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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)**

**CONNECTED TRANSACTION  
FORMATION OF JV COMPANY**

**FORMATION OF JV COMPANY**

The Board is pleased to announce that on 29 November 2016, Guonong Taifeng, a subsidiary of the Company, and Dalian Exchange entered into the Joint Venture Agreement pursuant to which the parties agreed to establish the JV Company in the PRC. The JV Company will be owned as to 51% by Dalian Exchange and 49% by Guonong Taifeng.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Co-Op Group, the holding company of Dalian Exchange, holds approximately 83.83% interest in Coopinvest Company which is a substantial shareholder and holds approximately 12.96% interest in China Coop Mengda, an indirect non-wholly owned subsidiary of the Company. Dalian Exchange is therefore a connected person of the Company at the subsidiary level. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Dalian Exchange is a connected person of the Company at the subsidiary level; (ii) the Transactions are on normal commercial terms; (iii) the Board have approved the Transactions; and (iv) the independent non-executive Directors have confirmed that the terms of Transactions are fair and reasonable and that the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 29 November 2016, Guonong Taifeng, a subsidiary of the Company, and Dalian Exchange entered into the Joint Venture Agreement pursuant to which the parties agreed to establish the JV Company in the PRC. The principal terms of the Joint Venture Agreement are as follows.

## **JOINT VENTURE AGREEMENT**

### **Date**

29 November 2016

### **Parties**

Guonong Taifeng

Dalian Exchange

### **JV Company**

The JV Company is established to jointly operate a bulk data processing company to provide data registration, trading data monitoring, trading data processing and bulk data analysis on commodities exchange market for the commodities exchange.

### **Capital Contribution**

The registered capital of the JV Company will be RMB100 million. Dalian Exchange and Guonong Taifeng will contribute 51% and 49% of the registered capital, respectively. The capital contributions will be payable by the parties before 31 December 2026.

The capital requirement of the JV Company was determined by arm's length negotiations between the parties taking into account the development of the JV Company/the capital requirement of the JV Company. Capital contribution of the Company will be funded by internal resources.

### **Composition of the board and supervisory committee of the JV Company**

The board of the JV Company comprises of five directors, of which one director shall be nominated by Dalian Exchange and four directors shall be nominated by Guonong Taifeng. The chairman of the board shall be director nominated by Dalian Exchange. Accordingly, the JV Company will be accounted for as a subsidiary of the Company.

The supervisory committee of the JV Company comprises of two supervisors, of which one shall be nominated by Dalian Exchange and one shall be nominated by Guonong Taifeng.

### **INFORMATION OF THE COMPANY**

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.

### **INFORMATION ON DALIAN EXCHANGE**

Dalian Exchange is a company established in the PRC with limited liability. It is principally engaged in operating an integrated commodities and services trading platform for renewable energy, agricultural by-products, agricultural means of production and Dalian petroleum, and providing logistics, settlement, informatics, financing and training service in the PRC.

### **REASONS AND BENEFITS FOR ENTERING INTO THE JOINT VENTURE AGREEMENT**

The Group and Dalian Exchange decided to establish the JV Company and operate the bulk data processing business, which involves data registration, trading data monitoring, trading data processing and bulk data analysis on commodities exchange market. The JV Company is expected to support the development of the commodities exchange market.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Joint Venture Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Co-Op Group, the holding company of Dalian Exchange, holds approximately 83.83% interest in Coopinvest Company which is a substantial shareholder and holds approximately 12.96% interest in China Coop Mengda, an indirect non-wholly owned subsidiary of the Company. Dalian Exchange is therefore a connected person of the Company at the subsidiary level. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Dalian Exchange is a connected person of the Company at the subsidiary level; (ii) the Transactions are on normal commercial terms; (iii) the Board have approved the Transactions; and (iv) the independent non-executive Directors have confirmed that the terms of Transactions are fair and reasonable and that the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, none of the Directors has a material interest in the Joint Venture Agreement and is required to be abstained from voting on the relevant board resolutions to approve the Joint Venture Agreement and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“China Co-Op Group”	中國供銷集團有限公司 (China Co-Op Group Company Limited*), a company established in the PRC and the wholly owned subsidiary of 中華全國供銷合作總社 (All China Federation of Supply and Marketing Cooperatives*)
“China Coop Mengda”	中合盟達融資租賃有限公司 (China Coop Financial Leasing Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Company”	National Agricultural Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Coopinvest Company”	中合聯投資有限公司 (Coopinvest Company Limited*), a company established in the PRC and a substantial shareholder of China Coop Mengda
“Dalian Exchange”	大連再生資源交易所有限公司 (Dalian Renewable Energy Exchange Company Limited*), a company established in the PRC with limited liability
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guonong Taifeng”	Beijing Guonong Taifeng Agricultural Consulting Company Limited, a subsidiary of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Joint Venture Agreement”	joint venture agreement entered into between Guonong Taifeng and Dalian Exchange on 29 November 2016 in respect of the establishment of the JV Company
“JV Company”	Zhongxiao (Dalian) Data Processing Company Limited* (中銷(大連)數據處理有限公司), a limited liability company proposed to be established in the PRC, which will be held as to 49% and 51% by Guonong Taifeng and Dalian Exchange, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, does not include Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions under the Joint Venture Agreement
“%”	per cent

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

Hong Kong, 29 November 2016

*As at the date of this announcement, the Board comprises five executive Directors, being Mr. Chen Li-Jun, Mr. Ren Hai, Mr. Peng Guojiang, Ms. Wen Yuanyi and Mr. Chen Li An 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