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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

POTENTIAL DEFAULT IN RESPECT OF FINANCE LEASE AGREEMENTS

This announcement is made by National Agricultural Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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).

POTENTIAL DEFAULT IN RESPECT OF FINANCE LEASE AGREEMENTS

中合盟達融資租賃有限公司 (China Coop Mengda Financial Leasing Co., Ltd*) (“**China Coop Mengda**”), an indirect non-wholly owned subsidiary of the Company, entered into various finance lease agreements (the “**Finance Lease Agreements(s)**”) with Central China Securities Co. Ltd. (the “**Lessee**”) since 2013 pursuant to which China Coop Mengda agreed to purchase certain equipment specified in the respective finance lease agreement from the supplier(s) selected by the Lessee and such equipment will be leased back to Lessee. Please refer to the announcement of the Company dated 13 May 2015 for the details of the Finance Lease Agreement entered during the period from July 2014 to January 2015.

As at the date of this announcement, the Lessee has failed to pay to China Coop Mengda rental payment in a sum of not less than RMB5.70 million (including the interest payment) pursuant to the Finance Lease Agreements. Accordingly, the board (the “**Board**”) of directors of the Company (the “**Director(s)**”) considers that the Finance Lease Agreements may be under a potential of default (the “**Potential Default**”). In addition, China Coop Mengda has been informed by the Lessee that it denies the authenticity of the Finance Lease Agreements.

RESPONSE TO THE POTENTIAL DEFAULT

In response to the Potential Default, China Coop Mengda has (i) issued a notice to the Lessee requesting for the outstanding payment; and (ii) report the case to the relevant public security authority in the People's Republic of China. The Board is in the process of assessing the financial impact of the Potential Default. The Board considers that the Potential Default is an isolated incident which will not cause serious impact on the Group's operation. The Company will make further announcement(s) to keep its shareholders and potential investors posted for any development in this regard as and when appropriate in compliance with the Listing Rules.

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

Hong Kong, 24 July 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. Fan William Chung Yue and Mr. Chu Kin Wang Peleus.

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