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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**  
**MEMORANDUM OF UNDERSTANDING**  
**IN RESPECT OF A POTENTIAL ACQUISITION**

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).

**THE MOU**

The board of directors (the “**Board**”) of the Company wishes to announce that in line with the Company’s development under the “One Belt One Road” policy and to facilitate the Company’s clearing and data center transactions business, the Company on 25 January 2017 (after trading hours) entered into a memorandum of understanding (the “**MOU**”) with the Company's controlling shareholder, Parko (Hong Kong) Limited (“**Parko**”) for a potential acquisition (“**Potential Acquisition**”) of the entire issued capital of a subsidiary of Parko (the “**Target Company**”) which will potentially be the beneficial owner of a property (the “**PRC Property**”), located in the People’s Republic of China.

Pursuant to the MOU, the completion of the Potential Acquisition is conditional on, inter alia, the completion of the acquisition of the PRC Property by the Target Company from a third party not connected with the Company or its connected persons (to the satisfaction of the Company). The MOU also provides that the consideration for the Potential Acquisition is to be agreed and is proposed to be settled partly by cash and partly by the issue of consideration shares by the Company. The Potential Acquisition is subject to due diligence and the negotiation of a definitive agreement.

## **EXCLUSIVITY**

Parko shall not contact, negotiate or discuss or otherwise deal with any third parties for the purpose of or in connection with the transactions contemplated by the MOU or enter into any binding commitment with any other third party in respect of the transactions contemplated by the MOU from the date of the MOU to the date which is 90 days after the date of the MOU.

## **THE EARNEST MONEY**

Under the MOU, the Company has agreed to deposit a sum of RMB300,000,000 (“**Earnest Money**”) within 7 business days from the date of the MOU (unless otherwise agreed by the parties in writing) with an escrow agent which shall be an independent third party not connected with the Company or its connected persons, jointly appointed by the Company and Parko pursuant to the terms of an escrow agreement to be entered into by the parties thereto. The escrow account shall be opened in the name of the Company.

Upon the completion of Potential Acquisition, the Earnest Money held in escrow will be applied towards payment in part of the consideration to be agreed upon for the Potential Acquisition. In the event that the MOU is terminated or a definitive agreement for the Potential Acquisition cannot be reached by 90 days after the date of the MOU (or such longer period as agreed by Parko and the Company), whichever is the earlier, Parko and the Company shall jointly instruct the Escrow Agent to return the Earnest Money (together with accrued interest) to the Company.

## **REASONS FOR ENTERING INTO THE MOU**

The direction of development for the Company’s principal business is rural finance, agricultural product trading, urbanization planning, operating and managing and high-tech information technology, etc. The Company has been actively exploring suitable investment, collaboration and other opportunities to strategically achieve its business plans so as to enhance the Group’s competitiveness and consolidate its position in the relevant industry. The acquisition of the PRC Property shall be in line with the Company’s development under the “One Belt One Road” policy and is expected to facilitate the Company’s clearing and data center transactions business.

Having considered the above, the Board is of the view that the Potential Acquisition is a good business opportunity and is in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

It is expected that the Potential Acquisition, if proceeded with by the Company, will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and a connected transaction under Chapter 14A of the Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

## **NATURE OF THE MOU**

The MOU does not constitute any legally binding commitment in respect of the Potential Acquisition, save and except for the provisions relating to earnest money, exclusivity, confidentiality, certain miscellaneous matters and governing law.

The Potential Acquisition is subject to the negotiation and execution of a definitive agreement.

Save for the MOU, the Company (or any of its subsidiaries) and Parko have not entered into any agreement(s) relating to the Potential Acquisition.

**Shareholders and potential investors should note that the MOU only sets out the understanding with regard to the Potential Acquisition, and that the MOU is not legally binding save and except for the provisions afore-mentioned. In the event that a 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 Potential Acquisition may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 25 January 2017

*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. Fan William Chung Yue and Mr. Cheung Pak To, Patrick.*