NATIONAL AGRICULTURAL HOLDINGS LIMITED
（國農控股有限公司）

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1236)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

HIGHLIGHTS

Revenue for the year ended 31 December 2013 decreased by nearly 10 % to RMB95,659,000 (2012: RMB105,747,000)

Net loss for the year ended 31 December 2013 was RMB25,961,000 (2012: net profit of RMB4,765,000)

Basic and diluted loss per share was RMB2.57 cents (2012: Basic and diluted earnings per share of RMB0.47 cents (restated))

ANNUAL RESULTS (AUDITED)

The board (the "**Board**") of directors (the "**Directors**") of National Agricultural Holdings Limited ("**National Agricultural Holdings**" or the "**Group**"; formerly known as Qianlong Technology International Holdings Limited) would like to announce the audited consolidated results of the Group for the year ended 31 December 2013 together with the comparative audited figures for the corresponding year in 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000
Turnover	3	**95,659**	105,747
Cost of sales		**(28,442)**	(30,119)
Gross profit		**67,217**	75,628
Other income	4	**14,150**	14,481
Other gain and losses	5	**(10,578)**	1,050
Selling and distribution costs		**(38,365)**	(39,049)
Research and development costs		**(27,448)**	(27,109)
Administrative expenses		**(28,884)**	(16,815)
Finance costs	15	**(2,152)**	–
(Loss) profit before tax	6	**(26,060)**	8,186
Income tax credit (expense)	7	**99**	(3,421)
(Loss) profit for the year		**(25,961)**	4,765
Other comprehensive expense			
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(785)**	(8)
Total comprehensive (expense) income for the year		**(26,746)**	4,757
			Restated
(Loss) earnings per share			
– Basic and diluted *(RMB cents)*	8	**(2.57)**	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000
Non-current assets			
Property, plant and equipment	9	**26,059**	26,874
Investment properties	10	**14,791**	15,594
Prepaid lease payments	11	**36,959**	38,328
Deferred tax assets		**257**	–
		78,066	80,796
Current assets			
Inventories		**32**	36
Trade and other receivables	12	**6,656**	10,502
Deposits and prepayments		**7,603**	3,502
Prepaid lease payments	11	**1,369**	1,369
Tax recoverable		**297**	–
Structured deposits	13	**37,300**	–
Held-for-trading investments		**–**	5,000
Cash and cash equivalents		**180,020**	130,061
		233,277	150,470
Current liabilities			
Trade and other payables	14	**18,375**	16,783
Amount due to a controlling shareholder		**1,068**	–
Deferred revenue		**41,241**	42,634
Tax payable		**–**	2,671
		60,684	62,088
Net current assets		**172,593**	88,382
Total assets less current liabilities		**250,659**	169,178
Non-current liabilities			
Convertible loan notes	15	**71,226**	–
Deferred revenue		**9,219**	9,413
Deferred tax liabilities		**–**	1,313
		80,445	10,726
Net assets		**170,214**	158,452
Capital and reserves			
Share capital	16	**26,128**	26,128
Reserves		**144,086**	132,324
Total equity		**170,214**	158,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive income
HK(IFRIC) Int-20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the other new and revised HKFRSs in the current year has had no material impact on Group's financial performance and positions for the current and prior year and/or disclosures set out in these consolidated financial statements.

HKFRS 13 *Fair Value Measurement*

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad:

- the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements; and

- disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 ***Presentation of Items of Other Comprehensive Income***

The Group has applied the amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC)-Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014.
[2] Effective for annual periods beginning on or after 1 July 2014.
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

HKFRS 9 ***Financial Instruments***

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held-for-trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors do not anticipate that the adoption of HKFRS 9 in the future will have material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Except as described above, the application of the other new and revised HKFRSs that are not yet effective in the current year has had no material impact on Group's financial performance and positions for the current and prior year and/or disclosures set out in these consolidated financial statements.

2. SEGMENT REPORTING

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

(a) Operating and reportable segment

The Group operates in a single segment, which is the research, development and distribution of software and provision of related maintenance, usage and information services. Revenue from external customers for related products and services are presented in note 3.

(b) Geographical information

All operating assets and operations of the Group during the years ended 31 December 2013 and 2012 were located in the People's Republic of China (the "PRC").

(c) Information about a major customer

Revenue from the Group's largest customer amounted to less than 10% of the Group's total revenue for the years ended 31 December 2013 and 2012.

3. TURNOVER

Turnover represents the sales of goods to customers and the service fees receivable, net of goods returned and trade discounts. The Group's products and services are mainly sold and provided to customers in the PRC. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2013	2012
	RMB'000	*RMB'000*
Maintenance service and usage fees	**51,789**	63,557
Information service fees	**39,322**	37,783
Sale of computer software	**4,548**	4,407
	95,659	105,747

4. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
Value added tax refund (Note (a))	**7,843**	8,217
Interest income	**2,927**	2,826
Gross rental income from investment properties	**2,515**	1,629
Subsidy income (Note (b))	**841**	1,793
Sundries	**24**	16
	14,150	14,481

Notes:

(a) A tax concession has been granted by the PRC tax authority to the Company's PRC subsidiaries which are engaged in the development and trading of computer software. Under this concession, the PRC subsidiaries are entitled to a refund of value added tax paid in excess of an effective rate of 3%. The amount of value added tax refund is recognised as other income.

(b) Subsidy income mainly represented a subsidy of RMB484,000 granted by Science and Technology Commission of Shanghai Municipality (2012: RMB600,000) to a PRC subsidiary to finance its general research in relation to software developments, and subsidies totalling RMB357,000 (2012: RMB1,193,000) granted by Shanghai Finance Bureau to finance the PRC subsidiaries' development of advanced technology and was calculated based on 50% of the business tax, value added tax and enterprise income tax paid to the local government.

5. OTHER GAIN AND LOSSES

	2013	2012
	RMB'000	*RMB'000*
Gain from changes in fair value on financial instruments	**511**	1,318
Loss on initial recognition of convertible loan notes (note 15)	**(11,089)**	–
Write off of property, plant and equipment	**–**	(268)
	(10,578)	1,050

6. (LOSS) PROFIT BEFORE TAX

	2013	2012
	RMB'000	*RMB'000*
(Loss) profit before tax is arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**2,633**	3,884
Depreciation of investment properties	**803**	803
Amortisation of prepaid lease payments	**1,369**	1,369
Total depreciation and amortisation	**4,805**	6,056
Directors' emoluments	**3,312**	3,688
Other staff costs:		
Salaries and other benefits	**39,225**	42,852
Contributions to retirement benefits scheme	**10,181**	9,624
Total staff costs	**52,718**	56,164
Gross rental income from investment properties	**(2,515)**	(1,629)
Direct operating expenses arising from investment properties that generated rental income during the year	**407**	296
Direct operating expenses arising from investment properties that did not generate rental income during the year	**529**	305
	(1,579)	(1,028)
Auditor's remuneration:		
Current year	**878**	420
Underprovision in prior year	**–**	29
Exchange (gain) loss, net	**(938)**	184
Write off of property, plant and equipment	**–**	268
(Reversal of) allowance for doubtful debts	**(4)**	6
Cost of inventories recognised as expenses	**43**	138
Cost of information service fees	**26,185**	27,828
Lease payments under operating leases in respect of land and buildings	**2,877**	2,615
Legal and professional fees (Note)	**16,588**	676

Note: Legal and professional fees mainly related to (i) a one-off strategic review of the financial information services and software terminal operation of the Group; and (ii) the Company's obligations under the Hong Kong Code on Takeovers and Mergers in relation to the acquisition of a controlling interest in the Company by Parko (Hong Kong) Limited ("Parko") and the mandatory conditional general offer (the "Offer") made by Parko in connection therewith during the year ended 31 December 2013.

7. INCOME TAX (CREDIT) EXPENSE

	2013	2012
	RMB'000	*RMB'000*
Current tax – PRC Enterprise Income Tax ("EIT")		
– Charge for the year	**–**	35
– (Over) underprovision in prior years	**(35)**	91
	(35)	126
Deferred tax		
– (Credit) charge for the year	**(64)**	3,329
– Attributable to change in tax rate	**–**	(34)
	(64)	3,295
	(99)	3,421

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

On 28 November 2011, Shanghai Qianlong Network Technology Company Limited ("Qianlong Network"), one of the subsidiaries of the Company in the PRC, obtained the High-New Technology Enterprise Certificate and is entitled to enjoy the preferential enterprise income tax at the concessionary rate of 15% for 3 years from 2011 to 2013 according to Article 28 of the EIT Law. The directors of the Company are confident that Qianlong Network will obtain the renewal of the High-New Technology Enterprise Certificate and continued to enjoy the preferential tax rate from 2014 to 2016. Such renewal is expected to be completed in second half of 2014.

On 17 August 2011, Shanghai Qianlong Advanced Technology Company Limited ("Qianlong Advanced"), one of the subsidiaries of the Company in the PRC, obtained the High-New Technology Enterprise Certificate and enjoy the preferential enterprise income tax rate of 15% for 3 years from 2011 to 2013 according to Article 28 of the EIT Law. The directors of the Company are confident that Qianlong Advanced will obtain the renewal of the High-New Technology Enterprise Certificate and continued to enjoy the preferential tax rate from 2014 to 2016. Such renewal is expected to be completed in second half of 2014.

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

(Loss) earnings

	2013	2012
	RMB'000	*RMB'000*
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share	**(25,961)**	4,765

Number of shares

	2013	2012
	'000	*'000*
		Restated
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**1,010,400**	1,010,400

The weighted average number of shares for current and prior years for the purposes of basic and diluted earnings per share have been adjusted for the subdivision of the Company's ordinary shares in February 2014 (Details of the share subdivision are disclosed in note 19). The basic and diluted earnings per share for the year ended 31 December 2012 has been restated accordingly.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan notes since assuming their conversion would result in a decrease in loss per share.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Leasehold improvements	Computer equipment	Furniture, fixtures and office equipment	Total
	RMB'000 (Note)	RMB'000	RMB'000	RMB'000	RMB'000
COST					
At 1 January 2012	34,455	5,897	6,056	991	47,399
Additions	–	71	414	87	572
Written off	–	(590)	(1,069)	(250)	(1,909)
At 31 December 2012	34,455	5,378	5,401	828	46,062
Additions	–	1,251	421	162	1,834
Written off	–	(256)	–	–	(256)
Exchange realignment	–	(12)	(3)	(1)	(16)
At 31 December 2013	34,455	6,361	5,819	989	47,624
ACCUMULATED DEPRECIATION					
At 1 January 2012	8,140	4,554	3,757	494	16,945
Provided for the year	1,551	1,033	1,137	163	3,884
Written off	–	(455)	(962)	(224)	(1,641)
At 31 December 2012	9,691	5,132	3,932	433	19,188
Provided for the year	1,550	212	723	148	2,633
Written off	–	(256)	–	–	(256)
At 31 December 2013	11,241	5,088	4,655	581	21,565
CARRYING AMOUNTS					
At 31 December 2013	23,214	1,273	1,164	408	26,059
At 31 December 2012	24,764	246	1,469	395	26,874

Note: Since the land lease prepayment cannot be allocated reliably between the land and buildings elements at the inception of the lease, the entire lease prepayment is included in the cost of land and buildings as a finance lease in property, plant and equipment. The leasehold land and buildings of the Group are held outside Hong Kong under a medium-term lease.

10. INVESTMENT PROPERTIES

	RMB'000
COST	
At 1 January 2012, 31 December 2012 and 2013	16,910
ACCUMULATED DEPRECIATION	
At 1 January 2012	513
Provided for the year	803
At 31 December 2012	1,316
Provided for the year	803
At 31 December 2013	2,119
CARRYING AMOUNTS	
At 31 December 2013	14,791
At 31 December 2012	15,594

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the cost model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2013 was RMB15,413,000 (2012: RMB15,787,000). The fair value has been arrived at based on a valuation carried out by Shanghai Eastern Properties Valuations Company Limited* (上海東方房地產估價有限公司), an independent firm of qualified professional valuers not connected with the Group with appropriate qualifications and recent experiences in the valuation of similar properties in the relevant location. The fair value has been arrived at by reference to market evidence of transaction prices for similar properties. There has been no change from the valuation technique used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Market comparable approach has been adopted for valuing the Group's commercial property units. One of the key inputs used in valuing the Group's commercial property units was the selling price per square meter, which ranged from RMB8,181 to RMB8,669 per square meter. An increase in the price per square meter used would result in an increase in fair value measurement of the commercial property units, and vice versa.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2013 are as follows:

	Level 3	**Fair value as at 31 December 2013**
	RMB'000	*RMB'000*
Commercial property units located in the PRC	15,413	15,413

The investment properties of the Group are held outside Hong Kong under a medium-term lease.

* The English name is for identification purpose only.

11. PREPAID LEASE PAYMENTS

Medium-term leasehold land in respect of the investment properties located in the PRC analysed for reporting purposes as:

	2013	2012
	RMB'000	*RMB'000*
Current assets	**1,369**	1,369
Non-current assets	**36,959**	38,328
	38,328	39,697

12. TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**4,305**	6,777
Less: allowance for doubtful debts	**(49)**	(53)
	4,256	6,724
Other receivables	**2,400**	3,778
	6,656	10,502

The Group's policy is to allow an average credit period of 30 days (2012: 30 days) from the date of billing to its trade customers. All trade receivables are denominated in RMB.

The following is an aged analysis of trade receivables net of allowance for doubtful debts based on the invoice date at the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
0 to 30 days	**2,767**	4,480
31 to 90 days	**282**	680
91 to 365 days	**777**	697
Over 365 days	**430**	867
	4,256	6,724

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed regularly. For trade receivables that are neither past due nor impaired as at the end of the reporting period, approximately 90% of which have the best credit scoring attributable under the credit scoring system used by the Group.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB1,489,000 (2012: RMB2,323,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

Trade receivables that were past due but not impaired relate to a number of independent customers that have good track records with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

Aged analysis of trade receivables which are past due but not impaired is as follows:

	2013	2012
	RMB'000	*RMB'000*
0 to 30 days	–	79
31 to 90 days	**282**	680
91 to 365 days	**777**	697
Over 365 days	**430**	867
	1,489	2,323

Movement in the allowance for doubtful debts in respect of trade receivables is as follows:

	2013	2012
	RMB'000	*RMB'000*
At the beginning of year	**53**	47
(Reversal of) allowance for doubtful debts	**(4)**	6
At the end of year	**49**	53

13. STRUCTURED DEPOSITS

The structured deposits at 31 December 2013 consist of deposits of RMB37,300,000 denominated in RMB and were issued by banks in the PRC. The structured deposits carry interest at expected interest rate that range from 4.16% to 6.00% per annum, which is linked to the performance of the underlying money market instruments and debt instruments, payable on maturity within 1 year from the date of purchase. The structured deposits are designated at fair value through profit or loss on initial recognition as they contain non-closely related embedded derivative. The directors consider the fair values of the structured deposits, which are measured by reference to discounted cash flow approach approximate their carrying values.

All the structured deposits were redeemed in March 2014. Fair value changes for those deposits were not recognised for the year ended 31 December 2013 as the effect is not significant.

14. TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
Trade payables	**1,265**	2,225
Salaries and bonus payables	**8,700**	8,862
Receipts in advance	**3,694**	1,404
Accruals	**2,329**	1,723
Other payables	**1,980**	2,162
Rental deposits received	**407**	407
	18,375	16,783

The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period.

	2013	2012
	RMB'000	*RMB'000*
0 to 30 days	**782**	1,182
31 to 90 days	**483**	860
91 to 365 days	**–**	175
Over 365 days	**–**	8
	1,265	2,225

The average credit period on purchases of goods ranges from 30 to 90 days (2012: ranges from 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

All other payables and accruals are expected to be settled within one year.

15. CONVERTIBLE LOAN NOTES

On 15 July 2013, Parko entered into a convertible loan notes subscription agreement with the Company. Under this subscription agreement, the Company was binding to issue 3% convertible loan notes (the "Notes") to Parko upon the fulfilment of condition precedents for the issue of the Notes at the conversion price of HK$1.9 per share. The principal amount of the Notes was determined upon the closing of the Offer by deducting the total consideration payable by Parko to the independent shareholders who have validly accepted the Offer (as defined in note 6) at the close of the Offer, being the number of shares represented by such acceptances multiplied by the offer price, from the initial principal amount of HK$247,925,000 as stated in the subscription agreement. The Notes were subsequently issued on 19 November 2013 with the principal amount of approximately HK$151,008,000 (equivalent to approximately RMB119,231,000). All the substantive conditions for the issue of the Notes were achieved on 15 October 2013.

The Notes are denominated in Hong Kong dollars. The Notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the Notes and their maturity date on 19 November 2018 at a conversion price of HK$1.9 per share. If the Notes have not been converted, they will be redeemed by the Company on 19 November 2018. Interest based on the outstanding principal amount will be accrued at 3% per annum coupon rate on timely basis and calculated at simple interest rate and paid in full at maturity date.

The fair value of the Notes on initial recognition exceeds the consideration proceeds by RMB11,089,000 which is shown as follows:

	RMB'000
Fair value of convertible loan notes	130,320
Consideration proceeds of the convertible loan notes	119,231
Loss on initial recognition of the convertible loan notes	11,089

The Notes contain two components, liability and equity elements. The equity element is presented in equity heading convertible loan note equity reserve. The effective interest rate of the liability component is 14.5% per annum. In subsequent period, the debt component is carried at amortised cost using the effective interest rate method.

The liability and equity components of the Notes on initial recognition are as follows:

	RMB'000
Liability component	70,868
Equity component – conversion option	59,452
	130,320

Transaction costs directly attributable to issue of the Notes were approximately RMB2,683,000, of which RMB1,224,000 and RMB1,459,000 related to the equity component and liability component of the Notes were offset against the convertible loan notes equity reserve and the liability component of the Notes, respectively, based on the fair value of the conversion option and the liability component in proportion to the fair value of the Notes.

The movement of the liability component of the Notes for the year is set out below:

	2013 ***RMB'000***
Carrying amount at the beginning of the year	**–**
Issuance of convertible loan notes	**70,868**
Interest charge	**2,152**
Transaction costs attributable to the liability component	**(1,459)**
Exchange realignment	**(335)**
Carrying amount at the end of the year	**71,226**

On 28 January 2014, the Company received conversion notice from Parko in respect of the full conversion of all of the convertible loan notes in the principal amount of approximately HK$151,008,000. As a result of this conversion, the Company has allotted and issued a total of 79,477,642 shares to Parko at the conversion price of HK$1.9.

16. SHARE CAPITAL OF THE COMPANY

	Number of ordinary shares *'000*	Share capital *RMB'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2012, 31 December 2012 and 2013	1,000,000	106,510
Issued and fully paid:		
At 1 January 2012, 31 December 2012 and 2013	252,600	26,128

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

17. DIVIDENDS

	2013 ***RMB'000***	2012 *RMB'000*
Special dividend paid HK$0.098 (equivalent to approximately RMB 0.078) per share	**19,720**	–
Interim dividend paid – HK$0.05 (equivalent to approximately RMB0.041) per share	**–**	10,229
	19,720	10,229

On 15 August 2013, the Board declared a special dividend in cash of HK$0.098 per share, amounting to HK$24,755,000 in total (equivalent to approximately RMB19,720,000), which is conditional upon the completion of sale of shares to Parko.

For the year ended 31 December 2012, the directors declared an interim dividend of HK$0.05 (equivalent to approximately RMB0.041) per share, totalling HK$12,630,000 (equivalent to approximately RMB10,229,000).

No final dividend was paid or proposed at the end of both years ended 31 December 2013 and 2012.

18. CAPITAL COMMITMENT

	2013 ***RMB'000***	2012 *RMB'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided for in the consolidated financial statements	**601**	–
Capital expenditure in respect of the formation and acquisition of investments authorised but not contracted for in the consolidated financial statements *(note 19)*	**105,500**	10,229

19. EVENTS AFTER REPORTING PERIOD

(a) Change of Company name and principal place of business

On 10 February 2014, an Extraordinary General Meeting ("EGM") was held by the Company and name of the Company is approved to change to National Agricultural Holdings Limited 國農控股有限公司.

On 7 March 2014, the principal place of business of the Company in Hong Kong was changed from 19/F, Nan Dao Commercial Building, 359-361 Queen's Road Central, Sheung Wan, Hong Kong to Suites 1604-5, Prudential Tower, Harbour City, 21 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

(b) Share subdivision

The EGM on 10 February 2014 also approved that each issued and unissued share of HK$0.10 each in the share capital of the Company as at 10 February 2014 is subdivided into four subdivided shares of HK$0.025 each in the share capital of the Company. The share subdivision was effective on 11 February 2014.

(c) Formation of a subsidiary

On 21 March 2014, the Group, through a wholly-owned subsidiary of the Company, Ever Harvest Inc Limited ("Ever Harvest"), entered into an agreement with Xinyuan Taifeng Agricultural Asset Management (Beijing) Company Limited* (新源泰豐農業資產管理(北京)有限公司) ("Xinyuan") (the "Xinyuan Joint Venture Agreement"), an independent third party, to form a new company in the PRC which will engage in agricultural finance business in the PRC. Pursuant to the Xinyuan Joint Venture Agreement, Ever Harvest has conditionally agreed to make a cash capital contribution of RMB35.5 million to the new company, equivalent to 71% of the total registered capital of the new company and has the right to appoint four out of five directors in the board of directors of the new company. Up to the date of these consolidated financial statements, the transaction is not completed.

(d) Acquisition of an investment

Separately, on the same date, Ever Harvest entered into another agreement with the shareholders of Coopinvest Mengda Financing and Leasing Company Limited* (中合盟達融資租賃有限公司) ("Coopinvest Mengda") ("Mengda Joint Venture Agreement"), an independent third party, regarding to its investment in Coopinvest Mengda which principally engages in financial leasing business in the PRC. Pursuant to the Mengda Joint Venture Agreement, Ever Harvest has conditionally agreed to make a cash capital contribution of RMB70.0 million to Coopinvest Mengda. After the investment by Ever Harvest, Ever Harvest will hold approximately 41.18% equity interest in Coopinvest Mengda and the remaining interest would be held by four other shareholders. Ever Harvest will have the right to appoint four out of seven directors in the board of directors of Coopinvest Mengda.

In addition, Ever Harvest is granted by one of the shareholders, a call option pursuant to which Ever Harvest has the right at any time within two years after the date of the Mengda Joint Venture Agreement to acquire from that shareholder its entire equity interest (representing approximately 9.91% of the total registered capital) in Coopinvest Mengda.

Up to the date of these consolidated financial statements, the transaction is not completed.

* The English name is for identification purpose only.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of National Agricultural Holdings Limited for the year ended 31 December 2013.

2013 was a remarkable year for National Agricultural Holdings. Hebei Supply and Marketing Cooperative* (河北省供銷合作總社) ("**Hebei SMC**") made its successful debut in Hong Kong's capital market after acquiring a majority stake in National Agricultural Holdings. Through this relationship with Heibei SMC, it is expected that the Group will have exposures to new and potential business opportunities in China's "agricultural sector, rural areas and farmers", which encompass the businesses of "rural financial services", "trading in agricultural means of production", and "urbanization".

We believe that agriculture is the backbone of any country's economy. The Chinese government has been devoting its efforts to the country's agricultural development. The No.1 Central Document – the Chinese government's first policy document of the year – has focused on agriculture for 11 consecutive years. Issues relating to "agricultural sector, rural areas and farmers" and their development are closely linked to the nation as well as its interests and the livelihood of its people.

Along with the modernization process, the Chinese government has abolished the agricultural tax and implemented agricultural production subsidies. The Chinese government also pursues market-oriented reforms for agricultural products, and proposes relying on urban-rural integration as a fundamental solution to issues relating to "agricultural sector, rural areas and farmers". Such urban-rural integration will be implemented under the "new urbanization" concept, by modernizing rural areas through urbanization, and facilitating the sustainable development of both urban and rural areas. National Agricultural Holdings believes that there shall be tremendous business opportunities in the process, while at the same time being able to help further the objective of "helping farmers, improving their living standards and strengthening the agricultural sector", as well as serving the agricultural industry, rural areas and farmers and contributing to the resolution of issues relating to "the agricultural sector, rural areas and farmers" in China.

Hebei SMC, our ultimate controlling shareholder, plays an important role in the development of China's "agricultural sector, rural areas and farmers" as a leading enterprise. Hebei SMC has been playing a pivotal role in the process of agricultural modernization and urbanization in Hebei Province, hosting a large-scale service system with a government background and market mechanism.

The Group will leverage on its relationship with Hebei SMC in different areas including developing its talent and network. It will also target to grow in tandem with China's agricultural modernization and urbanization, by proactively seeking appropriate partners, capital and resources in new areas of development. We believe these measures will allow the Group to capture attractive market opportunities arising from the rapidly developing business environment, leveraging on the highly competitive market position of and support from Hebei SMC.

Looking ahead, the Board has determined that the Group will focus on principal businesses that include "rural financial services", "trading in agricultural means of production", "urbanization" and "high-tech IT products". The Board intends to fully implement these directives and explore opportunities in conjunction with China's strategic goal of developing large-scale agriculture and a new model of urbanization.

The Board believes that the Group's future development will be driven by our advantages in resources and marketing, our relationship with our controlling shareholder, our diverse and market-driven business model, as well as our exposure to an extensive network in rural areas.

Last but not least, I would like to take this opportunity to express my heartfelt thanks to our shareholders, customers and business partners who have trusted and supported us all along. My sincere appreciation also goes to our staff for their hard work and contribution throughout the year.

Mr. Chen Li-Jun
Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

On 16 August 2013, the Company announced that Parko (Hong Kong) Limited ("Parko"), which is beneficially and indirectly controlled by Hebei SMC, would acquire approximately 34.54% of the then total issued share capital of the Company. After the completion of the transaction, followed by a mandatory conditional general cash offer, Parko owned approximately 54.73% of the then total issued share capital of the Company and became the single largest controlling shareholder. Upon these movements, the Group's business focus will gradually expand into new areas which are related to the development of China's "agricultural sector, rural areas and farmers".

Following the Chinese government's policy of "helping farmers, improving their living standards and strengthening the agricultural sector" and striving to drive the development of "agricultural sector, rural areas and farmers", the Group entered into a memorandum of understanding with Xinyuan Taifeng Agricultural Asset Management (Beijing) Company Limited* (新源泰豐農業資產管理(北京)有限公司) ("Xinyuan") on 23 December 2013 to set forth the understanding with regard to the possible establishment of a joint venture to engage in the agricultural finance business in China. The proposed cooperation could bring together the Group's expertise in financial information technology with Xinyuan's financing capabilities, including but not limited to asset management, guarantee, financial leases, big data management and equity and debt investments.

Financial Review

For the year ended 31 December 2013, the Group reported a turnover of RMB95,659,000, representing a decrease of nearly 10% from the previous year. Gross profit decreased by 11% to RMB67,217,000. Loss attributable to the equity holders was RMB25,961,000, compared to a profit of RMB4,765,000 in the previous year. Basic and diluted loss per share was RMB2.57 cents, compared to RMB0.47 cents basic and diluted earnings per share (restated) in the previous year.

The loss recorded for the year ended 31 December 2013 was mainly attributable to the following reasons:

(1) costs incurred in complying with the Company's obligations under the Hong Kong Code on Takeovers and Mergers in relation to the acquisition of a controlling interest in the Company by Parko and the mandatory conditional general offer made by Parko in connection therewith;

(2) the issue of convertible loan notes by the Company to Parko; and

(3) the professional fees incurred in relation to a one-off strategic review of the Group's financial information services and software terminal operations.

Performance of the Group's financial information services and software terminal operations

China stock market experienced a correction throughout 2013. SSE Composite Index fell below the low since 2012 and closed with a decline of 6.75% at the year-end. Concurrently, the IPO suspension of the China A-Share market, "credit crunch" which emerged twice during the year and other factors led to a slowdown in the securities market. Because of the close correlation between the financial services sector and the condition of the securities market, along with the reduced enthusiasm and confidence of stock investors suffering from the market downturn, demand for financial information services suffered. Consequently, the number of the Group's financial services clients declined in the year while software sales also decreased.

Brokerage firms, the Group's main clients, continued to reduce their operating costs this year by shutting down a number of business departments and cutting back on the purchase of securities software. As on-line financial services come into vogue, online stock account opening becomes increasingly popular and brokers carry on restructuring accordingly. China Securities Regulatory Commission ("CSRC") has approved the opening of a large number of Type-C business offices while traditional brokerages have been moving towards integrated services such as wealth management. This presents an opportunity for the future development of the financial information service industry. However, the current market is still at its early stages of development and, the overall financial market environment has to improve in order to generate positive results.

The Group, facing intra-sector competition, contributed more resources to new product research and development. Since these new products are still in promotional trial stage, the cost remains relatively high. The new products still need to take some time to become profitable.

Affected by the above market factors, the Group's turnover and profit for the year showed a decline in comparison with last year's.

Administrative Expenses

For the year ended 31 December 2013, the Group's administrative expenses increased by 72% to RMB28,884,000 mainly due to the professional fees incurred in relation to a one-off strategic review of the Group's financial information services and software terminal operations and the Company's obligations under the Hong Kong Code on Takeovers and Mergers in relation to the acquisition of a controlling interest in the Company by Parko and the mandatory conditional general offer made by Parko in connection therewith during the year ended 31 December 2013.

Working Capital and Financial Resources

As at 31 December 2013, the Group's cash and cash equivalents was RMB180,020,000 (2012: RMB130,061,000), representing an increase of 38% mainly as a result of the issuance of the convertible loan notes to Parko and a decrease in operating cash flow.

Major Investments

During the year ended 31 December 2013, the Company's indirectly wholly-owned subsidiary, Shanghai Qianlong Advanced Technology Company Limited, leased its investment properties located in Shanghai, the PRC at the current market value, earning a rental income of RMB2,515,000 (2012: RMB1,629,000).

As at 31 December 2013, the Group held structured deposits of RMB37,300,000 with an expected interest rate that range from 4.16% to 6.00% and payable on maturity within one year from the date of purchase. All structured deposits were redeemed in March 2014.

As at 31 December 2012, the Group held RMB5,000,000 held-for-trading investments.

Gearing Ratio

As at 31 December 2013, the Group's total gearing ratio (total borrowings divided by total equity) was 42% (2012: 0%). Excluding the convertible loan notes issued to Parko, which was fully converted into ordinary shares of the Company on 28 January 2014, the total gearing ratio would have been zero at the end of 2013. The Group's assets were not subject to any charges or mortgages.

Exposure on Exchange Rate Fluctuation

The Group's income and expenditure are predominantly denominated in RMB and only an insignificant amount is denominated in Hong Kong dollars. The Group considered the exchange rate fluctuation exposure is small and no financial instruments have been used for hedging purposes.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2013 and 2012.

Important Events after 31 December 2013

(i) Conversion of convertible loan notes by Parko (Hong Kong) Limited

Following the completion of the subscription agreement dated 15 July 2013 entered into between the Company and Parko on 19 November 2013, the Company issued convertible loan notes in the principal amount of approximately HK$151,008,000 (the "Notes") to Parko.

On 28 January 2014, the Company received conversion notice from Parko in respect of the full conversion of the Notes. As a result of this conversion, the Company allotted and issued a total of 79,477,642 shares to Parko at the conversion price of HK$1.90 per share on 28 January 2014.

As a result of this conversion, the total number of issued shares of the Company increased from 252,600,000 to 332,077,642.

(ii) Change of company name

To better reflect the relationship between the Company and the new controlling shareholder, Hebei SMC, the Board proposed the change of Company name from "Qianlong Technology International Holdings Limited" (乾隆科技國際控股有限公司*) to "National Agricultural Holdings Limited 國農控股有限公司" on 6 December 2013.

Following the approval by the Company's shareholders for the change of Company name at the extraordinary general meeting on 10 February 2014, the change of Company name took effect on 10 February 2014.

(iii) Share subdivision

On 20 January 2014, the Board also proposed to subdivide each share of the Company of HK$0.10 into four subdivided shares of HK$0.025 each. Following the approval by the Stock Exchange for the listing of, and permission to deal in the subdivided shares on 6 February 2014 and the approval by the Company's shareholders for the share subdivision at the extraordinary general meeting on 10 February 2014, the share subdivision took effect on 11 February 2014.

(iv) Joint venture agreements

On 21 March 2014, the Group entered into a joint venture agreement with Xinyuan Taifeng Agricultural Asset Management (Beijing) Company Limited* (新源泰豐農業資產管理(北京)有限公司) ("Xinyuan") to provide a range of agricultural financial services. The Group agreed to invest RMB35.5 million of cash in the joint venture, the registered capital of which is RMB50 million, representing a 71% interest. The Group also granted an option to Xinyuan whereby Xinyuan has the right to increase the total registered capital of the joint venture to RMB80 million within one year, of which the Group and Xinyuan will contribute RMB48 million and RMB32 million representing a 60%/40% shareholding, respectively.

Also on 21 March 2014, the Group entered into a second joint venture agreement with the shareholders of Coopinvest Mengda Financing and Leasing Company Limited* (中合盟達融資租賃有限公司) ("Coopinvest Mengda") whereby the Group agreed to invest RMB70 million of cash in Coopinvest Mengda, representing a 41.18% interest, with an option within the next two years to acquire an additional interest of approximately 9.91%. Coopinvest Mengda will have a registered capital of RMB170 million following the investment from the Group. The business scope of the joint venture will span across financial and general leasing, acquisition of leasing properties, treatment and maintenance of leasing properties, and the provision of consultancy and guarantee in leasing transactions.

Outlook

Looking ahead to 2014, the global economy is expected to improve further, and China's economy is expected to grow at a rate of about 7.5%. Income and consumption per capita are expected to continue to rise, with domestic consumption expected to grow in tandem with the acceleration of urbanization in China amid a moderate pick-up in economic growth. Per capita income in cash is also expected to continue to rise, with growth expected to continue to outpace that of urban residents.

The Group has clearly defined the focus of its future business with the strategic goals of "helping farmers, improving their living standards and strengthening the agricultural sector". It will leverage on the full support of Hebei SMC and its own competitive advantages to capture the robust market opportunities arising from the favorable business environment.

The Group is optimistic about its long-term development and will better position itself to take on the challenges and opportunities arising in the years to come – by integrating internal and external resources and leveraging its advantages in terms of cooperation in a more effective manner – in order to contribute to solving issues relating to "agricultural sector, rural areas and farmers" issues in China.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

The Company's deviations from the Corporate Governance Code during the year are set out below:

Code	Deviation(s)	Explanation
A.1.8	D&O insurance for 2014-2015 has been just arranged in February 2014. No such insurance arranged for 2013.	According to paragraph A.1.8 of the Corporate Governance Code, listed company should arrange appropriate insurance cover in respect of legal action against its directors. The Company did not arrange such insurance cover during the year as Directors concluded that the risk of material legal claims against Directors is minimal. In November 2013, the management reviewed the needs for insurance cover for the Directors. In February 2014, appropriate directors' and officers' liability insurance was arranged for the Directors and officers of the Company.

Code	Deviation(s)	Explanation
A.2.7	The chairman did not conduct meeting with INEDs without the executive directors present.	According to paragraph A.2.7 of the Corporate Governance Code, the chairman of listed company should at least annually hold meetings with non-executive directors (including independent non-executive directors) without the executive directors present. Owing to the time arrangement amongst the relevant Directors, the former chairman was not able to arrange a meeting with independent non-executive Directors without the other executive directors present during the year. The existing chairman of the Company was appointed on 18 December 2013. The chairman will ensure to hold meetings with independent non-executive Directors annually without the executive Directors present.
A.5.2 (a)	Nomination committee did not conduct any meeting in 2013 and therefore did not review the structure, size and composition of the Board.	According to paragraph A.5.2(a) of the Corporate Governance Code, the nomination committee is under a duty to review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board. During the year, the former chairman of the Board could not arrange a meeting with other nomination committee members owing to the time arrangement amongst the relevant directors. The existing chairman of the nomination committee was appointed on 18 December 2013 and relevant matters have been discussed in the meeting of the nomination committee on 31 March 2014.
A.5.6	No policy concerning diversity of Board members has been established.	According to paragraph A.5.6 of the Corporate Governance Code, with effect from 1 September 2013, the nomination committee (or the board) should have a policy concerning diversity of board members. The existing chairman of the nomination committee was appointed on 18 December 2013 and the board diversity policy was discussed at the meeting of the nomination committee on 31 March 2014. The Company will make relevant publication once the policy has been fixed.

Code	Deviation(s)	Explanation
A.6.4	No written guidelines have been established for relevant employees in respect of their dealings in company's securities.	According to paragraph A.6.4 of the Corporate Governance Code, the board should establish written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in listed company's securities. Except for directors, the Company should also ensure that the relevant employees who are likely to possess inside information in relation to the Company properly comply with the Model Code. The Company will establish written guidelines as soon as possible for those relevant employees.
C.1.2	Management accounts were not provided to all members of the Board on a monthly basis.	According to paragraph C.1.2 of the Corporate Governance Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of listed company's performance, position and prospects. In view of the simplicity of the Company's business, consolidated financial statements prepared at half year intervals to Board members for annual and interim results give sufficient measures at this stage. However, management shall continue to review the need for providing such monthly updates to the Board.
C.3.3 (e)(i)	Audit committee only held one meeting with the Company's auditors during the year.	According to paragraph C. 3.3(e)(i) of the Corporate Governance Code, the audit committee must meet with the listed company's auditors at least twice a year. During the year, the audit committee convened a meeting with the Company's auditors to discuss the audit matters relating to the annual statutory audit. Subsequently, the audit committee did not hold second meeting with the Company's auditor as no other significant matters came to the attention of the committee members and auditor.

Save the aforesaid, the Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code during the year ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. All directors have confirmed, following specific enquiry by the Company that they have complied with the Model Code throughout the year ended 31 December 2013.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

As at the date of this announcement, the Audit Committee consists of Ms. Chiu Kam Hing Kathy, Mr. Tsai Jeng-Yang, Mr. Ting Tit Cheung, Mr. Shum Wan Lung and Mr. Law Yee Kwan Quinn.

The audit committee has reviewed this annual results announcement for the year ended 31 December 2013 and the consolidated financial statements for the year ended 31 December 2013.

The consolidated financial statements of the Group for the year ended 31 December 2013 have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu. A meeting of the Audit Committee of the Company was held with the auditor and the management of the Company for, amongst other things, reviewing the final results of the Group for the year ended 31 December 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

APPRECIATION

The Board would like to express heartfelt gratitude to the staff of the Group for their tremendous efforts as well as to all business partners and shareholders of the Company (the "Shareholders") for their kind support to the Group. The Board would like to express their appreciation to all members of the Board for their contributions.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.natagri.com.hk. The annual report will be despatched to the Shareholders and available on the website of the Stock Exchange and that of the Company in due course.

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

Hong Kong, 31 March 2014

As at the date of this announcement, the Board of the Company comprises six executive Directors, being Mr. Chen Li-Jun, Mr. Zhang Yanhui, Mr. Ren Hai, Mr. Peng Guojiang, Mr. Zhang Yuliang and Ms. Wen Yuanyi, and five independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Tsai Jeng-Yang, Mr. Ting Tit Cheung, Mr. Shum Wan Lung and Mr. Law Yee Kwan Quinn.

* *For identification purpose only*