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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 UNLISTED WARRANTS UNDER SPECIFIC MANDATE

AND

CONNECTED TRANSACTION INVOLVING PROPOSED SUBSCRIPTION OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

Financial Adviser to the Company

AMASSE CAPITAL
寶 積 資 本

THE PLACING AGREEMENT

On 28 January 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placings to subscribe for up to a maximum of 141,463,000 Placing Warrants at the Placing Issue Price of HK\$0.189 per Placing Warrant.

The Placing Warrants will entitle the holders to subscribe for up to 141,463,000 Placing Warrant Shares at the Placing Exercise Price of HK\$3.0 per Placing Warrant Share (subject to adjustment). Each Placing Warrant carries the right to subscribe for one Placing Warrant Share.

The subscription right attaching to the Placing Warrants will be exercisable within 12 months from the date of the issue of the Placing Warrants.

THE SUBSCRIPTION AGREEMENT

On 28 January 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for up to 212,194,500 Subscription Warrants at the Subscription Issue Price of HK\$0.189 per Subscription Warrant.

The Subscription Warrants will entitle the holders to subscribe for up to 212,194,500 Subscription Warrant Shares at the Subscription Exercise Price of HK\$3.0 per Subscription Warrant Share (subject to adjustment). Each Subscription Warrant carries the right to subscribe for one Subscription Warrant Share.

The subscription right attaching to the Subscription Warrants will be exercisable within 12 months from the date of the issue of the Subscription Warrants.

SPECIFIC MANDATE

The Warrant Shares shall be allotted and issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is a controlling Shareholders which holds 741,801,292 Shares, representing approximately 51.02% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company. As such, the Subscription constitutes a connected transaction for the Company and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened and held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Placing and the Subscription shall abstain from voting on the resolutions to approve the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder at the EGM. The Subscriber will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save for the Subscriber, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the Placing Agreement and the Subscription Agreement and will be required to abstain from voting on the relevant resolutions to approve the Placing Agreement and the Subscription Agreement and the respective transactions contemplated thereunder at the EGM.

Mr. Chen Li-Jun and Mr. Peng Guojiang, both being the executive Director, are the directors of the Subscriber and have material interest in the Subscription, and they abstained from voting on the resolutions in respect of approving the Placing and the Subscription at the Board meeting.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders (i) as to whether the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details relating to the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Placing Agreement, the Subscription Agreement and the respective 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.

Shareholders and potential investors should note that Placing Completion and Subscription Completion are subject to fulfillment of the conditions as set out in the sections headed “Conditions precedent of the Placing” and “Conditions precedent of the Subscription” respectively below. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 28 January 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placées to subscribe for up to 141,463,000 Placing Warrants at the Placing Issue Price of HK\$0.189 per Placing Warrant.

The principal terms of the Placing Agreement is as follows:

Date

28 January 2015 (after trading hours)

Parties

Issuer : The Company

Placing Agent : Convoy Investment Services Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

Under the Placing Agreement, the Placing Warrants will be placed, on a best efforts basis, to not less than six Placees and each of the Placees to be procured by the Placing Agent and its ultimate beneficial owner(s) will be Independent Third Parties.

Placing Commission

The Placing Agent will receive a placing commission equal to 2% of the product of the Placing Issue Price multiplied by the actual number of the Placing Warrants successfully placed by the Placing Agent, which was determined after arm's length negotiations between the Company and the Placing Agent and with reference to prevailing placing commission charged by other placing agents in the market.

Conditions precedent of the Placing

Placing Completion 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 Warrant Shares having been obtained and not being subsequently revoked prior to the Placing Completion;
- (ii) the approval of the Shareholders of the Placing Agreement and the transactions contemplated thereunder at the EGM subject to and in accordance with the requirements under the Listing Rules;
- (iii) completion of the Previous Placing and Subscriptions; and
- (iv) no representations, warranties or undertakings 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 the Placing Completion.

If any of the above conditions precedents is not fulfilled on or before the Placing Long Stop Date, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim of any obligations against any other party in respect of any matter arising out of or in connection with the Placing Agreement, except for any antecedent breach under the Placing Agreement.

Placing Completion

Placing Completion shall take place on the Placing Completion Date.

THE SUBSCRIPTION AGREEMENT

On 28 January 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for up to 212,194,500 Subscription Warrants at the Subscription Issue Price of HK\$0.189 per Subscription Warrant.

The principal terms of the Subscription Agreement is as follows:

Date

28 January 2015 (after trading hours)

Parties

Issuer : The Company

Subscriber : Parko (Hong Kong) Limited

As at the date of this announcement, the Subscriber is a controlling Shareholder holding 741,801,292 Shares, which represents approximately 51.02% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company.

Conditions precedent of the Subscription

Subscription Completion 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 Subscription Warrant Shares having been obtained and not being subsequently revoked prior to the Subscription Completion;
- (ii) the approval of the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder at the EGM subject to and in accordance with the requirements under the Listing Rules;

- (iii) completion of the Previous Placing and Subscriptions;
- (iv) no representations, warranties or undertakings under the 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 the Subscription Completion; and
- (v) the Subscriber 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 Subscription Agreement and the performance of its obligations pursuant to the Subscription Agreement.

If the above conditions precedent are not fulfilled on or before the Subscription Long Stop Date, the 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 Subscription Agreement, except for any antecedent breach under the Subscription Agreement.

Mandatory subscription

The Subscriber has undertaken to the Company that so long as it remains a holder of any of the Subscription Warrants, the Company shall have the right to request, at any time during the subscription period (as defined in the principal terms of the Warrants below), the Subscriber to exercise in whole or in part the Subscription Warrants it holds from time to time to subscribe for the Subscription Warrant Shares.

Subscription Completion

Subscription Completion shall take place on Subscription Completion Date.

OTHER TERMS OF THE AGREEMENTS

Pursuant to the Agreements, the aggregate number of Warrants to be issued shall be such that the total number of Subscription Warrant Shares and Placing Warrant Shares to be issued upon the exercise in full of all such Warrants shall not be exceed 20% of the issued share capital of the Company (the “**Cap**”) at the date of the EGM (which for the avoidance of doubt shall include such new Shares to be issued pursuant to the Previous Placing and Subscriptions). In the event that the sum of the Subscription Warrant Shares and Placing Warrant Shares to be issued upon full exercise of all such Warrants exceeds the Cap, the total number of the Placing Warrants and Subscribing Warrants shall be reduced by the excess amount on a pro rata basis.

PRINCIPAL TERMS OF THE WARRANTS

The principal terms of the Warrants are as follows:

- Number of Warrants and Warrant Shares : A maximum of 353,657,500 Warrants, comprising 141,463,000 Placing Warrants and 212,194,500 Subscription Warrants. Each Warrant carries the right to subscribe for one Warrant Share.
- Status : The Warrants will be constituted by way of deed poll to be executed by the Company. 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.
- Exercise Price : HK\$3.0 per Warrant Share, subject to adjustment 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;
 - (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.

Any adjustment to the Exercise Price shall be made to the nearest cent so that any amount under half a cent shall be rounded down and an amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger nominal amount or upon a purchase of Shares) involve an increase in the Exercise Price. In addition to any determination which may be made by the Directors, every adjustment to the Exercise Price shall be certified to be fair and appropriate either (at the option of the Company) by the auditors of the Company or by an approved merchant bank. In giving any certificate or making any adjustment hereunder, the auditors of the Company or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Company and the holders of the Warrants and all persons claiming through or under them respectively.

- Subscription period : The subscription rights attaching to the Warrants may 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 first anniversary of the issue date (or, if that is not a business day, the first business day immediately following such date) (both dates inclusive)
- Ranking of the Warrant Shares : The Warrant Shares 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 the Warrants to be transferred at any one time is at least 100,000 Warrants (or if at the time of transfer, the outstanding number of the Warrants is less than 100,000, 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.
- Voting rights : 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 the Warrants.

BASES FOR DETERMINING THE ISSUE PRICE AND THE EXERCISE PRICE

The Exercise Price is HK\$3.0 per Warrant Share, subject to adjustment, which represents:

- (i) a premium of approximately 17.65% over the closing price of HK\$2.550 per Share as quoted on the Stock Exchange as at the date of the Agreements;
- (ii) a premium of approximately 19.62% over the average closing price of HK\$2.508 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreements; and
- (iii) a premium of approximately 18.34% over the average closing price of HK\$2.535 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Agreements.

The aggregate of the Issue Price of HK\$0.189 per Warrant and the Exercise Price of HK\$3.0 per Warrant Share, i.e. HK\$3.189, represents:

- (i) a premium of approximately 25.06% over the closing price of HK\$2.550 per Share as quoted on the Stock Exchange as at the date of the Agreements;
- (ii) a premium of approximately 27.15% over the average closing prices of HK\$2.508 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreements; and
- (iii) a premium of approximately 25.80% over the average closing price of HK\$2.535 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Agreements.

Both the Issue Price and the Exercise Price are determined based on negotiations on arm's length basis with reference to (i) the current market sentiment; (ii) the historical Share price; and (iii) the fair issue price per Warrant of approximately HK\$0.189 as at 27 January 2015 prepared by an independent professional valuer.

Having considered the above, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that both the Issue Price and the Exercise Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WARRANT SHARES

The maximum nominal value of the Warrant Shares will be approximately HK\$8.8 million.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, the Company has no outstanding warrant.

On the assumptions that (i) completion of the Previous Placing and Subscriptions and an aggregate of 375,002,400 new Shares thereunder are allotted and issued before the date of the EGM; and (ii) full exercise of the subscription rights attaching to the Warrants, 353,657,500 Warrant Shares (which represent approximately 19.34% of the total issued share as enlarged by the Previous Placing and Subscriptions) will be allotted and issued. Accordingly, the issue of the Warrants is expected to be in compliance with Rule 15.02(1) of the Listing Rules.

APPLICATION FOR LISTING

The Company will apply to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

SPECIFIC MANDATE

The Warrant Shares shall be allotted and issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the EGM.

USE OF PROCEEDS AND REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS

Assuming the maximum of the Warrants are placed and subscribed for, the gross proceeds and net proceeds from the issue of the Warrants will be approximately HK\$66.8 million and HK\$66.3 million respectively. The net issue price per Warrant is approximately HK\$0.187.

Assuming full exercise of the subscription rights attaching to the maximum of the Warrants at the Exercise Price, it is expected that an additional gross proceeds and net proceeds of approximately HK\$1,061 million will be raised. The net exercise price per Warrant is approximately HK\$3.0.

The Company intends to apply the aforesaid total net proceeds in the following manner:

- (a) approximately one-third of the total net proceeds is to be allocated for investment of the tea leaves trading platform (details of which are disclosed in the Company's announcement dated 24 December 2014) should it materialise;
- (b) approximately one-third of the total net proceeds is to be allocated for investment in a processing plant for agricultural by-products; and
- (c) the remaining approximately one-third of the total net proceeds is to be allocated for future investment(s) and/or acquisition(s), as and when appropriate.

In the event that the total net proceeds are below the high-end of approximately 1,127 million, the amounts intended to be used for such purposes set forth above will be adjusted according to the actual amount of proceeds raised. The Company currently intends to apply the net proceeds in the following order for those business plans which shall materialise: (a) firstly, investment of the tea leaves trading platform; (b) secondly, investment in the processing plant for agricultural by-products; and (c) thirdly, future investment(s) and/or acquisition(s), as and when appropriate.

The Directors consider that the Subscription reflects the confidence and commitment of the Subscriber, the controlling shareholder of the Company, towards the long-term and sustainable development of the Company, and that the continuing support of the controlling shareholder of the Company is crucial to ensure the business stability and long-term development of the Group.

The issue of the Warrants will provide immediate funding without immediate dilution of the shareholdings of the existing Shareholders, and, if the subscription rights attaching to the Warrants are exercised, it will benefit the long-term business diversification development of the Company by broadening the capital base of the Company. Accordingly, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the view that the terms of the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder, including the issue of the Warrants and the Warrant Shares, are fair and reasonable in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

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 the Subscriber 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 the Subscriber.	Approximately HK\$370 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 and 12 December 2014	<p>The Company proposed to (i) allot and issue up to a maximum of 82,928,000 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) allot and issue 100,000,000 new Shares to China Co-Op V (Shanghai) Equity Investment Funds Limited Partnership (中合供銷五期(上海)股權投資基金合作企業(有限合夥)) (“Co-Op Funds (V)”) or its nominee(s) 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) allot and issue up to a maximum of 192,074,400 new Share to the Subscriber 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 the Subscriber.</p>	Approximately HK\$1,118.5 million	<p>(i) Approximately 10.4% (or approximately HK\$116 million) for the further capital injection into China Coop Mengda by Ever Harvest Inc Limited pursuant to and for the performance of the capital contribution agreement dated 14 August 2014 entered into between Ever Harvest Inc Limited and China Coop Mengda;</p> <p>(ii) 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); and</p> <p>(iii) 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.</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</p>	

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 STRUCTURE OF THE COMPANY

Assuming there will not be any change in the issued share capital of the Company, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon completion of the Previous Placing and Subscriptions; and (iii) upon completion of the Placing and the Subscription and immediately after the full exercise of the subscription rights attaching to the Warrants:

	As at the date of this announcement		Upon completion of the Previous Placing and Subscriptions (Note 1)		Upon completion of the Placing and the Subscription and immediately after the full exercise of the subscription rights attaching to the Warrants (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber	741,801,292	51.02	933,875,692	51.06	1,146,070,192	52.51
Placees	–	–	–	–	141,463,000	6.48
Other Public Shareholders	712,170,176	48.98	895,098,176	48.94	895,098,176	41.01
Total	1,453,971,468	100.00	1,828,973,868	100.00	2,182,631,368	100.00

Notes:

1. Assuming that (i) the maximum of 82,928,000 new placing shares and (ii) an aggregate of up to 292,074,400 new subscription shares under the Previous Placing and Subscriptions will be allotted and issued; and
2. Assuming that the maximum number of the Placing Warrant Shares and the Subscription Warrant Shares will be allotted and issued.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is a controlling Shareholders which holds 741,801,292 Shares, representing approximately 51.02% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company. As such, the Subscription constitute a connected transaction for the Company and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened and held to consider and, if thought fit, pass the relevant resolutions to approve, among other things, the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Placing and the Subscription shall abstain from voting on the resolutions to approve the Placing Agreement, the Subscription Agreement and respective transactions contemplated thereunder at the EGM. The Subscriber will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save for the Subscriber, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the Placing Agreement and the Subscription Agreement and will be required to abstain from voting on the resolutions to approve the Placing Agreement and the Subscription Agreement and the respective transactions contemplated thereunder at the EGM.

Mr. Chen Li-Jun and Mr. Peng Guojiang, both being the executive Director, are the directors of the Subscriber and have material interest in the Subscription, and they abstained from voting on the resolutions in respect of approving the Placing and the Subscription at the Board meeting.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders (i) as to whether the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details relating to the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Placing Agreement, the Subscription Agreement and the respective 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.

Shareholders and potential investors should note that Placing Completion and Subscription Completion are subject to fulfillment of the conditions as set out in the sections headed “Conditions precedent of the Placing” and “Conditions precedent of the Subscription” respectively above. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Agreements”	collectively, the Placing Agreement and the Subscription Agreement
“Board”	the board of Directors
“Business Day”	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
“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
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened for the purposes of considering, and if thought fit, approving the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder
“Exercise Price”	the Placing Exercise Price or the Subscription Exercise Price
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect to the Placing Agreement, the Subscription Agreement and the respective transactions contemplated thereunder
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are independent of, not connected with and not acting in concert (as defined in the Hong Kong Codes on Takeovers and Mergers) with the Company or any director, chief executive, substantial shareholder (as defined in the Listing Rules) or connected persons of the Company or any of their respective subsidiaries or any of their respective associates
“Independent Shareholders”	the Shareholders other than the Subscriber
“Issue Price”	the Placing Issue Price or the Subscription Issue Price
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	investor(s) to be procured by the Placing Agent to subscribe for the Placing Warrants pursuant to the Placing Agreement
“Placing”	the placing of the Placing Warrants by the Placing Agent pursuant to the terms and conditions the Placing Agreement
“Placing Agent”	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
“Placing Agreement”	the conditional placing agreement dated 28 January 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	the completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Placing Completion Date”	within fifth Business Day after the date on which all the conditions precedent of the Placing Agreement are fulfilled or such other date as the Company and the Placing Agent may agree in writing
“Placing Exercise Price”	HK\$3.0 per Placing Warrant Share (subject to adjustment)
“Placing Issue Price”	HK\$0.189 per Placing Warrant

“Placing Long Stop Date”	within 30 days from the date of the EGM or 31 March 2015, whichever is earlier (or such other date as the Company and the Placing Agent may agree in writing)
“Placing Warrants”	a maximum of 141,463,000 unlisted warrants to be issued by the Company in registered form entitling the holders thereof to subscribe in cash for up to 141,463,000 new Shares at the initial Placing Exercise Price of HK\$3.0 per Share (subject to adjustment), at any time during the period of 12 months from the date of issue of the Placing Warrants, subject to the terms and conditions set out in its instrument
“Placing Warrant Share(s)”	new Share(s) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Placing Warrants
“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Previous Placing and Subscriptions	collectively, (i) the placing of up to 82,928,000 new placing Shares by CCB International Capital Limited and the Placing Agent; (ii) the subscription of 100,000,000 new subscription Shares by 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)) or its nominee(s); and (iii) the subscription of up to a maximum of 192,074,400 new subscription Shares by the Subscriber, as contemplated under their respective placing agreement and subscription agreements all dated 20 November 2014 (as supplemented and amended by the respective supplemental agreements all dated 4 December 2014)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	the specific mandate for the issue of the Warrant Shares to be granted to the Directors by the Independent Shareholders at the EGM

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Parko (Hong Kong) Limited, a limited company incorporated in Hong Kong and the controlling Shareholder
“Subscription”	the subscription of the Subscription Warrants by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 28 January 2015 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Subscription Completion Date”	within fifth Business Day after the date on which all the conditions precedent of the Subscription Agreement are fulfilled or such other date as the Company and the Subscriber may agree in writing
“Subscription Exercise Price”	HK\$3.0 per Subscription Warrant Share (subject to adjustment)
“Subscription Issue Price”	HK\$0.189 per Subscription Warrant
“Subscription Long Stop Date”	within 30 days from the date of the EGM or 31 March 2015, whichever is earlier (or such other date as the Company and the Subscriber may agree in writing)
“Subscription Warrants”	a maximum of 212,194,500 unlisted warrants) to be issued by the Company in registered form entitling the holders thereof to subscribe in cash for up to 212,194,500 new Shares at the initial Subscription Exercise Price of HK\$3.0 per Share (subject to adjustment), at any time during the period of 12 months from the date of issue of the Subscription Warrants, subject to the terms and conditions set out in its instrument
“Subscription Warrant Shares”	new Share(s) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Subscription Warrants
“Warrant(s)”	collectively, the Placing Warrant(s) and the Subscription Warrant(s)

“Warrant Share(s)”	collectively, the Placing Warrant Share(s) and the Subscription Warrant Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 28 January 2015

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

* *for identification purpose only*