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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)

PROPOSED PLACING OF NEW SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company

AMASSE CAPITAL
寶 積 資 本

Placing Agents



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

THE PLACING AGREEMENT

On 12 June 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents have severally and conditionally agreed to procure Placees, on a best effort basis, to subscribe for a total of up to a maximum of 58,000,000 Placing Shares at the Placing Price of HK\$4.25 per Placing Share.

Assuming the maximum of 58,000,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 2.88% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there will be no other changes in the issued share capital of the Company).

The Placing Shares will be allotted and issued under the General Mandate. The Placing is therefore not subject to Shareholders' approval.

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

A summary of the principal terms of the Placing Agreement is set out below:

Date:

12 June 2015 (after trading hours)

Issuer:

The Company

Placing Agents:

- (i) CCB International Capital Limited; and
- (ii) Convoy Investment Services Limited.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agents and its ultimate beneficial owner(s) are Independent Third Parties.

Number of the 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 58,000,000 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. If any of the Placees becomes a new substantial shareholder of the Company after the Placing, further announcement will be made by the Company.

Ranking of the Placing Shares

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

Placing Price

The Placing Price of HK\$4.25 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agents with reference to the prevailing market price of the Shares and the market conditions.

The Placing Price represents:

- (i) a discount of approximately 19.96% to the closing price of HK\$5.31 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 19.02% to the average closing price of HK\$5.248 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Placing commission

Each of the Placing Agents will receive a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the actual number of the Placing Shares successfully placed by such Placing Agents.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agents under normal commercial terms with reference to the prevailing market conditions.

Conditions precedent to the Placing

Completion is conditional upon:

- (i) the Listing Approval having been obtained and not subsequently revoked prior to Completion; and
- (ii) no representation, warranty or undertaking under the Placing Agreement having been breached by the Company or failure to perform by the Company of the obligations thereunder or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to Completion.

The Company shall use its best endeavours to procure the fulfilment of the above conditions by the Long Stop Date.

In the event that the Placing Agreement is terminated in accordance with the terms and conditions therein, all obligations of each of the parties under the Placing Agreement shall cease and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion shall take place on the Completion Date.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 265,662,113 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

The Placing is therefore not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in businesses which include rural financial services, trading in agricultural products, urbanization planning, operating and managing and sale of IT products in the financial sector.

Assuming a maximum of 58,000,000 Placing Shares are successfully placed, the gross proceeds and the net proceeds (after deduction of the relevant expenses) from the Placing will be approximately HK\$247.0 million and HK\$239.9 million, respectively. The net Placing Price will be approximately HK\$4.14 per Placing Share.

The Company intends to apply the said net proceeds as to (i) approximately HK\$200 million for possible acquisition of the business and assets of the Chengdu West Agricultural Products Wholesale Market* (成都西部農產品批發市場) (the “**Wholesale Market**”), including the ownership of the properties and the land use right of the Wholesale Market; and (ii) approximately HK\$39.9 million for working capital.

The Directors are of the view that the Placing would strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. Accordingly, the Directors consider that the terms of the Placing (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

Set out below are the equity fund raising activities announced by the Company in the past twelve months prior to the date of this announcement:

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 less 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\$369.7 million	For further capital contribution into China Coop Financial Leasing Co., Ltd* (中合盟達融資租賃有限公司) (“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 at the date of this announcement, the net proceeds raised have not been utilised.

Date of announcement/circular	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
21 November 2014, 4 December 2014, 12 December 2014 and 6 February 2015	<p>The Company allotted and issued (i) 53,530,000 new Shares to not less than six placees at the placing price of HK\$3.0 per Share pursuant to the placing agreement dated 20 November 2014 (as supplemented and amended by a supplemental agreement dated 4 December 2014) entered into between the Company and certain placing agents; (ii) 100,000,000 new Shares to 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)) (“Co-Op Funds (V)”) at the subscription price of HK\$3.0 per Share pursuant to the subscription agreement dated 20 November 2014 (as supplemented and amended by a supplemental agreement dated 4 December 2014) entered into between the Company and Co-Op Funds (V); and (iii) 161,206,500 new Shares to Parko at the subscription price of HK\$3.0 per Share pursuant to the subscription agreement dated 20 November 2014 (as supplemented and amended by a supplemental agreement dated 4 December 2014) entered into between the Company and Parko.</p>	Approximately HK\$936.9 million	<p>(i) Approximately 12.38% (or approximately HK\$116 million) for the further capital injection into China Coop Mengda by Ever Harvest Inc Limited (“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; and</p> <p>(ii) Approximately 87.62% (or approximately HK\$820.9 million) for the development of the agricultural products trading business in cooperation with Guangzhou Commodity Exchange Limited (廣州商品交易有限公司).</p>	As at the date of this announcement, the net proceeds raised have not been utilised.
			<p>For more details, please refer to the circular of the Company dated 12 December 2014 and the announcement of the Company dated 6 February 2015</p>	

Date of announcement/circular	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
28 January 2015, 2 April 2015, 27 April 2015 and 2 June 2015	The Company issued (i) 141,463,000 unlisted placing warrants (the “ Placing Warrant(s) ”) to not less than six placees at the placing issue price of HK\$0.189 per placing warrant pursuant to the placing agreement dated 28 January 2015 (as supplemented and amended by a supplemental agreement dated 2 April 2015) entered into between the Company and Convoy Investment Services Limited; and (ii) 212,194,500 unlisted subscription warrants (the “ Subscription Warrant(s) ”, together with the Placing Warrants, the “ Warrant(s) ”) to Parko at the subscription issue price of HK\$0.189 per subscription warrant pursuant to the subscription agreement dated 28 January 2015 (as supplemented and amended by a supplemental agreement dated 2 April 2015) entered into between the Company and Parko.	Approximately HK\$66.3 million from the issue of the Warrants. An additional of HK\$1,061.0 million will be raised assuming full exercise of the Warrants at the initial exercise price of HK\$3.0 per Warrant	<p>(i) approximately one-third (or equivalent to approximately HK\$375 million) for investment of the tea leaves trading platform should it materialise;</p> <p>(ii) approximately one-third (or equivalent to approximately HK\$375 million) for investment in a processing plant for agricultural byproducts;</p> <p>(iii) the remaining approximately one-third (or equivalent to approximately HK\$377 million) for future investment(s) and/or acquisition(s), as and when appropriate including but not limited to a possible acquisition of 中農集團農機控股有限公司 (Sino-agri Agricultural Machinery Holdings Company Limited*).</p>	As at the date of this announcement, the net proceeds raised have not been utilised.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

CHANGES IN THE SHAREHOLDINGS STRUCTURES OF THE COMPANY

Assuming there will not be any change in the issued share capital of the Company, set out below is the shareholdings structure of the Company (i) as at the date of this announcement; and (ii) upon Completion:

	As at the date of this announcement		Upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Parko	1,115,202,292	55.39	1,115,202,292	53.84
Placees	–	–	58,000,000	2.80
Other public Shareholders	898,163,176	44.61	898,163,176	43.36
Total	2,013,365,468	100.00	2,071,365,468	100.00

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 12 June 2014 at which, among others, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for normal banking business during their normal business hours
“CCBI”	CCB International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

“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
“Completion”	completion of the Placing pursuant to the Placing Agreement
“Completion Date”	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 the Placing Agents may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convoy”	Convoy Investment Services Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) who is independent of and not connected with the Company and its connected persons
“Listing Approval”	the written confirmation issued by the Stock Exchange granting the listing and permission to deal in the Placing Shares and, where such approval is subject to conditions, such conditions are reasonably acceptable to the Company and the Placing Agents
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	3 July 2015 (or such other dates as the Company and the Placing Agents may agree in writing)

“Parko”	Parko (Hong Kong) Limited, a limited company incorporated in Hong Kong and the controlling Shareholder
“Placee(s)”	any individual(s), institutional or other professional investor or any of their respective subsidiaries or associates procured by the Placing Agents to subscribe any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agents on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agents”	CCBI and Convoy
“Placing Agreement”	a conditional placing agreement dated 12 June 2015 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$4.25 per Placing Share
“Placing Share”	a maximum of 58,000,000 new Shares to be placed under the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.025 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 12 June 2015

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. Law Yee Kwan Quinn and Mr. Fan William Chung Yue.

* *for identification purpose only*