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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 AGREEMENT IN RELATION TO FORMATION OF A JOINT VENTURE**

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 COOPERATION AGREEMENT**

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that on 6 May 2016, the Company entered into a cooperation agreement (the “**Cooperation Agreement**”) with Sichuan Agricultural Means of Production Group Company Limited\* (四川省農業生產資料集團有限公司) (“**Sichuan-agri Group**”), an independent third party of the Company, pursuant to which the parties agreed to establish a joint venture company (“**JV Company**”) in the People’s Republic of China (“**PRC**”), equity interests of which will be held as to 51% by Sichuan-agri Group and 49% by the Company, respectively.

The parties of the Cooperation Agreement will complete the establishment procedures of the JV Company within three months of the date of the Cooperation Agreement. Pursuant to the Cooperation Agreement, the initial registered capital of the JV Company will be RMB5 million, of which RMB2.55 million will be contributed by Sichuan-agri Group and RMB2.45 million will be contributed by the Company. It was further agreed that the parties would consider to further increase the amount of capital contribution pro rata to their equity interests in the JV Company in the future according to the then development needs of the JV Company.

It is planned that the JV Company will develop and operate a sub-platform of the China Agricultural Trading Platform (中國農業交易平台) in Sichuan Province, the PRC, to perform electronic spot commodities trading and to offer related logistics, finance, information, quality control and other supporting services to its trading participants. Products to be traded on this electronic trading platform will include agricultural by-products.

It was agreed under the Cooperation Agreement that Sichuan-agri Group shall, among others, coordinate the resources of Sichuan Province Supply and Marketing Cooperatives\* (四川省供銷合作社聯合社) to promote the use of the electronic trading platform, recommend the categories of product to be traded on the electronic trading platform and assist in the implementation of the quality standard of products to be traded on the electronic trading platform; whereas the Company shall, among others, coordinate the resources of the All China Federation of Supply and Marketing Cooperatives\* (中華全國供銷合作總社) to facilitate the provision of rural finance services and information consulting services, assist in the development and ongoing operation of the electronic trading platform system and monitor the proper management of the JV Company.

The board of directors of the JV Company will comprise of five directors, three of whom will be appointed by Sichuan-agri Group and the remaining two will be appointed by the Company.

Upon establishment of the JV Company, the parties of the Cooperation Agreement will enjoy all the profit and bear all the liabilities of the JV Company pro rata to their equity interests in the JV Company.

## **ABOUT SICHUAN-AGRI GROUP**

Sichuan-agri Group is a company established in the PRC with limited liability and is a wholly-owned subsidiary of Sichuan Agricultural Means of Production Corporation\* (四川省農業生產資料總公司), which in turn is owned by Sichuan Province Supply and Marketing Cooperatives\* (四川省供銷社). It is principally engaged in trading of agricultural-related products, chemical industry, mining industry, agricultural industrialisation, renewable energy and property industry. Sichuan-agri Group is a large scale agricultural resources circulation corporation in the PRC. According to Sichuan-agri Group, it ranked as one of the top six corporations in terms of overall competitiveness among the agricultural resources circulation corporations in the PRC.

## **REASONS FOR ENTERING INTO THE COOPERATION AGREEMENT**

The Group is principally engaged in businesses which include rural financial services, trading in agricultural means of production, urbanisation planning, operation 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 Directors believe that the JV Company after its establishment could help the Company to realize its plan to develop its objectives of serving the agricultural sector in the sectors of "Trading in Agricultural Means of Production" and "Urbanisation Planning, Operating and Managing".

Having considered the above, the Directors are of the view that the transactions contemplated under the Cooperation Agreement is in the interests of the Company and the shareholders of the Company as a whole.

## **GENERAL**

As all the applicable ratios for the transactions contemplated under the Cooperation Agreement calculated under Rule 14.07 of the Listing Rules are less than 5%, the transactions contemplated under the Cooperation Agreement do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 6 May 2016

*As at the date of this announcement, the Board comprises four executive Directors, being Mr. Chen Li-Jun, Mr. Ren Hai, Mr. Peng Guojiang and Ms. Wen Yuanyi, and three independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Ting Tit Cheung and Mr. Fan William Chung Yue.*

*\* for identification purpose only and should not be regarded as an official name*