will be set out in the circular to be despatched to the Shareholders. As at the date of this announcement, the Company has no intention to downsize, terminate and dispose of its existing business. However, the Company will monitor the environment, inter alia, the business environment, the Company's business development, economic situation and government policies, from time to time, and take appropriate actions, including but not limited to downsizing, termination or disposal of its existing business, to address the change for the interest of the Shareholders and the Company as a whole.

In addition, it is expected that the introduction of CITIC AMC as a controlling Shareholder of the Company upon Completion will not only broaden the Company's shareholding base, but also create opportunities for cooperation with CITIC AMC in financial sectors and other new sectors to be explored in the future.

Although the existing Shareholders' shareholding may be subject to dilution upon completion of the Transactions, the Directors have also noted that (i) the issue price of the Consideration Shares and the Subscription Shares was at a premium as mentioned above; (ii) the net asset position of the Company will be substantially enhanced by the Transactions; and (iii) the Shareholders as a whole are adequately protected by the following: (a) the Transactions will be subject to the approval by the Independent Shareholders at the SGM, and (b) the Independent Shareholders, before exercising their respective voting rights, will be advised by the independent board committee (comprising all independent non-executive Directors) and the independent financial adviser. Accordingly, the Transactions will be subject to the scrutiny of the independent financial adviser and the independent board committee and the decision of the Independent Shareholders. The Independent Shareholders will make an informed decision as to whether or not to vote in favour of the Transactions on the terms proposed.

The Directors are of the view that the Subscription represents a good opportunity to raise additional funds for the expansion of the pawn loan business after Completion while broadening the Company's shareholder base as well as its capital base. Further, given the potential impact of the Draft Law, the Subscription, when considered in combination with the Acquisition, will allow Chinese investors (as defined under the Draft Law) to hold more than 50% voting rights of the Company on a fully diluted basis. Please refer to sections headed "Information of the Structured Contracts — Shareholders Agreement" and "Risk Factors in relation to the Structured Contracts — There is no assurance that the Structured Contracts could comply with future changes in the PRC foreign investment legal regime and the PRC government may determine that the Structured Contracts do not comply with applicable regulations" above for more information. In order to ensure that upon Completion and the completion of the Subscription, CITIC AMC acting in concert with the other Vendors and the Subscribers will hold more than 50% voting power in the Company, CITIC AMC identified the Subscribers through its business networks.

On the basis of the above, the Board (excluding all the independent non-executive Directors, who will give their opinion based on the recommendation from the independent financial adviser to be appointed) is of the view that the terms of the Sale and Purchase Agreement and the Subscription Agreement, which have been agreed after arm's length negotiations between the relevant parties, are on normal commercial terms and such terms are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Vendors and the Subscribers confirm that, there is no relationships (formal or informal), business, financial or otherwise between (1) the Vendors, the Subscribers, and their respective ultimate beneficial owners on the one hand, and (2) the Company, its substantial Shareholders, directors and the Convertible Notes holders on the other hand.

IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Sale and Purchase Agreement exceed(s) 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders at the SGM.

Further, as CITIC AMC, being a substantial shareholder of the Target Company, will upon Completion become a controlling Shareholder and thus a controller of the Company as a result of the Acquisition, the Acquisition constitutes a connected transaction of the Company pursuant to Rule 14A.28 of the Listing Rules.

In addition, the Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules, on the basis that the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and at the same time results in a change in control (as defined under the Takeovers Code) of the Company. Accordingly, under Rule 14.54 of the Listing Rules, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of a new listing application to be made by the Company. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. As at the date of this announcement, none of the relevant materials regarding the new listing application have been submitted to the Stock Exchange, and the Company will initiate the new listing application process as soon as practicable. The Listing Committee may or may not grant its approval of the new listing application.

It is one of the conditions precedent to the Completion that the approval of the new listing application by the Listing Committee has been obtained. In the event that the approval for the new listing application is not granted by the Listing Committee, the Sale and Purchase Agreement will not become unconditional and the Acquisition and the Subscription will not proceed.

IMPLICATIONS OF THE TRANSACTIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As the Shareholders Agreement will impose obligations or restrictions on the Vendors and the Subscribers with respect to their use, retention or disposal of their interests in the Shares and the Vendors and the Subscribers will acquire such Shares pursuant to the Sale and Purchase Agreement and the Subscription Agreement upon completion of the Transactions, the Vendors and the Subscribers are parties acting in concert (as defined in the Takeovers Code). Pursuant to the Shareholders Agreement, in the case of transferring or otherwise disposing of any interests in the Shares, the Vendors and the Subscribers will need to obtain a prior written consent from the Company as to the identity of the transferee(s), and will need to confirm with the Company that the Structured Contracts will still be regarded as controlled by Chinese investors under the Draft Law and other laws and regulations applicable to listed companies and guidelines published by the Stock Exchange. As such, the Vendors and the Subscribers will need to either (a) transfer their beneficial interest in the Shares to a Chinese investor (as defined under the Draft Law), or (b) except in the case of CITIC AMC, when transferring such interest to foreign investors (as defined under the Draft Law), procure such transferee(s) to undertake to the Company and CITIC AMC that the transferee(s) will at all times act in concert with CITIC AMC when exercising their voting rights in respect of the composition of the Board, including the appointment and removal of the Directors. Under both circumstances, the transferor will need to procure the transferee to give an undertaking to the Company as if it were a Vendor or Subscriber under the Shareholders Agreement.

As at the date of this announcement, the Vendors, the Subscribers, their respective ultimate beneficial owners and parties acting in concert with any of them do not hold any Shares. Immediately following the allotment and issue of the Consideration Shares and the Subscription Shares, the shareholding of the Vendors and the Subscribers and parties acting in concert with any of them will increase to approximately 67.56% of the total Shares in issue as enlarged by the allotment and issue of the Consideration Shares and the Subscription Shares but before conversion or exercise of any convertible securities, share options, warrants or other derivatives in issue as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, the Vendors and the Subscribers and parties acting in concert with any of them would be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Vendors and the Subscribers and parties acting in concert with any of them, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

An application will be made by the Vendors and the Subscribers 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, will be subject to, among other things, (i) approval of the Independent Shareholders in respect of the Whitewash Waiver at the SGM where voting on the relevant resolutions shall be taken by way of poll; (ii) the Vendors, the Subscribers, their respective ultimate beneficial owners and parties acting in concert with any of them not having acquired any voting rights of the Company in the six months prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Sale and Purchase Agreement and the Subscription Agreement; and (iii) the Vendors, the Subscribers, their

respective ultimate beneficial owners and parties acting in concert with any of them not having any acquisitions or disposals of voting rights of the Company between the date of this announcement and Completion unless with the prior consent of the Executive.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to completion of the Transactions that the Whitewash Waiver has been obtained. In the event that the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Sale and Purchase Agreement and the Subscription Agreement will not become unconditional and the Transactions will not proceed.

The Whitewash Waiver is subject to approval by the Independent Shareholders (who are permitted to vote under the Listing Rules and the Takeovers Code) at the SGM. Onger Investments Limited will abstain from voting at the SGM.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this announcement and other than the Sale and Purchase Agreement and the Subscription Agreement and save as disclosed in the section headed “Effect of the Transactions on the Shareholding Structure of the Company” in this announcement, the Vendors and the Subscribers confirm that:

- (i) none of the Vendors, the Subscribers, their respective ultimate beneficial owners and parties acting in concert with any of them holds, owns, controls or has direction over any Shares, convertible securities, warrants, options or derivatives in respect of the Shares nor has entered into any outstanding derivatives in respect of the securities in the Company;
- (ii) none of the Vendors, the Subscribers, their respective ultimate beneficial owners and parties acting in concert with any of them has received any irrevocable commitment to vote for or against the proposed resolutions approving the Transactions or the Whitewash Waiver at the SGM;
- (iii) 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 Shares or shares of the Vendors and the Subscribers which might be material to the Transactions or the Whitewash Waiver;
- (iv) there is no arrangement or agreement to which any of the Vendors and the Subscribers is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Transactions or the Whitewash Waiver; and
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any of the Vendors, the Subscribers, their respective ultimate beneficial owners and parties acting in concert with any of them has borrowed or lent.

As at the date of this announcement, the Company does not believe that the Transactions give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If any concern arises after the publication of this announcement, the Company will endeavour to resolve it to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular prepared in accordance with the requirements under the Listing Rules and Rule 8.2 of the Takeovers Code. The Company notes that the Executive may not grant the Whitewash Waiver if the Transactions do not comply with other applicable rules and regulations.

POTENTIAL CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the Structured Contracts will constitute a continuing connected transaction of the Company upon Completion. Further disclosures will be made in the circular to be despatched by the Company to the Shareholders in compliance with the requirements of the Listing Rules if and when required.

Members of the Target Group have entered into certain transactions with entities which will become connected persons of the Company upon Completion and such transactions may continue after Completion and therefore constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of such continuing connected transactions will be disclosed in the circular to be despatched by the Company to the Shareholders in compliance with the requirements of the Listing Rules if and when required.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY FOR THE PAST 12 MONTHS

The following table summarises the equity fund-raising activities of the Company in the past 12 months immediately prior to the date of this announcement:

Date of announcement	Date of completion	Fund-raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
4 November 2015	28 January 2016	Rights issue	Approximately HK\$283 million	<p>(a) Approximately HK\$264 million for the repayment of borrowings and interests of the Group, of which (i) approximately HK\$69 million for repayment of bond interest; (ii) approximately HK\$79 million for repayment of non-financial institution borrowings and interest; and (iii) approximately HK\$116 million for repayment of financial institution borrowings and interest; and</p> <p>(b) approximately HK\$19 million for general working capital of the Group of which (i) approximately HK\$12 million for salary expenses; (ii) approximately HK\$5 million for marketing expenses; and (iii) approximately HK\$2 million for rental expenses.</p>	<p>(a)</p> <p>(i) Approximately HK\$69 million was utilised for the repayment of bond interest;</p> <p>(ii) approximately HK\$79 million was utilised for repayment of non-financial institution borrowings and interest; and</p> <p>(iii) approximately HK\$116 million was utilised for repayment of financial institution borrowings and interest; and</p> <p>(b)</p> <p>(i) approximately HK\$12 million was utilised for salary expenses;</p> <p>(ii) approximately HK\$5 million was utilised for marketing expenses; and</p> <p>(iii) approximately HK\$2 million was utilised for rental expenses.</p>

Date of announcement	Date of completion	Fund-raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
23 August 2016	19 October 2016	Placing of Convertible Notes	Approximately HK\$488 million	<p>(a) Approximately HK\$440 million for the repayment of and offsetting borrowings and interests of the 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 non-financial institution; 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 Group.</p>	<p>(a)</p> <p>(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; and</p> <p>(iv) approximately HK\$15 million was utilised for repayment of financial/non-financial institution borrowings and interests.</p> <p>The remaining balance of approximately HK\$85 million will be utilised as intended in 12 months.</p> <p>(b) approximately HK\$3 million was utilised for general working capital (major component of which is salary expenses).</p> <p>The remaining balance of approximately HK\$45 million will be utilised as intended in 12 months.</p>

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent committee of the Board comprising Mr. Ng Yat Cheung, Mr. Lau King Lung and another independent non-executive Director to be appointed by the Company to fill in vacancy in due course, being all the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Transactions and the Whitewash Waiver. Until the third independent non-executive Director is appointed, the independent committee of the Board will comprise Mr. Ng Yat Cheung and Mr. Lau King Lung, who will perform the function and duties of the independent committee of the Board.

The Company will, with the approval of the independent committee of the Board, appoint an independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to advise the independent committee of the Board and the Independent Shareholders on the Transactions and the Whitewash Waiver. A further announcement will be made by the Company upon the appointment of the independent financial adviser as soon as possible.

DESPATCH OF CIRCULAR

The Company will despatch a circular in accordance with requirements under the Listing Rules and Rule 8.2 of the Takeovers Code, which will contain, among other things, (i) further details of the Transactions; (ii) further information about the Whitewash Waiver; (iii) the recommendation of the independent board committee of the Company in relation to the Transactions; (iv) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Transactions and the Whitewash Waiver; (v) financial information of the Target Company and of the Enlarged Group; (vi) information relating to the change of Directors; and (vii) a notice of the SGM and a form of proxy. The circular will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application and it is currently expected to be by 31 March 2017.

RESUMPTION OF TRADING

Trading in the Shares and the 1 per cent notes due 2024 (Stock Code: 5755) (the “**2024 Notes**”) of the Company on the Stock Exchange has been halted at the request of the Company with effect from 9:00 a.m. on Thursday, 17 November 2016 pending release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the 2024 Notes with effect from 9:00 a.m. on Monday, 5 December 2016.

It should be noted that each of the Acquisition and the Subscription is subject to a number of conditions, which may or may not be fulfilled. In addition, the approval of the new listing application to be made by the Company and the Whitewash Waiver may or may not be granted. The Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Shares or other securities of the Company.

DEFINITIONS

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

“Acquisition”	means the obtaining of the right and power to control over and the right to enjoy the economic benefits in the pawn loan business operated by the Target Company pursuant to the Sale and Purchase Agreement;
“acting in concert”	has the meaning given to it under the Takeovers Code;
“Board”	means the board of Directors;
“CITIC Group”	means CITIC Group Corporation;
“Company” or “Purchaser”	means China Agri-Products Exchange Limited 中國農產品交易有限公司, a company incorporated in Bermuda with limited liability, the Shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 0149);
“Completion”	means the completion of the Acquisition pursuant to the terms of the Sale and Purchase Agreement;
“Completion Date”	means the date on which Completion occurs;
“Consideration Share(s)”	means an aggregate of 2,308,616,725 Shares to be allotted and issued to the Vendors to settle the consideration for the Acquisition;
“Convertible Notes”	means the five-year 7.5% convertible redeemable notes in an aggregate principal amount of HK\$500 million issued by the Company on 19 October 2016;
“Director(s)”	means the director(s) of the Company;
“Draft Law”	means the Foreign Investment Law of the People’s Republic of China (Draft for Comment) (中華人民共和國外國投資法(草案徵求意見稿)) circulated by the MOFCOM on 19 January 2015;
“Enlarged Group”	means the Group and the Target Group;
“Executive”	means the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director;
“Group”	means the Company and its subsidiaries;

“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	means Shareholders, other than (i) those who are connected, interested or involved in the Acquisition, the Subscription or the Whitewash Waiver, and (ii) those who are required to abstain from voting at the SGM to be convened to approve the Acquisition, the Subscription and the Whitewash Waiver;
“Last Trading Day”	means 16 November 2016, being the last full trading day for the Shares before the date of this announcement;
“Listing Committee”	means the Listing Committee of the Stock Exchange;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Minority Vendor(s)”	means the Vendor(s) (other than CITIC AMC);
“MOFCOM”	means the Ministry of Commerce of the PRC;
“PRC”	means the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“PRC Law(s)”	mean any and all laws, regulations, statutes, rules, decrees, notices, and supreme court’s judicial interpretations currently in force and publicly available in the PRC as of the date of this announcement;
“PRC Subsidiary”	means a wholly foreign-owned enterprise to be established in the PRC, which upon establishment will become a wholly-owned subsidiary of the Company;
“Regulatory Investigation”	means any investigation relating to the Group carried out by any regulatory, judicial and government administrative authorities against any of the Undertaking Party;
“RMB”	means Renminbi, the lawful currency of the PRC;

“Sale and Purchase Agreement”	means the sale and purchase agreement entered into between the Company and the Vendors dated 16 November 2016 in relation to the Acquisition including all its schedules and attachments (including the Shareholders Agreement, the Structured Contracts and the indemnities in agreed forms as described in the section headed “The Sale and Purchase Agreement — Completion” in this announcement);
“SGM”	means the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Acquisition, the Subscription, the Specific Mandate and the Whitewash Waiver;
“Share(s)”	means ordinary shares of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	means holder(s) of the Shares;
“Specific Mandate”	means the specific mandate to be granted to the Directors by the Independent Shareholders at the SGM to allot and issue the Consideration Shares and the Subscription Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Structured Contract(s)”	means a series of contracts to be entered into by the PRC Subsidiary, the Target Company and the PRC Shareholders (as the case may be) prior to the despatch of the circular, details of which are described in the section headed “Information of the Structured Contracts”;
“Subscriber(s)”	means 東方匯金有限公司 (Oriental Gold Converge Limited) (“ Oriental Gold ”), 北京凱韋銘投資諮詢有限公司 (Beijing Kaiweiming Investment Consulting Co. Ltd.*) (“ Beijing Kaiweiming ”) and 深圳市合瑞康投資發展有限公司 (Shenzhen Heruikang Investment Development Co. Ltd.*) (“ Shenzhen Heruikang ”);
“Subscription”	means the subscription of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	means the share subscription agreement entered into between the Company and the Subscribers dated 16 November 2016 in relation to the Subscription;
“Subscription Price”	means HK\$1.35 per Subscription Share;
“Subscription Share(s)”	means 114,400,626 Shares to be allotted and issued by the Company pursuant to the Subscription Agreement;

“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“Target Company”	means 中安信邦資產管理有限公司 (CITIC XinBang Asset Management Corporation Ltd*);
“Target Group”	means the Target Company and its subsidiaries and branch companies;
“Transactions”	means the Acquisition and the Subscription;
“Vendor(s)” or “PRC Shareholder(s)”	means 中信資產管理有限公司 (CITIC Asset Management Corporation Ltd.*) (“ CITIC AMC ”), 西藏君合投資有限公司 (Tibet Junhe Investment Co., Ltd.*) (“ Tibet Junhe ”), 北京萬豪嘉美投資有限責任公司 (Beijing Wanhao Jiamei Investment Co., Ltd.*) (“ Beijing Wanhao ”), 西藏達孜晟盈投資中心(有限合夥) (Tibet Dazi Shengying Investment Centre (Limited Partnership)*) (“ Tibet Dazi ”), 北京靜之湖度假酒店有限公司 (Beijing Jingzhihu Holiday Inn Co., Ltd.*) (“ Beijing Jingzhihu ”), 上海呈高投資合夥企業(有限合夥) (Shanghai Chenggao Investment Partnership (Limited Partnership)*) (“ Shanghai Chenggao ”), 溫州市嘻納文化傳播合夥企業(有限合夥) (Wenzhou Xina Cultural Communication Partnership (Limited Partnership)*) (“ Wenzhou Xina ”), 深圳市中久投資有限公司 (Shenzhen Zhongjiu Investment Co., Ltd.*) (“ Shenzhen Zhongjiu ”), 青島源泰石化有限公司 (Qingdao Yuantai Petrochemical Co., Ltd.*) (“ Qingdao Yuantai ”), 健隆生物科技股份有限公司 (Jianlong Biotechnology Co. Ltd*) (“ Jianlong Biotech ”), and 深圳前海泛德互聯網金融服務有限公司 (Shenzhen Qianhai Fande Internet Finance Services Co., Ltd.*) (“ Shenzhen Qianhai ”);
“Whitewash Waiver”	means a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Vendors and the Subscribers to make a mandatory general offer for all Shares not already owned or acquired by the Vendors and the Subscribers and parties acting in concert with any of them under Rule 26 of the Takeovers Code which would otherwise arise as a result of the Vendors and the Subscribers subscribing for the Consideration Shares and the Subscription Shares;

“Wuhan Legal Proceedings” means the civil proceedings and any subsequent developments thereon in the PRC commenced by Ms. Wang Xiu Qun and 武漢天九工貿發展有限公司 (Wuhan Tian Jiu Industrial and Trading Development Co., Ltd.*) as plaintiffs against the Company as defendant and joined 武漢白沙洲農副產品大市場有限公司 (Wuhan Baisazhou Agricultural By-product Grand Market Company Limited*) as third party;

“%” means per cent.

* *The English names of these PRC entities are an informal English translation of their respective official Chinese names.*

By Order of the Board
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司
Chan Chun Hong, Thomas
Chairman and Chief Executive Officer

Hong Kong, 4 December 2016

As at the date of this announcement, the executive Directors are Mr. Chan Chun Hong, Thomas, Mr. Leung Sui Wah, Raymond and Mr. Yau Yuk Shing, and the independent non-executive Directors are Mr. Ng Yat Cheung and Mr. Lau King Lung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Vendors, the Subscribers and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vendors, the Subscribers and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of CITIC AMC are Mr. Zhiqiang Liu, Mr. Qidong Han, Mr. Henghui Yang, Mr. Kai Zhang, Mr. Xuejun Zhang and Ms. Dongmei Zhang.

The directors of CITIC AMC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Company, the Group, the Minority Vendors and the Subscribers) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Company, the Group, the Minority Vendors and the Subscribers) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the directors of Tibet Junhe are Mr. Jianping Wang, Mr. Jianzhong Wu and Mr. Shenghua Zhang.

The directors of Tibet Junhe jointly and severally accept full responsibility for the accuracy of the information relating to them, Tibet Junhe and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them, Tibet Junhe and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Beijing Wanhao is Mr. Ran Wan.

The sole director of Beijing Wanhao accepts full responsibility for the accuracy of the information relating to him, Beijing Wanhao and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by him, Beijing Wanhao and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the general partner of Tibet Dazi is Beijing Fenxin Investment Management Co. Ltd. (北京奮信投資管理有限公司). The sole director of Beijing Fenxin Investment Management Co. Ltd.* (北京奮信投資管理有限公司) is Mr. Hanghang Sha.*

The sole director of Beijing Fenxin Investment Management Co. Ltd. (北京奮信投資管理有限公司) accepts full responsibility for the accuracy of the information relating to him, Tibet Dazi and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by him, Tibet Dazi and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.*

As at the date of this announcement, the sole director of Beijing Jingzhihu is Mr. Jinxue Chen. The sole director of Zhong Bei Property Development Co. Ltd. (中北房地產開發有限公司) is Mr. Jinxue Chen.*

The sole director of Beijing Jingzhihu and Zhong Bei Property Development Co. Ltd. (中北房地產開發有限公司) accepts full responsibility for the accuracy of the information relating to him, Beijing Jingzhihu and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by him, Beijing Jingzhihu and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.*

As at the date of this announcement, the general partner of Shanghai Chenggao is Beijing Chunxin Capital Management Co. Ltd. (北京淳信資本管理有限公司). The directors of Beijing Chunxin Capital Management Co. Ltd.* (北京淳信資本管理有限公司) are Mr. Xiang Li, Mr. Tao Ren and Mr. Honghan Ye.*

The directors of Beijing Chunxin Capital Management Co. Ltd. (北京淳信資本管理有限公司), jointly and severally accept full responsibility for the accuracy of the information relating to them, Shanghai Chenggao and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them, Shanghai Chenggao and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.*

As at the date of this announcement, the general partner of Wenzhou Xina is Ms. Lifang Zhou.

The general partner of Wenzhou Xina accepts full responsibility for the accuracy of the information relating to her, Wenzhou Xina and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed by her, Wenzhou Xina and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Shenzhen Zhongjiu is Mr. Zhongjie Luan.

The sole director of Shenzhen Zhongjiu accepts full responsibility for the accuracy of the information relating to him, Shenzhen Zhongjiu and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by him, Shenzhen Zhongjiu and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Qingdao Yuantai is Mr. Bo Gao.

The sole director of Qingdao Yuantai accepts full responsibility for the accuracy of the information relating to him, Qingdao Yuantai and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by him, Qingdao Yuantai and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the directors of Jianlong Biotech are Mr. Haibiao Hao, Ms. Caiyu Tian, Mr. Yongming Hao, Mr. Yinchun Tian, Mr. Longfei Li, Mr. Huiping Li and Mr. Pengfei Liao.

The directors of Jianlong Biotech jointly and severally accept full responsibility for the accuracy of the information relating to them, Jianlong Biotech and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them, Jianlong Biotech and the Target

Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Shenzhen Qianhai is Ms. Guo Feng.

The sole director of Shenzhen Qianhai accepts full responsibility for the accuracy of the information relating to her, Shenzhen Qianhai and the Target Group contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed by her, Shenzhen Qianhai and the Target Group in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Oriental Gold is Mr. Qian Wang. The sole director of Shenzhen Qianhai Kaishi Investment Development Company Limited (深圳市前海凱石投資發展有限公司) is Mr. Mingyong Cao.*

The sole director of Oriental Gold and the sole director of Shenzhen Qianhai Kaishi Investment Development Company Limited (深圳市前海凱石投資發展有限公司) jointly and severally accept full responsibility for the accuracy of the information relating to them and Oriental Gold contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them and Oriental Gold in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.*

As at the date of this announcement, the directors of Beijing Kaiweiming are Mr. Jilong Wang and Mr. Pin Lv.

The directors of Beijing Kaiweiming jointly and severally accept full responsibility for the accuracy of the information relating to them and Beijing Kaiweiming contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them and Beijing Kaiweiming in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the directors of Shenzhen Heruikang are Mr. Jianfeng Chen and Mr. Junkuan Ye.

The directors of Shenzhen Heruikang jointly and severally accept full responsibility for the accuracy of the information relating to them and Shenzhen Heruikang contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by them and Shenzhen Heruikang in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.