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NATIONAL AGRICULTURAL HOLDINGS LIMITED

國農控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1236)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual report of National Agricultural Holdings Limited (“**Company**”) posted on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company on 25 April 2014 (“**Annual Report**”).

In addition to the information disclosed in the Annual Report, the Company would like to provide additional information regarding the material equity fund raising activity of the Group for the year ended 31 December 2013 as follows.

As disclosed in the announcement of the Company dated 19 November 2013, the Company completed the subscription agreement dated 15 July 2013 and issued convertible bonds in the principal amount of approximately HK\$151 million (“**Convertible Bonds**”) to Parko (Hong Kong) Limited (“**Parko**”).

As disclosed in the circular issued by the Company dated 13 September 2013 (“**2013 Circular**”), the issuance of the Convertible Bonds, together with the acquisition of approximately 34.54% of the issued share capital of the Company by Parko on 11 October 2013 and the declaration of the special dividend on 15 August 2013, were in substance a package offer of Parko for its acquisition of the controlling interests in the Company, which may bring benefits to the Company and its shareholders as a whole.

The net proceeds (after deducting expenses) of the issuance of Convertible Bonds were approximately HK\$148 million, of which:

- (i) approximately HK\$88 million was used for the capital contribution for the investment in China Coop Financial Leasing Co., Ltd.* (中合盟達融資租賃有限公司) (“**China Coop Mengda**”) on 4 June 2014 (please refer to the circular issued by the Company dated 6 June 2014 (“**2014 Circular**”) for further details relating to China Coop Mengda); and
- (ii) approximately HK\$44 million is expected to be used for funding the investment in the new joint venture focusing on the provision of agricultural financial services as disclosed in the 2014 Circular and approximately HK\$16 million is expected to be used for such other new investment(s) which the Company or its subsidiaries may from time to time identify and general working capital purposes.

As disclosed in the 2013 Circular, it was intended that the net proceeds from the issue of the Convertible Bonds would be applied for funding for new investments which the Company and its subsidiaries may from time to time identify and for general working capital purposes. The directors of the Company confirm that the proceeds of the issuance of the Convertible Bonds have been applied in accordance with such intended uses.

For and on behalf of
National Agricultural Holdings Limited
Chen Li-Jun
Chairman

Hong Kong, 8 July 2014

As at the date of this announcement, the Board of the Company comprises six executive Directors, being Mr. Chen Li-Jun, Mr. Ren Hai, Mr. Peng Guojiang, Mr. Zhang Yuliang, Ms. Wen Yuanyi and Mr. Liu Yong, and four independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Ting Tit Cheung, Mr. Shum Wan Lung and Mr. Law Yee Kwan Quinn.