

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



NATIONAL AGRICULTURAL HOLDINGS LIMITED

國農控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1236)

INSIDE INFORMATION

MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE SUBSCRIPTION OF SHARES

This announcement is made by National Agricultural Holdings Limited (“**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“**SFO**”).

THE MOU

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that, on 24 October 2014 (after trading hours), the Company entered into a memorandum of understanding (“**MOU**”) with China Co-Op Private Equity Funds Management (Shanghai) Co., Ltd (中合供銷(上海)股權投資基金管理有限公司) (“**Co-Op Funds**”) in relation to the possible subscription of shares of the Company (the “**Shares**”) by a fund managed by Co-Op Funds or certain investor(s) to be introduced by Co-Op Funds (“**Co-Op Subscription**”).

Date: 24 October 2014

Parties: (i) the Company; and
(ii) Co-Op Funds.

Co-Op Funds is a company established under the laws of the PRC with limited liability. It is principally engaged in the investment in the supply and marketing cooperatives industry. One of the shareholders of Co-Op Funds is an enterprise indirectly owned by All China Federation of Supply and Marketing Cooperatives* (中華全國供銷合作總社).

Pursuant to the MOU, it is proposed that a fund managed by Co-Op Funds or certain investor(s) to be introduced by Co-Op Funds (the “**Subscribers**”) may subscribe for, and the Company may issue to the Subscribers, not less than 182,897,146 Shares at the subscription price of HK\$3.00 per Share.

The MOU does not constitute any legally binding commitment in respect of the Co-Op Subscription, save and except that each party agrees to be legally bound by certain confidentiality obligations and provisions as to costs incurred for the preparation of the MOU.

The parties to the MOU would continue to negotiate with a view to finalising and entering into a legally binding agreement with regard to the Co-Op Subscription.

POSSIBLE SUBSCRIPTION OF SHARES BY PARKO

Parko (Hong Kong) Limited (“**Parko**”), the controlling shareholder of the Company, has indicated that it intends to subscribe for additional Shares at the equivalent subscription price of HK\$3.00 per Share simultaneously with the completion of the Co-Op Subscription if it shall materialise (“**Parko Subscription**”, and together with the Co-Op Subscription, the “**Possible Subscription**”).

Parko and the Company would negotiate with a view to finalising and entering into a legally binding agreement with regard to the Parko Subscription. The Parko Subscription, if materialised, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and will be conditional upon, among other things, approval by the independent shareholders of the Company in accordance with the relevant requirements under the Listing Rules.

If the Possible Subscription shall materialise, it is expected that the Subscribers will hold approximately 9.99% of the issued share capital of the Company as enlarged by the issuance of Shares to the Subscribers and Parko immediately after completion thereof.

REASONS FOR THE POSSIBLE SUBSCRIPTION

As disclosed in the announcement dated 22 October 2014 issued by the Company, the Company raised net proceeds of approximately HK\$369.7 million from the Placing and the Subscription (as defined therein). In order to raise additional funds to implement the business plans of the Company, details of which have been disclosed in the circular of the Company dated 3 September 2014, the Directors consider that it is in the interests of the Company to raise additional capital by the Possible Subscription.

Furthermore, the Directors are of the view that the Co-Op Subscription, if materialised, could demonstrate the support of All China Federation of Supply and Marketing Cooperatives to the development of the Company which will enable the Company to grasp opportunities for its future growth.

GENERAL

Shareholders of the Company and potential investors should note that the MOU only sets out the understanding with regard to the Co-Op Subscription, and that the MOU is not legally binding save and except for the provisions afore-mentioned. As the Possible Subscription may or may not materialise, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares. Further announcement(s) in relation to the Possible Subscription will be made by the Company in compliance with the Listing Rules and Part XIVA of the SFO as and when appropriate.

By order of the Board
National Agricultural Holdings Limited
Chen Li-Jun
Chairman

Hong Kong, 27 October 2014

As at the date of this announcement, the Board 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.