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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

LETTER OF INTENT IN RESPECT OF A POSSIBLE ACQUISITION

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

THE LOI

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that, as the controlling shareholder of the Company intends to introduce quality assets with an aim to strengthen the Company’s asset base, on 27 November 2015 (after trading hours of the morning trading session), the Company entered into a non-legally binding letter of intent (the “**LOI**”) with (i) Parko (Hong Kong) Limited (“**Parko**”), a controlling shareholder of the Company, (ii) 匯鼎資本管理有限公司 (Hui Ding Capital Management Co. Ltd.*) (“**Hui Ding**”), a company established in the People’s Republic of China (the “**PRC**”) with limited liability, and (iii) Bright Glory Asia Investment Limited (“**Bright Glory**”, together with Parko and Hui Ding, collectively, the “**Vendors**”), a company incorporated in Hong Kong with limited liability, in relation to the possible acquisition of not less than 51% equity interests (the “**Possible Acquisition**”) in a company established in the PRC (the “**Target Company**”) which will be the beneficial owner of a piece of land and certain properties (the “**Properties**”) in Shanghai, the PRC, a designated international merchandising trading platform under the “One Belt One Road” policy, for development of the Group’s international trading platform.

Pursuant to the LOI, the consideration for the Possible Acquisition is proposed to be settled partly by cash and partly by the issue of consideration shares. The Possible Acquisition is subject to the negotiation of a formal binding agreement which shall be entered into within 30 days from the date of the LOI.

The parties are in the course of having discussions in relation to the Possible Acquisition. As at the date of this announcement, no formal agreement has been entered into relating to the Possible Acquisition.

INFORMATION ON THE VENDORS

As at the date of this announcement, Parko, the controlling shareholder of the Company, holds 1,115,202,292 shares of the Company, representing approximately 52.68% of the total issued share capital of the Company and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. The Possible Acquisition, if materialized, may constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, Hui Ding, Bright Glory and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR THE ENTERING INTO THE LOI

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

The Company has been striving to further develop the “agricultural, rural areas and farmers” sector and implement its strategic plans for the agricultural business.

The Properties are strategically located at the Eastern starting point of the “One Belt One Road” strategy as initiated by the PRC Government. The exhibition centre, which is known as the Shanghai Trans-National Procurement Centre and which is capable of undertaking business activities in connection with the “One Belt One Road” strategy as initiated by the PRC Government, forms an integral part of the Properties and by basing the Company’s agricultural trading platform at the Shanghai Trans-National Procurement Centre, the Company will be able to leverage on the advantages as well as the resources of the Shanghai Trans-National Procurement Centre and thereby providing an ideal forum for implementing integral functions of the Company’s agricultural trading platform, such as exhibition centres, trading centres and big-data collection centres, with a view to processing, segmenting and utilising the transaction data of large number of agricultural industry participants, which include vital information transaction history and behaviour. Following the successful implementation of the Company’s agricultural trading platform, the Company will also engage in talks with other major players of the internet industry to bolster cooperation and explore further business opportunities.

Having considered the above, the Directors are of the view that the Possible Acquisition is a good business opportunity and is in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

NATURE OF THE LOI

The LOI does not constitute any legally binding commitment in respect of the Possible Acquisition, save and except for the provisions relating to confidentiality and governing law. The Possible Acquisition is subject to the negotiation and execution of the formal agreement.

GENERAL

If the Possible Acquisition materializes, it may constitute a connected transaction and notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in this regard.

Shareholders and potential investors should note that the LOI only sets out the understanding with regard to the Possible Acquisition, and that the LOI 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 Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 November 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. Fan William Chung Yue and Mr. Chan Siu Wing Raymond.

* *for identification purpose only*