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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of National Agricultural Holdings Limited (the “**Company**”) will be held at Suites 1604–5, Prudential Tower, Harbour City, 21 Canton Road, Tsimshatsui, Kowloon, Hong Kong at 10:00 a.m. on Tuesday, 11 August 2015 for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. “**THAT**

- i. the subscription agreement entered into between China Innovationpay Group Limited (“**China Innovationpay**”) and the Company on 25 June 2015 (the “**Preferred Shares Subscription Agreement**”) in relation to the subscription of 49,140,000 convertible preferred shares (the “**Preferred Shares**”) with par value of HK\$0.025 each to be issued by the Company to China Innovationpay (a copy of which has been produced to the EGM marked “A” and initialled by the Chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby by approved, confirmed and ratified; and
- ii. each of the directors of the Company (the “**Director(s)**”) be and is hereby authorised to do all such further acts and things, negotiate, approve, agree, sign, initial, ratify and/or execute such further documents and take all steps which may be in their opinion necessary, desirable or expedient to implement and/or give effect to the terms of the Preferred Shares Subscription Agreement and the transactions contemplated thereunder.”

SPECIAL RESOLUTIONS

2. **“THAT** conditional upon the passing of ordinary resolution no.1 set out in the notice convening the EGM, the existing articles of association of the Company (the **“Articles”**) (a copy of which has been produced to the EGM marked **“B”** and initialled by the Chairman of the EGM for the purpose of identification) be amended in the following manner:

i. Article 2.2

By adding the following new definition of **“Convertible Preferred Share(s)”** after the definition of **“Company’s Website”** in Article 2.2 of the Articles:

“Convertible Preferred Share(s)” shall mean convertible preferred share(s) of HK\$0.025 each in the capital of the Company, the rights of which are set out in Article 3A.

ii. Article 3A

By adding the following new Article 3A immediately after the existing Article 3:

3A. The Convertible Preferred Shares shall be non-voting shares and shall not carry any right or preference save as set out herein. Unless the context otherwise requires:

(1) Interpretation

In these Terms, unless the context otherwise requires, the following expressions which apply exclusively to these Terms shall have the following meanings:

“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code;
“certificate”	a certificate issued by the Company in the name of the Convertible Preferred Shareholder in respect of his/her/its holding of one or more Convertible Preferred Shares;
“Conversion Event”	the conversion of Convertible Preferred Shares by a Convertible Preferred Shareholder pursuant to this Article 3A(6.1);
“Conversion Notice”	the notice of conversion (in such form as may be required by the Company from time to time);

“Conversion Period”	the period commencing from the Issue Date and ending on the 18-month anniversary of the Issue Date;
“Conversion Price”	HK\$4.07, as adjusted in accordance with this Article 3A(7);
“Conversion Rate”	the rate for conversion of the Convertible Preferred Shares into Ordinary Shares as determined in accordance with this Article 3A(6.3);
“Conversion Right”	the right of Convertible Preferred Shareholders to convert their Convertible Preferred Shares into Ordinary Shares;
“Convertible Preferred Shareholder(s)”	person(s) registered from time to time in the register of members of the Company as a holder of any Convertible Preferred Share(s);
“Issue Date”	the date of allotment and issue of the Convertible Preferred Shares;
“Ordinary Share(s)”	the ordinary share(s) of the Company with par value of HK\$0.025 each;
“Parko”	Parko (Hong Kong) Limited, a limited company incorporated in Hong Kong;
“SFC”	the Securities and Futures Commission;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$4.07 per Convertible Preferred Share;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended from time to time;

“trading day”	any day on which the Stock Exchange is open for the business of dealing in securities and on which the Ordinary Shares can be traded on the Main Board of the Stock Exchange;
“Terms”	the terms of issue, rights and privileges of the Convertible Preferred Shares and the restrictions to which they are subject as set out herein and as may be amended from time to time.

(2) Dividend

None of the Convertible Preferred Shares shall confer on the Convertible Preferred Shareholders the right to receive out of the funds of the Company available for distribution.

(3) Capital

On a return of capital on liquidation or otherwise (but not on conversion or redemption), the Convertible Preferred Shares shall confer on the Convertible Preferred Shareholders the right to be paid, in priority to any return of assets in respect of any other class of shares in the capital of the Company, pari passu as between themselves an amount equal to the aggregate Subscription Price of the Convertible Preferred Shares. The Convertible Preferred Shares shall not confer the holders thereof any further or other right to participate in the assets of the Company.

(4) Transferability

The Convertible Preferred Shares shall not be transferable.

(5) Voting

The Convertible Preferred Shareholders shall not be entitled to attend or vote at any general meeting of the Company by reason only of his/her/its being the holder(s) of the Convertible Preferred Shares, unless a resolution is to be proposed at a general meeting for winding up the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the holder(s) of the Convertible Preferred Shares, in which event the Convertible Preferred Shares shall confer on the holder thereof the right to receive notice of, and to attend and vote at, the general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a chairman, any motion for adjournment or relating to the proceedings of the general meeting and the resolution for winding-up or the resolution which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights and

privileges of the holder(s) of the Convertible Preferred Shares. In such event, the votes of holders of Convertible Preferred Shares shall be counted on as converted basis.

(6) Conversion

- 6.1 Subject to Article 3A (6.8) and subject to payment in full of the Subscription Price of the Convertible Preferred Shares, the Convertible Preferred Shares shall be convertible into Ordinary Shares by such Convertible Preferred Shareholder serving the Conversion Notice to the Company on any Business Day within the Conversion Period, without the payment of any additional consideration therefor, into such number of fully-paid Ordinary Shares as determined in accordance with this Articles.
- 6.2 The number of Ordinary Shares to which a holder of Convertible Preferred Shares shall be entitled upon conversion following a Conversion Event shall be the number obtained by multiplying the Conversion Rate then in effect by the number of Convertible Preferred Shares being converted.
- 6.3 The Conversion Rate of each Convertible Preferred Share shall be determined by dividing the Subscription Price by the Conversion Price in effect at the time of conversion, provided that the Conversion Price shall not be less than the then subsisting par value of an Ordinary Share into which such Convertible Preferred Share is convertible. The Conversion Price shall be subject to adjustment in accordance with Article 3A(7).
- 6.4 Upon delivery of the Conversion Notice and certificate(s) evidencing the Convertible Preferred Shares to be converted by the holder thereof to the Company, the Company shall make entries in its register of members to record and give effect to the conversion of the Convertible Preferred Shares into the relevant number of Ordinary Shares resulting from such conversion (in such manner as may be determined by the Directors pursuant to Article 3A (6.8(e))), and shall promptly and, in any event no later than 20 Business Days after the date of receipt of the Conversion Notice and such certificate(s):
- (a) issue and deliver to such holder (a) certificate(s) for the number of Ordinary Shares into which the Convertible Preferred Shares are converted in the name as shown on the certificate(s) evidencing the Convertible Preferred Shares so surrendered to the Company; or
 - (b) cause to be credited into the relevant Convertible Preferred Shareholder's brokers' account such number of Ordinary Shares into which the Preferred Shares are converted.

- 6.5 No fraction of an Ordinary Share shall be issued upon conversion of the Convertible Preferred Shares. Fractional entitlement shall be ignored by the holder of the Convertible Preferred Shares and any sum paid in respect of such subscription shall be retained by the Company for its own benefit.
- 6.6 The Company shall ensure that at all times there is a sufficient number of unissued Ordinary Shares in its authorized share capital to be issued in satisfaction of the conversion rights of Preferred Shares pursuant to Article 3A (6.1) of this Articles.
- 6.7 Upon the issue of the Ordinary Shares into which the Convertible Preferred Shares are converted, the Company shall enter such member of the Company in its register of members in respect of the relevant number of Ordinary Shares arising from such conversion.
- 6.8 Notwithstanding any provisions in this Article 3A, conversion of the Convertible Preferred Shares into Ordinary Shares shall be subject to the following requirements:
- (a) The Company's obligation to effect conversion of fully paid Convertible Preferred Shares into Ordinary Shares in respect of which Conversion Notice has been served ("**Outstanding Preferred Shares**"), shall be subject to the following conditions:
1. immediately after such conversion, the public float of the Ordinary Shares remains above the minimum public float requirements stipulated under the Listing Rules or as required by the Stock Exchange;
 2. Parko remains to hold more than 51% of the total issued share capital of the Company (assuming full conversion of all outstanding securities issued by the Company convertible into or exchange for, or warrants, rights or options or agreements to grant warrants, rights or options, to purchase or to subscribe for, shares of the Company);
 3. to the extent that following such conversion, the relevant Convertible Preferred Shareholder and parties acting in concert with it, taken together, shall not directly or indirectly, control or be interested in 30% or more of the entire issued share capital of the Company or otherwise trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; and

4. each conversion of the Convertible Preferred Shares into Ordinary Shares shall not be less than 1,000,000 Convertible Preferred Shares, unless the Outstanding Preferred Shares is less than 1,000,000 Convertible Preferred Shares in which case the whole (but not part only) of that number of Convertible Preferred Shares may be converted into Ordinary Shares.
- (b) The Company undertakes with the Convertible Preferred Shareholders that in the event that the Company is unable to effect conversion of any Outstanding Preferred Shares as a result of the restrictions set out in Article 3A(6.8(a)) above, it shall, once headroom for conversion of such Outstanding Preferred Shares is available, notify the Convertible Preferred Shareholders within 5 Business Days in writing to allow the Convertible Preferred Shareholders to effect conversion of such Outstanding Preferred Shares into Ordinary Shares to the maximum extent possible.
- (c) The Company has the right, exercisable immediately following the end of the 18-month anniversary from the Issue Date, to require mandatory conversion of all Outstanding Preferred Shares into Ordinary Shares, subject to the headroom available for conversion and restrictions set out in Article 3A(6.8(a)) above.
- (d) In the event the Outstanding Preferred Shares are held by more than one Convertible Preferred Shareholders and the headroom for conversion by the Company under Article 3A(6.8(b)) and Article 3A(6.8(c)) is insufficient to enable all of such Outstanding Preferred Shares be converted in one batch, the Outstanding Preferred Shares held by the relevant Convertible Preferred Shareholders shall be converted by the Company on a pro-rata basis.
- (e) Conversion of the Convertible Preferred Shares shall be effected in such manner as the Directors shall, subject to the Articles and to any other applicable law and regulations, from time to time determine, including, without limitation, by way of redemption or repurchase of such Convertible Preferred Shares and the issue of the relevant number of Ordinary Shares resulting from such conversion (with such Convertible Preferred Shares being redeemed or repurchased out of the proceeds of such issue of Ordinary Shares in accordance with and for the purposes of Section 37(3) of the Companies Law), or by way of re-designation of Convertible Preferred Shares into Ordinary Shares, in each case without further approval of the shareholders of the Company. Any Convertible Preferred Shares redeemed or repurchased upon conversion shall be treated as cancelled.

(7) Conversion adjustments

7.1 The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of Article 3A (7.1 (a) to (g)) inclusive, it shall fall within the first of the applicable clauses to the exclusion of the remaining clauses:

- (a) if and whenever the Ordinary Shares by reason of any consolidation or sub-division or reclassification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or reclassification becomes effective;
- (b) if and whenever the Company shall:
 - (i) issue (other than in lieu of a cash dividend) any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account); or
 - (ii) issue Ordinary Shares paid out of distributable profits or reserves and/or share premium accounts issued in lieu of the whole or any part of a cash dividend, being a dividend which the holders of the Ordinary Shares concerned would or could otherwise have received but only to the extent that the market value of such Ordinary Shares exceeds 110% of the amount of dividend which holders of the Ordinary Shares could elect to or would otherwise receive in cash and which would not have constituted a capital distribution (as defined in Article 3A(7.2)) (for which purpose the “market value” of an Ordinary Share shall mean the average of the closing prices published in the Stock Exchange’s Daily Quotation Sheet for one Ordinary Share for 5 trading days ending on the last trading day immediately preceding the last day on which holders of Ordinary Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash); then the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Ordinary Shares issued in such capitalisation. Each such adjustment shall be effective (if

appropriate, retrospectively) from the commencement of the day next following the record date for such issue;

- (c) if and whenever the Company shall make any capital distribution to holders (in their capacity as such) of Ordinary Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the closing price published in the Stock Exchange in respect of one Ordinary Share on the trading day immediately preceding the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) immediately preceding the date of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or failing any such announcement, the date of the capital distribution or the grant, as the case may be, as determined in good faith by the independent financial adviser appointed by the Company, of the portion of the capital distribution or of such rights which is/are attributable to one Ordinary Share,

Provided that:

- (i) if in the opinion of the relevant independent financial adviser appointed by the Company, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the closing price published in the Stock Exchange's Daily Quotation Sheet of one Ordinary Share which should properly be attributed to the value of the capital distribution or rights; and
- (ii) this Article 3A(7.1(c)) shall not apply in relation to the issue of Ordinary Shares paid out of profits or reserves and issued in lieu of a cash dividend. Each such adjustment shall be effective (if appropriate, retrospectively) from the commencement of the day following the record date for the capital distribution or grant;

- (d) If and whenever the Company shall offer to all or substantially all holders of Ordinary Shares new Ordinary Shares for subscription by way of rights, or shall grant to all holders of Ordinary Shares any options or warrants to subscribe for new Ordinary Shares, at a price per new Ordinary Share which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant (whether or not such offer or grant is subject to the approval of the holders of Ordinary Shares or other persons), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{G + H}{G + I}$$

where:

G = number of Ordinary Shares in issue immediately before the date of such announcement;

H = the number of Ordinary Shares which the aggregate of the two following amounts would purchase at such market price:

- (i) the total amount (if any) payable to the rights, options or warrants being offered or granted; and
- (ii) the total amount payable for all of the new Ordinary Shares being offered for subscription or comprised in the rights, options or warrants being granted; and

I = the aggregate number of Ordinary Shares being offered for subscription or comprised in the rights, options or warrants being granted.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the record date for the relevant offer or grant.

- (e) (i) If and whenever the Company or any of its subsidiaries shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Ordinary Shares, and the total Effective Consideration per new Ordinary Share initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities (whether or not such issue is subject to the approval of the holders of Shares of other persons), the Conversion Price shall be adjusted by multiplying the

Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{J + K}{J + L}$$

where:

J = the number of Ordinary Shares in issue immediately before the date of the issue of such securities;

K = the number of Ordinary Shares which the total Effective Consideration receivable for such securities would purchase at such market price; and

L = maximum number of new Ordinary Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) from the date of issue of such securities.

(ii) If and whenever the rights of conversion or exchange or subscription attaching to any such securities as are mentioned Article 3A(7.1(e)(i)) are modified so that the total Effective Consideration per new Ordinary Share initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{M + N}{M + O}$$

where:

M = the number of Ordinary Shares in issue immediately before the date of such modification;

N = the number of Ordinary Shares which the total Effective Consideration receivable for such securities at the modified conversion or exchange rate or subscription price would purchase at such market prices; and

O = the maximum number of new Ordinary Shares to be issued upon full conversion or exchange of; or the exercise in full

of the subscription rights conferred by, such securities at their relative modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustments of conversion, exchange or subscription terms.

(iii) For the purposes of this Article 3A(7.1(e)):

(aa) the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the aggregate consideration receivable by the issuer for such securities for the issue thereof plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the full conversion or exchange thereof or the exercise in full of the subscription rights attaching thereto; and

(bb) the “**total Effective Consideration per new Ordinary Share**” initially receivable for such securities shall be such aggregate consideration divided by the maximum number of new Ordinary Shares to be issued upon (and assuming) the full conversion or exchange thereof at the initial conversion or exchange rate or the exercise in full of the subscription rights attaching thereto at the initial subscription price, in each case, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof.

(f) If and whenever the Company shall issue wholly for cash any Ordinary Shares at a price per Ordinary Share which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date of such announcement by the following fraction:

$$\frac{P + Q}{P + R}$$

where:

P = number of Ordinary Shares in issue immediately before the date of such announcement;

Q = the number of Ordinary Shares which the aggregate amount payable for such issue would purchase at such market price; and

R = number of Ordinary Shares allotted pursuant to such issue.

Such adjustment shall become effective on the date of the issue.

Such adjustment shall become effective (if appropriate retroactively) from the date of issue of such securities.

- (g) If both the Company and all Convertible Preferred Shareholders considers that an adjustment to the Conversion Price should be made as a result of events or circumstances not referred to in this Article 3A((7.1) (a) to (f)), the Company shall, as agreed with the Convertible Preferred Shareholders, appoint an independent financial adviser or a certified public accountant firm acceptable to the Convertible Preferred Shareholders and the Company, at the Company's cost, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect; and if the approved independent financial adviser or the certified public accountant firm considers that an adjustment (provided that such adjustment would result in a reduction in the Conversion Price) shall be made to the Conversion Price, such adjustment shall be made and shall take effect in accordance with the determination made by the approved independent financial adviser or certified public accountant.

7.2 For the purposes of Article 3A(7.1):

“announcement” shall mean the publication of an announcement on the website of the Stock Exchange, **“date of announcement”** shall mean the date of the announcement and **“announce”** shall be construed accordingly;

“capital distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie, and any dividend or distribution charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a capital distribution, provided that any such dividend shall not automatically be so deemed if:

- (a) it is paid out of the net profits (less losses) attributable to the holders of Ordinary Shares for all financial periods after that ended 31 December 2014 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each such financial period; or

- (b) to the extent that (a) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the independent financial adviser appointed by the Company appropriate to the circumstances and shall be made in the event that the lengths of such periods differ materially;

“**issue**” shall include allot;

“**market price**” means the average of the closing prices published in the Stock Exchange’s Daily Quotation Sheet for one Ordinary Share for the 5 trading days ending on the last trading day immediately preceding the day on or as of which such price is to be ascertained PROVIDED THAT if at any day during the said 5 trading days, the Share shall have been quoted ex-dividend and during some other part of that period, the Ordinary Shares shall have been quoted cum-dividend, then:

- (1) if the Ordinary Shares to be issued do not rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share; and
- (2) if the Ordinary Shares to be issued rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the amount of that dividend per Ordinary Share; and PROVIDED FURTHER THAT if the Ordinary Shares on each of the said five trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued or purchased do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share;

“**Shares**” includes, for the purposes of Ordinary Shares comprised in any issue, distribution, offer or grant pursuant in Article 3A (7.1)(b), (c), (d), (e) and (f) above, any such shares of the Company as, when fully paid, shall be Ordinary Shares; and

“**rights**” includes rights in whatsoever form issued.

- 7.3 If the Conversion Price is adjusted with effect (retroactively or otherwise) from a date on or before the date on which the names of the Convertible Preferred Shareholders whose Convertible Preferred Shares are converted into Ordinary Shares pursuant hereto or such other persons as they may direct are entered into the register of holders of Ordinary Shares of the Company and such Convertible Preferred Shareholders’ entitlement were arrived at on the basis of unadjusted Conversion Price, the Company shall pay to such Convertible Preferred Shareholders an amount that is equivalent to the nominal value of such number of Ordinary Shares which would have been required to be issued on conversion of such Convertible Preferred Shares if the relevant adjustment had been given effect to as at the date of conversion (the “**Additional Shares**”) and apply such amount to pay up in full at par the Additional Shares which shall be allotted and issued to such Convertible Preferred Shareholders or such other persons as they may direct.
- 7.4 The provisions of Article 3A(7.1) shall not apply to:
- (a) an issue of fully-paid Ordinary Shares upon the exercise of any conversion rights attached to warrants or securities convertible into Ordinary Shares that exist at the date of issue of the Convertible Preferred Shares;
 - (b) an issue of Ordinary Shares or other securities of the Company or any subsidiary wholly or partly convertible into, of carrying rights to acquire, Ordinary Shares to the eligible participants pursuant to share option scheme adopted by the Company in compliance with Chapter 17 of the Listing Rules; and
 - (c) an issue by the Company of Ordinary Shares or by the Company or its subsidiary of securities wholly or partly convertible into or carrying rights to acquire Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business.

- 7.5 Notwithstanding the provisions of Article 3A((7.1)(a) to (f)), in any circumstances where the Directors shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the provisions, the Company may appoint the an independent financial adviser, to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the independent financial adviser appointed by the Company shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time as shall be certified by the independent financial adviser appointed by the Company to be in its opinion appropriate.
- 7.6 Any adjustment to the Conversion 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 Ordinary Shares into shares of a larger nominal amount or upon a repurchase of Ordinary Shares) involve an increase in the Conversion Price.
- 7.7 No adjustment shall be made to the Conversion Price in any case in which the Conversion Price so reduced in accordance with the foregoing provisions would be less than its nominal value.
- 7.8 Whenever the Conversion Price is adjusted, the Company shall give notice to the Convertible Preferred Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof).

(8) Redemption

To the extent that there shall be any Convertible Preferred Shares which have not been converted into Ordinary Shares on the 18-month anniversary of the Issue Date, the Company (or its nominee at the option of the Company) shall redeem such Convertible Preferred Shares in full at an amount equal to the total of the aggregate Subscription Price of the Preferred Share to be redeemed plus the interests for the period between the date of the issue of the Convertible Preferred Shares and the date of redemption (both dates inclusive) (with reference to the 1 to 3 year lending rate of the People's Bank of China as at the date of serving a notice to Subscriber for redemption) of the aggregate Subscription Price of the Preferred Share to be redeemed.

(9) Listing

The Convertible Preferred Shares shall not be listed on any stock exchange.”

3. “**THAT** conditional upon the passing of ordinary resolution no. 1 and special resolution no. 2 set out in the notice convening the EGM, the allotment and issue of 49,140,000 Preferred Shares to China Innovationpay pursuant to the terms and conditions of the Preferred Shares Subscription Agreement be and is hereby approved and each of the Directors be and is hereby authorised to take all steps necessary or expedient in his/her opinion to implement and/or give effect to the issue of the Preferred Shares including but not limited the allotment and issue of new ordinary shares of the Company which may fall to be issued upon the exercise of the conversion rights attached to the 49,140,000 Preferred Shares.”

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

Hong Kong, 20 July 2015

Notes:

- (1) A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof, should he so wish.
- (3) Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.
- (5) The form of proxy for use at the EGM is enclosed herewith.

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. Fan William Chung Yue and Mr. Chu Kin Wang Peleus.