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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)

(1) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;

(2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;

AND

**(3) SUBSCRIPTION OF UNLISTED WARRANTS UNDER
SPECIFIC MANDATE**

Placing Agents



Convoy Investment Services Limited
康宏証券投資服務有限公司

PLACING AGREEMENT

On 20 November 2014 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Placing Agents have severally and conditionally agreed to procure Placees, on a best effort basis, to subscribe for up to a maximum of 82,928,000 Placing Shares at the Placing Price of HK\$3.0 per Share. The Placing is subject to conditions set out below in the paragraph headed “Conditions precedent to the Placing”. Since completion of the Placing Agreement, the Co-Op Subscription Agreement and the Parko Subscription Agreement are inter-conditional, a specific mandate will be sought from the Independent Shareholders at the EGM.

The maximum number of 82,928,000 Placing Shares represents (i) approximately 5.7% of the existing issued share capital of the Company of 1,453,971,468 Shares as at the date of this announcement; and (ii) approximately 4.5% of the issued share capital of the Company of 1,828,973,868 Shares as enlarged by the allotment and issue of the maximum number of the Placing Shares and the Subscription Shares in aggregate (assuming there will be no other changes in the issued share capital of the Company).

CO-OP SUBSCRIPTION AGREEMENT

Reference is made to the announcement of the Company dated 27 October 2014 in relation to the memorandum of understanding entered into by the Company and 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**”) with regard to the possible subscription of Shares by a fund managed by Co-Op Funds or certain investor(s) to be introduced by Co-Op Funds.

On 20 November 2014 (after trading hours), the Company entered into the Co-Op Subscription Agreement with Co-Op Funds (V) pursuant to which Co-Op Funds (V) has conditionally agreed to subscribe or procure its nominee(s) to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 Shares at the Share Subscription Price of HK\$3.0 per Share.

The Co-Op Subscription Shares represents (i) approximately 6.9% of the existing issued share capital of the Company of 1,453,971,468 Shares as at the date of this announcement; and (ii) approximately 5.5% of the issued share capital of the Company of 1,828,973,868 Shares as enlarged by the allotment and issue of the maximum number of the Placing Shares and the Subscription Shares in aggregate (assuming that there will be no other changes in the issued shares capital of the Company).

The Co-Op Subscription is subject to the conditions set out below in the paragraph headed “Conditions of the Co-Op Subscription”.

PARKO SUBSCRIPTION AGREEMENT

In addition, on 20 November 2014 (after trading hours), the Company entered into the Parko Subscription Agreement with Parko pursuant to which Parko has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue (i) such number of new Shares equivalent to 1.05 times of the aggregate number of the Co-Op Subscription Shares and the number of the Placing Shares actually placed under the Placing Agreement up to a maximum of 192,074,400 new Shares at the Share Subscription Price of HK\$3.0 per Share; and (ii) up to 365,794,773 Warrants, and the number of Warrants to be issued to Parko shall be such that the number of Warrant Shares to be issued upon the exercise in full of all such Warrants shall be equivalent to 20% of the issued share capital of the Company at the time of issuance of such Warrants (which for the avoidance of doubt, shall include the Placing Shares, Co-Op Subscription Shares and Parko Subscription Shares to be issued upon completion of the Placing Agreement, Co-Op Subscription Agreement and Parko Subscription Agreement, respectively).

The maximum number of 192,074,400 Parko Subscription Shares represents (i) approximately 13.2% of the existing issued share capital of the Company of 1,453,971,468 Shares as at the date of this announcement; and (ii) approximately 10.5% of the issued share capital of the Company of 1,828,973,868 Shares as enlarged by the allotment and issuance of the maximum number of the Placing Shares and the Subscription Shares in aggregate (assuming there will be no other changes in the issued share capital of the Company).

The Warrants will entitle the holders thereof to subscribe in cash up to an aggregate amount of HK\$1,097,384,319 for the Warrant Shares and each Warrant will carry the right to subscribe for one Share at an initial Warrant Subscription Price of HK\$3.0 per Share, for a period of 36 months commencing from the date of issue of the Warrants. Based on the initial Warrant Subscription Price of HK\$3.0 per Warrant Share, a maximum of 365,794,773 Warrant Shares will be allotted and issued by the Company upon full exercise of the Subscription Rights. The maximum number of the Warrant Shares represents approximately 16.7% of the issued share capital of the Company of 2,194,768,641 Shares as enlarged by the allotment and issuance of the maximum number of the Placing Shares, the Subscription Shares and the Warrant Shares in aggregate (assuming there will be no other changes in the issued share capital of the Company).

The Parko Subscription is subject to the conditions set out below in the paragraph headed “Conditions of the Parko Subscription”.

Completion of the Placing Agreement, the Co-Op Subscription Agreement and the Parko Subscription Agreement are inter-conditional and shall take place simultaneously.

GENERAL

Assuming the maximum number of the Placing Shares and the Subscription Shares are placed and subscribed for, the gross proceeds from the Placing and the Share Subscriptions are expected to be approximately HK\$1,125 million. The net proceeds of the Placing and the Share Subscriptions (after deducting related placing commissions, professional fees and related expenses which will be borne by the Company) are expected to be approximately HK\$1,118.5 million, representing a net issued price of HK\$2.98 per Placing Share or Subscription Share.

The Company will receive an additional net proceeds of HK\$1,097,384,319 upon exercise in full of the Subscription Rights at the initial Warrants Subscription Price, representing a net issued price of HK\$3 per each Warrant Share upon the exercise of the Warrants.

The Placing Shares, the Subscription Shares and the Warrant Shares will be allotted and issued under specific mandates to allot, issue and deal with Shares by ordinary resolution(s) to be proposed for passing by the Independent Shareholders at the EGM in accordance with the Listing Rules. The general mandate of the Company will not be used for the issue of the Placing Shares, the Subscription Shares and the Warrant Shares.

As at the date of this announcement, Parko is a substantial shareholder which holds 741,801,292 Shares, representing approximately 51.02% of the issued share capital of the Company. Since Parko is a substantial shareholder and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Parko Subscription will constitute a connected transaction for the Company and is subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Placing and the Subscriptions; (ii) a letter from the Independent Board Committee in relation to the Placing and the Subscriptions and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser in relation to the Placing and the Subscriptions and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 11 December 2014.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Subscription Agreements. In addition, as approved by the Independent Board Committee, Altus Capital Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Placing Agreement and the Subscription Agreements.

Completion of the Placing and the Subscriptions are subject to the satisfaction of the conditions precedent in the Placing Agreement and the Subscription Agreements. As the Placing and the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING AGREEMENT

Date

20 November 2014 (after trading hours)

Parties

Issuer: The Company

Placing Agents: (a) CCB International Capital Limited (建銀國際金融有限公司); and
(b) Convoy Investment Services Limited (康宏證券投資服務有限公司).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save for the warrants held by CCB International Securities Limited (建銀國際證券有限公司) (a fellow subsidiary of CCBI) with purchase right to purchase 26,315,789 Shares (representing approximately 1.8% of the issued share capital of the Company as at the date of this announcement), each of the Placing Agents is a third party independent of and is not connected with the Company and its connected persons.

Number of Placing Shares

CCBI and Convoy have severally and conditionally agreed to procure, on a best effort basis, Placees to subscribe for a total of up to a maximum of 82,928,000 Placing Shares who are to the best knowledge, information and belief of the Placing Agents, independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after completion of the Placing and the Share Subscriptions. If any of the Placees becomes a new substantial shareholder of the Company after the Placing and the Share Subscriptions, further announcement will be made by the Company.

Ranking of the Placing Shares

The Placing Shares will rank *pari passu* in all respects among themselves and with the other Shares in issue as at the date of the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$3.0 per Subscription Share represents:

- (i) a premium of approximately 13.2% to the closing price of HK\$2.65 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 12.9% to the average closing price of approximately HK\$2.658 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares prior to the date of the Placing Agreement.

The Placing Price of HK\$3.0 per Share was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agents. The Directors consider that the terms of the Placing Agreement is fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing Agreement is conditional upon the fulfilment of the following conditions:

- (i) the listing committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares, and such listing approval not being subsequently revoked;
- (ii) the Independent Shareholders approving the Placing Agreement and the transactions contemplated thereunder at the EGM;

- (iii) the conditions precedent under the Co-Op Subscription Agreement and the Parko Subscription Agreement having been fulfilled (save for the condition requiring the Placing Agreement to become unconditional) and completion of the Co-Op Subscription Agreement and the Parko Subscription Agreement taking place in accordance with its terms simultaneously with the Placing Agreement; and
- (iv) no representation, warranty or undertaking under the Placing Agreement having been breached by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Placing Agreement.

If any of the conditions precedents under the Placing Agreement is not fulfilled on or before 31 March 2015 (save that the condition sets out in paragraph (iii) above which shall take place simultaneously with the Placing Completion), the Placing Agreement shall terminate with immediate effect and all obligations of each of the parties shall cease and no party shall have any claim against any other party in respect of the Placing Agreement, except for any antecedent breach under the Placing Agreement.

Placing Completion

Placing Completion will take place on the fifth Business Day immediately after the date on which all the conditions precedent under the Placing Agreement are fulfilled (or such other date as the Company and Placing Agents may agree in writing) (save that the condition set out in paragraph (iii) above which shall take place simultaneously with the Placing Completion).

Completion of the Placing Agreement, the Parko Subscription Agreement and the Co-Op Subscription Agreement are inter-conditional and shall take place simultaneously. If either or both of the Parko Subscription Agreement and/or the Co-Op Subscription Agreement does not proceed to completion, the Placing Completion would not take place and both the Placing Agreement and the Subscription Agreements will terminate in accordance with their respective terms.

CO-OP SUBSCRIPTION AGREEMENT

Reference is made to the announcement of the Company dated 27 October 2014 in relation to the memorandum of understanding entered into by the Company and 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**”) with regard to the possible subscription of Shares by a fund managed by Co-Op Funds or certain investor(s) to be introduced by Co-Op Funds.

Date

20 November 2014 (after trading hours)

Parties

Issuer: The Company

Subscriber: China Co-Op V (Shanghai) Equity Investment Funds Limited Partnership (中合供銷五期(上海)股權投資基金合夥企業(有限合 伙)), which is an investment fund established by Co-Op Funds which is principally engaged in the investment in the supply and marketing cooperatives industry.

The Co-Op Subscription

Pursuant to the Co-Op Subscription Agreement, Co-Op Funds (V) has conditionally agreed to subscribe or procure its nominee(s) to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 Shares at the Share Subscription Price which shall be equivalent to the Placing Price. The Co-Op Subscription Shares represents (i) approximately 6.9% of the existing issued share capital of the Company of 1,453,971,468 Shares as at the date of this announcement; and (ii) approximately 5.5% of the issued share capital of the Company of 1,828,973,868 Shares as enlarged by the allotment and issuance of the maximum number of the Placing Shares and the Subscription Shares in aggregate (assuming that there will be no other changes in the issued shares capital of the Company).

Ranking of the Co-Op Subscription Shares

The Co-Op Subscription Shares will rank *pari passu* in all respects with the other Shares in issue as at the date of the allotment and issue of the Co-Op Subscription Shares.

Conditions of the Co-Op Subscription

Completion of the Co-Op Subscription Agreement is conditional upon the fulfilment of the following conditions:

- (i) the listing committee of the Stock Exchange granting the listing of and permission to deal in the Co-Op Subscription Shares, and such listing approval not being subsequently revoked;
- (ii) the Independent Shareholders approving the Co-Op Subscription Agreement and the transactions contemplated thereunder at the EGM;
- (iii) the conditions precedent under the Placing Agreement and the Parko Subscription Agreement having been fulfilled (save for the condition requiring the Co-Op Subscription Agreement to become unconditional) and completion of the Placing Agreement and the Parko Subscription Agreement taking place in accordance with its terms simultaneously with the Co-Op Subscription Agreement;
- (iv) no representation, warranty or undertaking under the Co-Op Subscription Agreement having been breached by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Co-Op Subscription Agreement; and
- (v) Co-Op Funds (V) having obtained such approval and completed such filings and registrations with the relevant PRC governmental authorities as required in accordance with the relevant applicable laws in the PRC for the execution, delivery and completion of the Co-Op Subscription Agreement and the performance of its obligations pursuant to the Co-Op Subscription Agreement.

If any of the conditions precedents under the Co-Op Subscription Agreement is not fulfilled on or before 31 March 2015 (save that the condition sets out in paragraph (iii) above which shall take place simultaneously with the Co-Op Subscription Completion), the Co-Op Subscription Agreement shall terminate with immediate effect and all obligations of each of the parties shall cease and no party shall have any claim against any other party in respect of the Co-Op Subscription Agreement, except for any antecedent breach under the Co-Op Subscription Agreement.

Co-Op Subscription Completion

Co-Op Subscription Completion will take place on the fifth Business Day immediately after the date on which all the conditions precedent under the Co-Op Subscription Agreement are fulfilled (or such other date as the Company and Co-Op Funds (V) may agree in writing) (save that the condition set out in paragraph (iii) above which shall take place simultaneously with the Co-Op Subscription Completion).

Upon the Co-Op Subscription Completion, Co-Op Funds (V) will be interested in approximately 5.5% of the total issued share capital of the Company as enlarged by the allotment and issue of the maximum number of the Placing Shares and the Subscription Shares (assuming that there will be no other changes in the issued share capital of the Company).

Completion of the Co-Op Subscription Agreement, the Placing Agreement and the Parko Subscription Agreement are inter-conditional and shall take place simultaneously. If either or both of the Placing Agreement and/or the Parko Subscription Agreement does not proceed to completion, the Co-Op Subscription Completion would not take place and both the Placing Agreement and the Subscription Agreements will terminate in accordance with their respective terms.

PARKO SUBSCRIPTION AGREEMENT

Date

20 November 2014 (after trading hours)

Parties

Issuer: The Company

Subscriber: Parko (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company which holds 741,801,292 Shares, representing approximately 51.02% of the issued share capital of the Company as at the date of this announcement.

The Parko Subscription

Pursuant to the Parko Subscription Agreement, Parko has conditionally agreed to subscribe or procure its nominee(s) to subscribe for and the Company has conditionally agreed to allot and issue (i) such number of new Shares equivalent to 1.05 times of the aggregate number of the Co-Op Subscription Shares and the number of the Placing Shares actually placed under the Placing Agreement up to a maximum of 192,074,400 new Shares at the Share Subscription Price, which shall be equivalent to the Placing Price; and (ii) up to 365,794,773 Warrants, and the number of Warrants to be issued to Parko shall be such that the number of Warrant Shares to be issued upon the exercise in full of all such Warrants shall be equivalent to 20% of the issued share capital of the Company at the time of issuance of such Warrants (which for the avoidance of doubt, shall include the Placing Shares, Co-Op Subscription Shares and Parko Subscription Shares to be issued upon completion of the Placing Agreement, Co-Op Subscription Agreement and Parko Subscription Agreement, respectively).

Ranking of the Parko Subscription Shares

The Parko Subscription Shares will rank pari passu in all respects with the other Shares in issue as at the date of the allotment and issue of the Parko Subscription Shares.

Principal terms of the Warrants

Number of Warrants: up to 365,794,773 Warrants, to be issued by the Company conferring the rights to the holders thereof to subscribe up to HK\$1,097,384,319 in aggregate for the Warrant Shares.

Based on the initial Warrant Subscription Price of HK\$3.0 per Warrant Share and assuming that there will not be any change in the issued share capital of the Company before the exercise of the Subscription Rights in full (other than the issue of the Placing Shares, Subscription Shares and Warrant Shares), upon the exercise of the Subscription Rights in full, up to 365,794,773 Warrant Shares will be issued, representing approximately 16.7% of the issued capital as enlarged by the allotment and issue of the maximum number of the Placing Shares, Subscription Shares and Warrant Shares. On such basis, the maximum nominal value of the Warrant Shares will be HK\$9,144,869.33.

Status: The Warrants will be constituted by way of deed poll to be executed by the Company (i.e. the Instrument). The Warrants will rank pari passu in all respects among themselves.

Form: The Warrants will be issued upon completion in registered form. Warrant certificates will be issued to the holders of the Warrants.

Subscription Price:

Each Warrant will carry the right to subscribe for one Share at the initial subscription price of HK\$3.0 per Warrant Share, which is equivalent to the Placing Price, subject to adjustments upon occurrence of the following events:

- (i) an alteration of the nominal amount of the Shares by reason of any consolidation, sub-division or reclassification;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such or a grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer or grant being made by the Company to the Shareholders by way of rights or options or warrants to subscribe for new Shares at a price which is less than 80% of the market price of the Shares;
- (v) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, if in any case the total effective consideration per Share is less than 80% of the market price of the Shares, or the terms of any such issue being altered so that the said total effective consideration is less than 80% of the market price of the Shares;
- (vi) an issue being made by the Company wholly for cash of Shares (other than pursuant to any Share Option Scheme) at a price less than 80% of the market price of the Shares; and
- (vii) the purchase by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any other stock exchange recognised for this purpose by the Securities and Futures Commission or equivalent authority and the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the subscription price.

Save for the adjustments as set out above, the subscription price will not be subject to any other adjustments.

Subscription period: The warrant holder(s) shall be obliged to exercise such amount of Warrants upon the request of the Company during the subscription period. The Subscription Rights may also be exercised at the discretion of the warrant holder(s) at any time from the date of issue of the Warrants until the close of business on the second anniversary of the issue date (or, if that is not a business day, the first business day immediately following such date) (both dates inclusive).

Rights of the Warrant Shares: The Warrant Shares that fall to be issued upon the exercise of the Subscription Rights will rank *pari passu* in all respects with the Shares in issue on the relevant date of registration of the name of the relevant holder(s) of the Warrants on the register of members of the Company as holder of such Warrant Shares.

Transferability: The Warrants are transferable, provided that the amount of Warrants to be transferred at any one time is at least 500,000 Warrants (or if at the time of transfer, the outstanding number of Warrants is less than 500,000, the whole but not in part of the outstanding Warrants) by instrument of transfer in any usual or common form or such other form as may be approved by the Directors.

Rights of warrants: The holder(s) of the Warrants will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being a holder of Warrants.

Conditions of the Parko Subscription

Completion of the Parko Subscription Agreement is conditional upon the fulfilment of the following conditions:

- (i) the listing committee of the Stock Exchange granting the listing of and permission to deal in the Parko Subscription Shares, and such listing approval not being subsequently revoked;
- (ii) the Independent Shareholders approving the Parko Subscription Agreement and the transactions contemplated thereunder at the EGM;
- (iii) the conditions precedent under the Placing Agreement and the Co-Op Subscription Agreement having been fulfilled (save for the condition requiring the Parko Subscription Agreement to become unconditional) and completion of the Placing Agreement and the Co-Op Subscription Agreement taking place in accordance with its terms simultaneously with the Parko Subscription Agreement;

- (iv) no representation, warranty or undertaking under the Parko Subscription Agreement having been breached by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Parko Subscription Agreement; and
- (v) Parko having obtained such approval and completed such filings and registrations with the relevant PRC governmental authorities as required in accordance with the relevant applicable laws in the PRC for the execution, delivery and completion of the Parko Subscription Agreement and the performance of its obligations pursuant to the Parko Subscription Agreement.

If any of the conditions precedents under the Parko Subscription Agreement is not fulfilled on or before 31 March 2015 (save that the condition sets out in paragraph (iii) above which shall take place simultaneously with the Parko Subscription Completion), the Parko Subscription Agreement shall terminate with immediate effect and all obligations of each of the parties shall cease and no party shall have any claim against any other party in respect of the Parko Subscription Agreement, except for any antecedent breach under the Parko Subscription Agreement.

Parko Subscription Completion

Parko Subscription Completion will take place on the fifth Business Day immediately after the date on which all the conditions precedent under the Parko Subscription Agreement are fulfilled (or such other date as the Company and Parko may agree in writing) (save that the condition set out in paragraph (iii) above which shall take place simultaneously with the Parko Subscription Completion).

Upon the Parko Subscription Completion, Parko will be interested in approximately 51.06% of the total issued share capital of the Company as enlarged by the issuance of the maximum number of the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company).

Completion of the Parko Subscription Agreement and the Placing Agreement and the Co-Op Subscription Agreement are inter-conditional and shall take place simultaneously. If either or both of the Placing Agreement and/or the Co-Op Subscription Agreement does not proceed to completion, the Parko Subscription Completion would not take place and both the Placing Agreement and the Subscription Agreements will terminate in accordance with their respective terms.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Date of announcement/ circular	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
16 August 2013, 13 September 2013, 19 November 2013 and 28 January 2014	The Company issued convertible bonds (“Convertible Bonds”) in the principal amount of approximately HK\$151 million to Parko on 19 November 2013. On 28 January 2014, Parko fully exercised the Convertible Bonds and the Company allotted and issued a total of 79,477,642 shares of HK\$0.10 each (representing 317,910,568 Shares after the share subdivision) as a result of the conversion.	Approximately HK\$148 million	For funding of new investments which the Group may from time to time identify and for general working capital purposes.	<p>(i) Approximately HK\$88 million was used for the capital contribution for the investment in China Coop Mengda on 4 June 2014 (please refer to the circular issued by the Company on 6 June 2014 (“June 2014 Circular”) for further details relating to China Coop Mengda); and</p> <p>(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 June 2014 Circular and approximately HK\$16 million is expected to be used for such other new investment(s) which the Group may from time to time identify and general working capital purposes.</p>

Date of announcement/ circular	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
14 August 2014, 3 September 2014, 26 September 2014, 16 October 2014 and 22 October 2014	The Company (i) issued an aggregate of 61,298,000 Shares to not fewer than six placees at the placing price of HK\$3.0 per Share pursuant to the placing agreement dated 14 August 2014 entered into between the Company and certain placing agents; and (ii) issued 64,392,900 Shares to Parko at the subscription price of HK\$3.0 per Share pursuant to the subscription agreement dated 14 August 2014 entered into between the Company and Parko.	Approximately HK\$370 million	For further capital contribution into China Coop Mengda and the remainder (if any) for the development of the acquisition of land and/or warehouse(s) for storage of tea leaves and chemical fertilisers.	As on the date of this announcement, the net proceeds raised have not been utilised.

Save as disclosed above, the Company has not conducted any capital raising activities in the 12 months immediately before the date of this announcement.

USE OF PROCEEDS AND THE REASONS FOR THE PLACING, THE CO-OP SUBSCRIPTION AND THE PARKO SUBSCRIPTION

The Share Subscriptions

Assuming the maximum Placing Shares and Subscription Shares are placed and subscribed for, the gross proceeds raised from the Placing and the Share Subscriptions will be approximately HK\$1,125 million. After taking into account the estimated expenses in relation to the Placing and the Share Subscriptions, the estimated net proceeds from the Placing and the Share Subscriptions will be approximately HK\$1,118.5 million, representing a net issued price of HK\$2.98 per Placing Share or Subscription Share.

The Company currently intends to apply such net proceeds in the following manner:

- approximately 10.4% (or approximately HK\$116 million) for the further capital injection into China Coop Mengda by Ever Harvest pursuant to and for the performance of the capital contribution agreement dated 14 August 2014 entered into between Ever Harvest and China Coop Mengda, to enhance its capability to take on general leasing and financial leasing business;
- approximately 86.8% (or approximately HK\$971.4 million) for the development of the agricultural products trading business in cooperation with Guangzhou Commodity Exchange Limited (廣州商品交易所有限公司) (“**Guangzhou Commodity Exchange**”) (for further information of Guangzhou Commodity Exchange, please refer to the announcement of the Company dated 4 June 2014):
 - approximately 43.4% (or approximately HK\$485.7 million) for the acquisition of land and/or warehouse(s) and the building and/or renovation of about 20 to 30 warehouses with total gross floor area of around 20,000 to 30,000 square metres in Guangzhou and such other regions in China for the storage of agricultural products, such as tea leaves, chemical fertilizers, Chinese traditional medicines and fruits for settlement, custody and tax clearance purposes. The Company has identified certain land and warehouses in Guangzhou, however no legally binding agreement has been entered into by the Company as on the date of this announcement. The Company currently plans to buy and/or build 20 warehouses for the storage of tea leaves and chemical fertilizers in around six months to one year after the acquisition of land and/or warehouse(s);
 - approximately 34.7% (or approximately HK\$388.6 million) for the acquisition of land and/or building(s) and the establishment of two trading centres for trading of agricultural products and rural land property rights in Guangzhou and Hebei Province respectively. Each trading centre consist of trading town halls, showrooms, back office, company storage rooms and electronic equipments. It is expected that the gross floor area of each trading centre will be about 5,000 sq. m.. As on the date of this announcement, the Company was in the process of identifying suitable land and/or building(s) for the establishment of the two trading centres and it currently plans to commence the establishment of the two trading centres in around six months after the acquisition of land and/or building(s); and
 - approximately 8.7% (or approximately HK\$97.1 million) for the development of online transaction management system for the trading platforms of agricultural products and rural land property rights in around end of 2014 or the first half of 2015, including the purchase of softwares, hardwares and server systems; and
- approximately 2.8% (or approximately HK\$31.1 million) for the funding of such other new investments which the Group may from time to time identify and for general working capital purposes.

As disclosed in the announcement dated 22 October 2014 issued by the Company, the Company raised net proceeds of approximately HK\$370 million from the Placing and the Subscription (as defined therein). In order to raise additional funds to implement the business plans of the Company as set forth above, the Directors consider that it is in the interests of the Company to raise additional capital by the Placing and the Share Subscriptions.

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 (中華全國供銷合作總社) to the development of the Company which will enable to Company to capture opportunities for its future growth.

The Warrants subscription

The Company will receive an additional net proceeds of HK\$1,097,384,319 upon exercise in full of the Subscription Rights at the initial Warrants Subscription Price, representing a net issued price of HK\$3 per each Warrant Share upon the exercise of the Warrants.

The Company is currently in its growing phase and it is anticipated that the Company would require additional funding to grasp and implement opportunities for growth in the future should they exist. The issuance of Warrants could enable the Company to secure its future funding channel for its possible acquisition(s) in the next three years and could reflect the confidence and commitment of Parko, the controlling shareholder of the Company, towards the long-term and sustainable development of the Company. The continuing support of the controlling shareholder of the Company is crucial to ensure the business stability and long-development of the Group.

Overall, the Directors (excluding the Independent Board Committee), after taking into account the factors and reasons disclosed above, consider that the terms of the Placing Agreement, the Co-Op Subscription Agreement and the Parko Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing and the Subscriptions is as follows (assuming there will not be any change in the issued share capital of the Company save for those disclosed in this announcement):

Name of Shareholders	As at the date of this announcement		Immediately after the issuance of the Placing Shares and the Subscription Shares (note 1)		Immediately after the issuance of the Warrant Shares (note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Parko	741,801,292	51.02	933,875,692	51.06	1,299,670,465	59.22
Co-Op Funds (V) together with the Placee(s)	–	–	182,928,000	10.00	182,928,000	8.33
Mr. Chou Shih Chung	91,792,000	6.31	91,792,000	5.03	91,792,000	4.18
Other public shareholders	620,378,176	42.67	620,378,176	33.91	620,378,176	28.27
Total	1,453,971,468	100.00	1,828,973,868	100.00	2,194,768,641	100.00

Note 1: Assuming that the maximum number of the Placing Shares and Subscription Shares will be issued.

Note 2: Assuming that (i) the maximum number of the Placing Shares and Subscription Shares have been issued and (ii) the maximum number of Warrant Shares have been allotted and issued by the Company upon full exercise of the Subscription Rights by the warrant holder(s).

GENERAL

Information of the Group

The Group is principally engaged in businesses which include rural finance, agricultural product trading, urbanisation planning, operating and managing; research, development and distribution of software, and provision of related software maintenance, usage and information services.

Specific mandates

The Placing Shares, Subscription Shares and Warrant Shares will be allotted and issued under specific mandates to allot, issue and deal with Shares by ordinary resolutions(s) to be proposed for passing by the Independent Shareholders at the EGM. The general mandate of the Company will not be used for the issue of the Placing Shares, Subscription Shares and Warrant Shares.

Implications of the Listing Rules

As at the date of this announcement, Parko is a substantial shareholder which holds 741,801,292 Shares, representing approximately 51.02% of the issued share capital of the Company. Since Parko is a substantial shareholder and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Parko Subscription will constitute a connected transaction for the Company and is subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Placing, the Parko Subscription, the Co-Op Subscription and the respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Placing and/or the Parko Subscription and/or the Co-Op Subscription shall abstain from voting on the resolution(s) to approve the Placing or the Parko Subscription or the Co-Op Subscription and respective transactions contemplated thereunder at the EGM. Parko will abstain from voting on the relevant resolution(s) at the EGM accordingly. Save for Parko, to the best of knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Placing Agreement or the Parko Subscription Agreement or the Co-Op Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the Placing or the Parko Subscription or the Co-Op Subscription and the respective transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details of the Placing and the Subscriptions; (ii) a letter from the Independent Board Committee in relation to the Placing and the Subscriptions and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser in relation to the Placing and the Subscriptions and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 11 December 2014.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Placing Agreement and the Subscription Agreements. In addition, as approved by the Independent Board Committee, Altus Capital Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Placing Agreement and the Subscription Agreements.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares, Subscription Shares and Warrant Shares.

Completion of the Placing and the Subscriptions are subject to the satisfaction of the conditions precedent in the Placing Agreement and the Subscription Agreements. As the Placing and the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business during their normal business hours
“CCBI”	CCB International Capital Limited (建銀國際金融有限公司), a licensed corporation under the SFO permitted to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities for the purposes of the SFO
“China Coop Mengda”	China Coop Financial Leasing Co., Ltd.* (中合盟達融資租賃有限公司), a limited liability company established in the PRC on 17 August 2012
“Company”	National Agricultural Holdings Limited (國農控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convoy”	Convoy Investment Services Limited (康宏證券投資服務有限公司), a licensed corporation under the SFO permitted to conduct type (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities for the purposes of the SFO
“Co-Op Funds (V)”	China Co-Op V (Shanghai) Equity Investment Funds Limited Partnership (中合供銷五期(上海)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Co-Op Subscription”	subscription of 100,000,000 Shares by Co-Op Funds (V) or its nominee(s) at the Share Subscription Price pursuant to the Co-Op Subscription Agreement
“Co-Op Subscription Agreement”	the subscription agreement dated 20 November 2014 entered into between the Company and Co-Op Funds (V) in respect of the Co-Op Subscription
“Co-Op Subscription Completion”	completion of the Co-Op Subscription in accordance with the terms and conditions of the Co-Op Subscription Agreement
“Co-Op Subscription Shares”	100,000,000 Shares to be issued and allotted by the Company to Co-Op Funds (V) or its nominee(s) under the Co-Op Subscription
“Directors”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving the Placing Agreement, the Co-Op Subscription Agreement, the Parko Subscription Agreement and the respective transactions contemplated thereunder
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, namely Ms. Chiu Kam Hing Kathy, Mr. Ting Tit Cheung, Mr. Shum Wan Lung and Mr. Law Yee Kwan Quinn, which has been formed to advise the Independent Shareholders in respect to the Placing Agreement, the Parko Subscription and Co-Op Subscription and the transactions contemplated thereunder
“Independent Financial Adviser”	Altus Capital Limited, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Placing Agreement, the Parko Subscription Agreement and the Co-Op Subscription Agreement
“Independent Shareholders”	Shareholders other than Parko
“Instrument”	the deed poll constituting the Warrants to be executed by the Company upon completion of the Parko Subscription
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parko”	Parko (Hong Kong) Limited, a company incorporated under the laws of Hong Kong
“Parko Subscription”	subscription of a maximum of 192,074,400 Shares and up to 365,794,773 Warrants by Parko pursuant to the Parko Subscription Agreement
“Parko Subscription Agreement”	the subscription agreement dated 20 November 2014 entered into between the Company and Parko in respect of the Parko Subscription
“Parko Subscription Completion”	completion of the Parko Subscription in accordance with the terms and conditions of the Parko Subscription Agreement
“Parko Subscription Shares”	up to a maximum of 192,074,400 Shares to be issued and allotted by the Company to Parko or its nominee(s) under the Parko Subscription
“Placee(s)”	investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 82,928,000 Placing Shares by the Placing Agents, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement

“Placing Agents”	CCBI and Convoy
“Placing Agreement”	the conditional placing agreement dated 20 November 2014 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Placing Price”	HK\$3.0 per Placing Share
“Placing Share(s)”	up to 82,928,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Subscriptions”	subscription of Subscription Shares by Parko (or its nominee(s)) and Co-Op Funds (V) (or its nominee(s)) at the Subscription Price pursuant to the Parko Subscription Agreement and the Co-Op Subscription agreement respectively
“Share Subscription Price”	the subscription price per Subscription Share which shall be equivalent to the Placing Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively, the Co-Op Subscription and the Parko Subscription
“Subscription Agreements”	collectively, the Co-Op Subscription Agreement and the Parko Subscription Agreement
“Subscription Rights”	the rights of the holders of the Warrant(s) represented by the Warrants to subscribe for new Shares pursuant to the Warrants, and in relation to each Warrant, the right of the relevant holder of the Warrant to subscribe at the Warrant Subscription Price for one Share upon and subject to the Instrument
“Subscription Share(s)”	an aggregate of a maximum of up to 292,074,400 new Share(s) to be subscribed under the Subscriptions
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Warrant(s)”	up to 365,794,773 warrants to be issued by the Company in registered form entitling the holders thereof to subscribe in cash for up to 365,794,773 new Shares at the initial Subscription Price of HK\$3.0 per Share subject to adjustment, at any time during the period of 36 months from the date of issue of the Warrants, subject to the terms and conditions set out in the Instrument
“Warrant Share(s)”	new Share(s) which may fall to be allotted and issued upon the exercise of the Subscription Rights
“Warrant Subscription Price”	the sum payable in respect of each Share to which the registered holder of each Warrant shall be entitled upon exercise of the Subscription Rights represented thereby, being initially HK\$3.0 in cash per Share (at the date of the Instrument) or such adjusted price as may for the time being be applicable in accordance with the terms of the Instrument
“%”	per cent.

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

Hong Kong, 21 November 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.

* *For identification purposes only*