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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 RESPECT OF A POSSIBLE COOPERATION

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).

FRAMEWORK AGREEMENT

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that after trading hours on 25 August 2015, the Company and 中合供銷(上海)股權投資基金管理有限公司 (China Co-Op (Shanghai) Equity Investment Fund Management Company Limited*) (“**Co-Op Fund Management**”) entered into a framework cooperation agreement (the “**Cooperation Framework Agreement**”) in relation to the possible cooperation between the Company and Co-Op Fund Management in establishment of a fund (the “**Possible Transaction**”).

ESTABLISHMENT OF THE FUND

Pursuant to the Cooperation Framework Agreement, Co-Op Fund Management and a subsidiary of the Company in the People’s Republic of China (the “**PRC**”) shall prepare to establish a limited liability partnership under the laws of the PRC (the “**Fund**”) and shall be the general partners of the Fund. Co-Op Fund Management shall be responsible for the establishment of the Fund, and both Co-Op Fund Management and the Company shall be responsible for looking for limited partners for the Fund as well as investment projects and managing the investment projects.

The Company, as one of the general partners of the Fund, shall make a capital contribution commitment in an amount not more than 3% of the total capital of the Fund. As a result of the Cooperation Framework Agreement, the Company has deposited a sum of RMB850,000,000 (the “**Retainer Money**”) to 東越控股有限公司 (Dongyue Holdings Limited*), a subsidiary of 中合聯投資有限公司 (Coopinvest Company Limited*), to hold the fund in escrow as earnest money for the Possible Transaction. As at the date of this announcement, Coopinvest Company is a substantial shareholder and holds approximately 13.46% interest in 中合盟達融資租賃有限公司 (China Coop Mengda Financial Leasing Co., Ltd*), an indirect non-wholly owned subsidiary of the Company and a connected person of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Cooperation Framework Agreement, if the Fund is unable to obtain necessary approval from 中華全國供銷合作總社 (All China Federation of Supply and Marketing Cooperatives*) or relevant authority before 31 December 2015 or such other dates as agreed by the parties, the parties will not enter into any legally binding definitive agreement in relation to the establishment of the Fund, and the Retainer Money (after deducting necessary expenses for preparation of the Fund) shall be returned to the Company forthwith. Prior to the establishment of the Fund, the Retainer Money shall not be considered as capital contribution to the Fund and shall be wholly-owned assets of the Company.

ABOUT CO-OP FUND MANAGEMENT

Co-Op Fund Management is a company established in the PRC with limited liability. It is principally engaged in investment in supply and marketing industry.

As at the date of this announcement, 50% of the issued shares of Co-Op Fund Management is owned by Coopinvest Company Limited and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The Possible Transaction, if materialized, may constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

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 Directors believe that the Possible Transaction, if materialized, 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 “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

Save for the provisions relating to, among others, the arrangement in relation to the Retainer Money, applicable laws and dispute resolutions, the provisions of the Cooperation Framework Agreement do not constitute legally binding obligations on the parties.

GENERAL

The Possible Transaction, if materialized, may constitute a notifiable transaction and/or a connected transaction of the Company under Chapter 14 and/or Chapter 14A of the Listing Rules. 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 of the Company should note that the Cooperation Framework Agreement only sets out the framework of the Possible Transaction, and that the Possible Transaction is subject to the entering into of the legally binding agreement, if any. 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 of the Company 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, 25 August 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. Chu Kin Wang Peleus.

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