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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

COOPERATION AGREEMENT

IN RELATION TO

FORMATION OF A JOINT VENTURE

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 and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

COOPERATION AGREEMENT

The board of directors of the Company (the “**Board**”) is pleased to announce that on 4 July 2016 (after trading hours), the Company and Guangdong New Co-Op Skyrise Investment Co., Ltd* (廣東新供銷天成投資有限公司) (“**New Co-Op Skyrise**”), an independent third party of the Company entered into a cooperation agreement (the “**Cooperation Agreement**”) to establish a joint venture enterprise (the “**JV Company**”), to engage in, among other things, electronic commerce and operation of the electronic trading platform. The Cooperation Agreement shall be effective from 4 July 2016 to 30 June 2026.

Pursuant to the Cooperation Agreement, the initial registered capital of the JV Company will be RMB 100 million. New Co-Op Skyrise shall hold 51% interest, while the Company shall hold 49% interest in the JV Company.

Under the Cooperation Agreement, New Co-Op Skyrise is principally responsible for (i) coordinating the system resources of Guangdong Province Supply and Marketing Cooperatives* (廣東省供銷社) and procuring the local registered members of Guangdong Province to trade on the electronic trading platform based on the upstream and downstream suppliers of New Co-Op Skyrise supply chain system, distributors and off-line outlets, (ii) recommending the varieties and categories of products to be traded on the electronic trading platform, products contemplated include tea leaf, bulk agricultural products and sideline agricultural products, and (iii) assisting the JV Company in establishment of tea leaf trading platform as well as settlement warehouse, supervisory warehouse and bounded warehouse. The Company is principally responsible for (i) developing and providing safe and reliable electronic trading platform and a full set of online trading and clearing systems, and (ii) coordinating internal resources of the national supply and marketing systems to provide standardized supply chain finance services for trading parties on the electronic trading platform.

Pursuant to the Cooperation Agreement, the parties shall share the profits of the JV Company pro rata to their interests in the JV Company.

ABOUT NEW CO-OP SKYRISE

New Co-Op Skyrise is a company established in the People's Republic of China (the "PRC") with limited liability and is an entity owned by Guangdong Province Co-Op Association* (廣東省供銷合作聯社). It is principally engaged in agriculture-related trading, investment in agriculture-related projects, asset management and real estate investment.

REASONS FOR ENTERING INTO THE COOPERATION AGREEMENT

It is the Company's core strategy to fully utilize resources in the supply and marketing system, and from time to time to review and explore potential investment opportunities associated with the principal businesses of the Company in rural finance and e-commerce. The Board believes that the JV Company after its establishment could help the Company to enrich the type of products to be traded on its agricultural e-commerce platform, and increase the transaction volume and amount of the Agripay system, and thereby expand the influence of the agricultural e-commerce platform and Agripay system in the Supply and Marketing Cooperatives of various provinces in the PRC.

Having considered the above, the Board is of the view that the transactions contemplated under the Cooperation Agreement is in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

As all the applicable ratios for the transactions contemplated under the Cooperation Agreement calculated under Rule 14.07 of the Listing Rules are less than 5%, the transactions contemplated under the Cooperation Agreement do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 4 July 2016

As at the date of this announcement, the Board comprises four executive Directors, being Mr. Chen Li-Jun, Mr. Ren Hai, Mr. Peng Guojiang and Ms. Wen Yuanyi, and three independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Ting Tit Cheung and Mr. Fan William Chung Yue.

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