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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

**EARNEST MONEY IN RELATION TO THE ACQUISITION OF
100% EQUITY INTERESTS IN THE TARGET COMPANY INVOLVING
THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

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 (“**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Cap. 571, Laws of Hong Kong).

References are made to the announcements of the Company dated 27 November 2015 and 11 January 2016 (the “**January Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the January Announcement.

The Company wishes to announce that on 6 August 2015, at the request of the management of Parko (Hong Kong) Limited (“**Parko**”), the controlling shareholder of the Company to confirm that the Company has sufficient financial resources to acquire the Target Company, (i) the Company, (ii) Parko; and (iii) Shi Jia Zhuang Ao Yuan Trading Company Limited* (石家莊奧源貿易有限公司) (“**Ao Yuan**”), a connected person of the Company which is a 51% shareholder of Xinyuen Taifeng Agricultural Asset Management (Beijing) Company Limited (新源泰豐農業資產管理(北京)有限公司) which in turn is a substantial shareholder of Beijing Guonong Taifeng Agricultural Consultancy Co., Ltd (北京市國農泰豐農業諮詢有限公司), a subsidiary of the Company, entered into an escrow agreement (the “**Escrow Agreement**”), pursuant to which the Company shall pay RMB1,300,000,000 (the “**Earnest Money**”) to Ao Yuan being the escrow agent designated by the Company and Parko within six months after entering into the Escrow Agreement as refundable earnest money for the potential acquisition of the equity interests in the Target Company (the “**Acquisition**”). Pursuant to the Escrow Agreement, the Company and Parko shall enter into formal agreement in respect of the Acquisition within 15 working days after the Company has paid the Earnest Money in full. In the event that the formal agreement fails to complete within six months after entering into the Escrow Agreement (or such other dates the parties otherwise agreed in writing), or the formal agreement has been terminated for whatever reasons, Ao Yuan shall refund the Earnest Money together with the accrued interest (at a rate of 0.35%) to the Company upon joint instructions from the Company and Parko. Earnest Money shall not be used by Ao Yuan without the prior consent of the Company and Parko, and is wholly owned asset of the Company.

Up to December 2015, the Group had paid an aggregate of approximately RMB1,220,000,000 to Ao Yuan using its internal resources and third parties financing which have now been settled in full. Upon receiving such amount, the management of Parko was satisfied that the Company has sufficient financial resources for the Acquisition and a formal agreement was entered into on 11 January 2016.

Completion of the Acquisition is subject to the fulfillment of certain conditions precedent set out in the SPA and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 14 March 2016

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. 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. Chan Siu Wing Raymond.

* *For identification purpose only*