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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

LETTER OF INTENT IN RESPECT OF A POSSIBLE INVESTMENT

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 LETTER OF INTENT

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that after trading hours on 26 May 2015, the Company entered into a letter of intent (the “**Letter of Intent**”) with Dujiangyan City Modern Agricultural Development Investment Co. Limited* (都江堰市現代農業發展投資有限責任公司) (“**Dujiangyan Investment Co.**”) in relation to the possible acquisition of the business and assets of the Chengdu West Agricultural Products Wholesale Market* (成都西部農產品批發市場) (the “**Wholesale Market**”), including the ownership of the properties and the land use right of the Wholesale Market, by the Company (the “**Possible Investment**”).

Pursuant to the Letter of Intent, the Company shall pay earnest money in an amount of RMB300,000 to Dujiangyan Investment Co. after the entering into of the Letter of Intent. The Wholesale Market is state-owned asset of the People’s Republic of China and the sale of the Wholesale Market shall be subject to an auction process. The parties shall select an independent valuer to conduct a valuation of the Wholesale Market. The valuation shall be submitted to the Sichuan Province Dujiangyan City National Properties Supervision Management Office* (四川省都江堰市國有資產監督管理辦公室) and an auction shall be conducted in accordance with the applicable PRC laws and regulations (the “**Auction**”). The Possible Investment is further subject to the entering into of the formal legally binding agreement by the parties which will set out the definitive terms of the Possible Investment such as the consideration and completion plan, in the event that the Company wins the bid in the auction.

ABOUT THE WHOLESALE MARKET AND DUJIANGYAN INVESTMENT CO.

The Wholesale Market is situated at Dujiangyan City, Sichuan Province of the People's Republic of China. The Wholesale Market has a gross floor area of approximately 34,323m² and comprises three trading centers, one multi-function building and one refrigerated storage and processing warehouse. It mainly involves in the business of trading of fruits, dried fruits and other agricultural by-products.

According to the best of knowledge of the Company, Dujiangyan Investment Co. is an enterprise wholly owned by Sichuan Dujiangyan City State-owned Assets Supervision and Administration Office* (四川省都江堰市國有資產監督管理辦公室) in accordance with the direction of the People's Government of Dujiangyan City* (都江堰市人民政府). Dujiangyan Investment Co. was established in August 2007 and has a registered capital of RMB28 million.

REASONS FOR ENTERING INTO OF THE LETTER OF INTENT

The Group is principally engaged in businesses which include rural financial services, trading in agricultural means of production, urbanization development, 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 businesses of the Wholesale Market involve trading of fruits, dried fruits and other agricultural by-products. The Directors consider that there are desirable market opportunities in the trading of agricultural by-products and the Possible Investment, if materialized, would help the Company to seize such market opportunities and provide long-term benefits to the Company and its shareholders.

The Directors are of the view that, by capitalizing the Possible Investment entered into with Dujiangyan Investment Co. which is an enterprise wholly owned by a PRC government authority, the Group would be able to deepen its cooperation with the People's Government of Dujiangyan City* should any potential opportunity arise in the future, including but not limited to the development of e-commerce in agriculture sector and rural financing.

Having considered the above, the Directors are of the view that the Possible Investment is in the interests of the Company and the shareholders of the Company as a whole.

NATURE OF THE LETTER OF INTENT

The Letter of Intent does not constitute any legally binding commitment of the Company in respect of the Possible Investment. The Possible Investment is subject to the winning of the bid by the Company in the Auction and the negotiation and execution of the formal legally binding agreement between the relevant parties, if any.

GENERAL

The Possible Investment, if materialized, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in relation to the Possible Investment 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 Letter of Intent only sets out the framework of the Possible Investment, and that the Possible Investment is subject to the results of the Auction and 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 Investment 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, 26 May 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. Law Yee Kwan Quinn and Mr. Fan William Chung Yue.

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