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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

COOPERATION FRAMEWORK AGREEMENT IN RELATION TO A POSSIBLE ACQUISITION

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

COOPERATION FRAMEWORK AGREEMENT

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that on 22 May 2015, the Company entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with Guangdong Agricultural Means of Production Company Corporation* (廣東省農業生產資料總公司) (“**Guangdong-agri Group**”) in relation to the possible capital injection by the Company in Guangdong New Co-Op Skyrise Investment Co, Ltd* (廣東新供銷天成投資有限公司) (the “**Target Company**”) (“**Possible Transaction**”).

Pursuant to the Cooperation Framework Agreement, Guangdong-agri Group shall procure the corporate restructuring of the Target Group such that Guangdong-agri Group will hold 80% equity interests in the Target Company. Subject to the completion of the corporate restructuring, it is proposed that the Company (or through its related companies) may make capital injection to the Target Company and acquire 45% of the enlarged equity interests in the Target Company after the proposed capital injection. No agreement has been reached as to the terms of the Possible Transaction, including the payment of capital injection and basis for determining the amount of capital injection.

The parties to the Cooperation Framework Agreement would continue to negotiate with a view to finalising a formal agreement with regard to the Possible Transaction.

ABOUT THE TARGET COMPANY

The Target Company is a company established in the People's Republic of China with limited liability. It is principally engaged in asset management, real estate investment, property management and trading of agricultural-related products. As at the date of this announcement, the Target Company has a registered capital of RMB163 million and Guangdong-agri Group directly holds approximately 51.17% interests in the Target Company. Guangdong-agri Group is an entity owned by Guangdong Supply and Marketing Cooperative* (廣東省供銷合作聯社).

REASONS FOR ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

The Group is principally engaged in businesses which include rural financial services, trading in agricultural means of production, urbanisation planning, operating and managing, 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 investment opportunities. The businesses of the Target Company involve trading of agricultural by-products (including tea leaves) and property development. The Directors believe that the Possible Transaction, if materialized, could help the Company to realize its plan to develop a tea leaves trading platform and its objectives of serving the agricultural sector in the sectors of "Trading in Agricultural Means of Production" and "Urbanization Planning, Operating and Managing".

Having considered the above, the Directors are of the view that the Possible Transaction is in the interests of the Company and the shareholders of the Company (the "Shareholders") as a whole.

NATURE OF THE COOPERATION FRAMEWORK AGREEMENT

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

GENERAL

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

Shareholders and potential investors should note that the Cooperation Framework Agreement only sets out the framework of the Possible Transaction, and that the Cooperation Framework Agreement 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 Transaction may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 May 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 and should not be regarded as an official name*