

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



NATIONAL AGRICULTURAL HOLDINGS LIMITED

國農控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1236)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Share Award Scheme the purpose of which is to recognise the contributions by employees and other Eligible Persons and to provide incentives in order to retain them for the continuing operation and development of the Group, as well as to attract suitable personnel for further development of the Group. Pursuant to the Share Award Scheme, existing Shares of up to 10% of the issued share capital of the Company as at the date of adoption of the Share Award Scheme will be purchased by the Trustee from the market out of cash contributed by the Group and be held on trust for the relevant Selected Grantees until such Shares are vested with the relevant Selected Grantees in accordance with the Scheme Rules.

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that it has resolved to adopt the Share Award Scheme the purpose of which is to recognise the contributions by employees and other Eligible Persons and to provide incentives in order to retain them for the continuing operation and development of the Group, as well as to attract suitable personnel for further development of the Group. Pursuant to the Share Award Scheme, existing Shares of up to 10% of the issued share capital of the Company as at the date of adoption of the Share Award Scheme will be purchased by the Trustee from the market out of cash contributed by the Group and be held on trust for the relevant Selected Grantees until such Shares are vested with the relevant Selected Grantees in accordance with the Scheme Rules.

A Selected Grantee may be required to pay a grant price which represents a discount to the closing price of the Shares on the date of granting the Award. In determining the grant price, the Implementation Committee shall take into account, among other things, the performance of the relevant Selected Grantee and/or his contributions to the Group, and the market price of the Shares at the date of granting the Award. The terms and conditions, including the vesting period, of any Award granted with grant price shall be subject to the Scheme Rules. Under the Share Award Scheme, the grant price, if any, shall be payable by the relevant Selected Grantee at the date of grant of the Award.

The Board and the Implementation Committee will implement the Share Award Scheme according to the Scheme Rules, including provision of necessary funds to the Trustee for the purchase of Shares for the Share Award Scheme.

For the avoidance of doubt, no new Share will be granted under the Share Award Scheme.

No Shareholders' approval is required for adoption or implementation of the Share Award Scheme.

LISTING RULES IMPLICATION

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Share Award Scheme will be in parallel with the Company's share option scheme adopted on 12 June 2014 or such other share option scheme to be adopted by the Company pursuant to Chapter 17 of the Listing Rules from time to time.

Pursuant to the Share Award Scheme, existing Shares will be purchased by the Trustee and be held on trust for the relevant Selected Grantees.

REASONS FOR THE ADOPTION OF THE SHARE AWARD SCHEME

The Directors believe that the continued success of the Group is closely tied with the commitment and efforts of the employees of the Group and other Eligible Persons. The Awarded Shares can serve as incentives to motivate them to further contribute to the Group. The Awarded Shares will be awarded with reference to the performance, operating and financial targets and other criteria determined by the Board from time to time.

A summary of the Scheme Rules is set out below:

SUMMARY OF THE SCHEME RULES

Purposes and Objectives

The purpose of the Share Award Scheme is to recognise the contributions by employees and other Eligible Persons and to provide incentives in order to retain them for the continuing operation and development of the Group, as well as to attract suitable personnel for further development of the Group.

Administration

The Share Award Scheme shall be subject to the administration of the Board and the Implementation Committee in accordance with the Scheme Rules.

The Trustee will hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

Maximum Limit

The Board shall not grant any further Award which would result in the total number of Shares which are the subject of Awards granted under the Share Award Scheme (excluding those which have lapsed) representing in aggregate over 10% of the total issued share capital of the Company as at the Adoption Date or such other percentage as determined by the Board from time to time.

Restrictions

No instructions and no payments to purchase Shares shall be given to the Trustee when any Directors are in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any codes or requirements of the Listing Rules and all applicable laws from time to time.

Operation

Pursuant to the Scheme Rules, the Implementation Committee may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each Grantee determined by the Implementation Committee from time to time) select any Grantees for participation in the Share Award Scheme as a Selected Grantee and determine the number of Awarded Shares to be awarded.

The Implementation Committee shall cause to pay the Trustee the purchase price and the related expenses from the Company's resources for the Shares to be purchased by the Trustee. The Trustee shall purchase from the market such number of Shares awarded as specified by the Implementation Committee and shall hold such Shares until they are vested in accordance with the Scheme Rules and the Trust Deed. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the Selected Grantee(s) in accordance with the Scheme Rules.

The Selected Grantee is not entitled to receive any income or distribution, such as dividend derived from the Awarded Shares allocated to him, prior to the vesting of such. The said income or distributions shall be used by the Trustee for purchase of further Shares for the Share Award Scheme. When the Selected Grantee has satisfied all vesting conditions specified by the Implementation Committee at the time of making the Award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested Shares to that Grantee at no cost.

Award to Connected Person

Any grant of the Awarded Shares to the Directors or senior management of the Group or their respective associates must first be approved by the Remuneration Committee of the Board and then approved by the Board. Any member of the Board who himself has interest in a proposed Award shall abstain from voting on any resolution by which the Award is proposed.

For grant of the Awarded Shares to any Connected Person, the Company and that Connected Person shall comply with all applicable laws, rules and regulations, including the Listing Rules.

Vesting and Lapse

Unless otherwise determined by the Board at its discretion, the Awarded Shares held by the Trustee under the Trust and which are referable to a relevant Selected Grantee shall not vest in the relevant Selected Grantee in the event that the relevant Selected Grantee fails to satisfy the condition(s) as specified in the offer letter issued to such Selected Grantee pursuant to the Scheme Rules or under any the following circumstances:

- in the event of any failure of the Selected Grantee to remain as an Eligible Person on the date which the Awarded Shares are supposed to be vested in him;
- in the event that the Selected Grantee fails to achieve the key performance indicator(s) or such other condition(s) as specified in the grant letter issued pursuant to the Share Award Scheme or the Selected Grantee infringes any of the provisions of the Managers' Behaviour Rules and/or the Employees' Behaviour Rules;
- in the event that the Selected Grantee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period; and
- in the event of the death of Selected Grantee.

Unless otherwise determined by the Implementation Committee at its discretion, an Award shall automatically lapse when (i) a Selected Grantee fails to satisfy any condition as set out in the offer letter, or (ii) the Subsidiary employing the Selected Grantee ceases to be a Subsidiary, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company).

In any event, the relevant Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares and shall be held as Returned Shares for the purposes of the Share Award Scheme.

In the event (i) a Selected Grantee is found to be an Excluded Grantee or (ii) a Selected Grantee fails to return duly executed transfer documents within the stipulated period, unless otherwise determined by the Implementation Committee at its discretion, the relevant part of an award made to such Selected Grantee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme.

If there occurs an event of change in control (as specified in The Codes on Takeovers and Mergers and Share Repurchases in Hong Kong from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares shall immediately vest on the date when such change in control event becomes or is declared unconditional and such date shall be deemed the vesting date.

Where the Awarded Shares do not vest in accordance with the Scheme Rules, the Trustee shall hold such Awarded Shares for the benefit of one or more Selected Grantees as it determines in its discretion, after having taken into account the recommendations of the Implementation Committee.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, and further Shares acquired out of the income derived therefrom).

Duration and Termination

The Share Award Scheme shall be effective for a term of three years – commencing on the Adoption Date subject to any early termination as may be determined by the Board. Such early termination of the Share Award Scheme shall not affect any subsisting rights of any Selected Grantee hereunder.

Upon termination, all Awarded Shares shall become vested in the Selected Grantees so referable on such date of termination, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Grantees within the stipulated period. Net sale proceeds (after making appropriate deductions) of the Returned Shares and such non-cash income together with the residual cash and such other funds remaining in the Trust shall be remitted to the Company forthwith after the sale.

DEFINITIONS

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

“Adoption Date”	23 January 2015, being the date when the Share Award Scheme was adopted by the Board
“Award”	an award of Shares by the Implementation Committee to a Selected Grantee pursuant to the Share Award Scheme
“Awarded Shares”	in respect of a Selected Grantee, such number of Shares determined by the Implementation Committee and purchased by the Trustee, in each case as proportionally adjusted for any subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time
“Board”	the board of Directors
“Company”	National Agricultural Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 1236)
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Person(s)”	any Employee or director (including, without limitation, any executive directors, non-executive directors or independent non-executive directors) of any member of the Group or any consultants and advisers to any member of the Group
“Employee(s)”	any employee (whether full time or part time) of the Company or any Subsidiary
“Employees’ Behaviour Rules”	the behaviour codes adopted by the Company from time to time stipulating certain standards and rules which its employees must strictly adhere to

“Excluded Grantee(s)”	any Grantee who is resident in a place where the settlement of the cost of acquiring the Awarded Shares and the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Implementation Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Grantee
“Grantee(s)”	any Eligible Person or such Eligible Person’s wholly-owned company or trust (the beneficiaries of which include such Eligible Person and/or his immediate family members)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Implementation Committee”	the implementation committee set up by the Board in accordance with the Scheme Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Managers’ Behaviour Rules”	the behaviour codes adopted by the Company from time to time stipulating certain standards and rules which its managerial employees must strictly adhere to
“Returned Shares”	any Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Scheme Rules
“Scheme Rules”	the rules relating to the Share Award Scheme adopted by the Board
“Selected Grantee(s)”	the Grantee selected by the Implementation Committee to participate in the Share Award Scheme
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)

“Share Award Scheme”	the share award scheme adopted by the Board on the Adoption Date
“Shareholders”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to such term in Section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	such person(s) who will from time to time be duly appointed to be the trustee(s) of the trusts to administer the Share Award Scheme

By order of the Board of
National Agricultural Holdings Limited
Chen Li-Jun
Chairman

Hong Kong, 23 January 2015

As at the date of this announcement, the Board of the Company 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.