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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)

INSIDE INFORMATION

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE INVESTMENT

This announcement is made by National Agricultural Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) 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).

THE MOU

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that, on 23 December 2014 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Guangdong New Co-Op Skyrise Investment Co., Ltd* (廣東新供銷天成投資有限公司) (“**Guangdong New Co-Op**”), regarding the cooperation in the possible investment in tea leaves trading platform in the People’s Republic of China (the “**Possible Investment**”). The investment cost of the Possible Investment is expected to be less than RMB300 million. The parties are in the course of having discussions in relation to the Possible Investment. No agreement has been reached as to the terms of the Possible Investment, including but not limited to the consideration, timing and form of investment.

Guangdong New Co-Op is a company established in the People’s Republic of China with limited liability and is an entity owned by Guangdong Province Co-Op Association* (廣東省供銷合作聯社). It is principally engaged in asset management, real estate investment, property management and trading of agriculture-related products.

REASONS FOR THE ENTERING INTO THE MOU

The Group is principally engaged in businesses which include rural financial services, trading in agricultural means of production, urbanisation development, and the development, production and sale of IT products in the financial sector.

It is the Company's strategy to review from time to time potential business opportunities and investments to enhance the value of the Company's shares. Tea market represents a significant portion of the PRC beverage market. The Directors believe that there are growth potential and opportunities in the PRC tea leaves trading market. The Directors believe that the Possible Investment, if materialized, could help the Company to realize its objectives of serving the agricultural sector and expand the scope of the Group's existing business which may enhance its profitability and achieve a better return for the shareholders of the Company (the "Shareholders").

Having considered the above, the Directors are of the view that the Possible Investment is a good business opportunity and is the interests of the Company and the Shareholders as a whole.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment in respect of the Possible Investment, save and except that each party agrees to be legally bound by certain confidentiality obligations pursuant to the MOU. The Possible Investment is subject to the negotiation of the formal agreement between the relevant parties and the execution and completion of the formal agreement, if any.

GENERAL

Further announcement(s) in relation to the Possible Investment will be made by the Company as and when appropriate in compliance with the Listing Rules.

Shareholders of the Company and potential investors should note that the MOU only sets out the understanding with regard to the Possible Investment, and that the MOU is not legally binding save and except for the provisions afore-mentioned. In the event that legally binding definitive agreement is agreed or signed, further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate. As the Possible Investment may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 December 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 and should not be regarded as official name*