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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)

QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION OF TRADING

This announcement is made by National Agricultural Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the announcements of the Company dated 28 March 2017, 16 May 2017, 19 June 2017, 23 June 2017, 4 July 2017, 25 July 2017, 18 August 2017, 3 November 2017, 12 March 2018, 28 March 2018 and 2 July 2018 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON IMPLEMENTATIONS OF THE RESUMPTION PROPOSAL AND SATISFYING THE RESUMPTION CONDITIONS

The following table sets forth a summary of key events occurred and an update on certain major pending events and expected timetable for resumption:

Key events	Status
Conduct a forensic investigation on (i) the existence of a bank account of the Company's subsidiary amounting to RMB1,820 million; and (ii) the validity of the related bank balances and underlying transactions, disclosing the findings of the investigations, assess the impact on the Company's financial and operational position, and take appropriate remedial actions	The Independent Forensic Accountant issued the Forensic Report in February 2018.
Conduct comprehensive review of the internal control system of the Company to strengthen the Group's internal control	The Board is in the process of finalising the terms of engagement of the internal control reviewer.
Announcement of the annual results for the financial year ended 31 December 2016 and annual results for the financial year ended 31 December 2017 (the " Annual Results ") and the notice of annual general meeting	The Auditor is taking steps to follow up with certain unresolved audit matters in the Forensic Report and is preparing the Annual Results.

BUSINESS OPERATIONS

The Company's business is operating as usual, and the Company is also of the view that its operations have not been adversely affected by the delay in publication of the Annual Results.

NEW RULES FOR DELISTING AND APPLICATION

The shares of the Company have been suspended from trading since 28 March 2017. On 25 July 2018, The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") issued a notice to the Company, which stated that the amendments to the delisting framework under the Listing Rules (the "**Amendments**") will come into effect on 1 August 2018 (the "**Effective Date**").

Pursuant to the Amendments, in particular Rule 6.01A(2)(b)(ii) ("**the Rule**"), the Stock Exchange has the discretion to cancel the listing status of a listed company if the trading of such company's shares has remained suspended for 12 consecutive months from the Effective Date. The 12 month period will expire on 31 July 2019 (the "**Deadline**"). Subject to the Stock Exchange's right to impose a shorter specific remedial period under Rule 6.10 if considered appropriate, if the Company fails to fulfil all the Resumption Conditions to the satisfaction of the Stock Exchange and resume trading in its shares by the Deadline, the Listing Department of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing.

The Company hereby reminds that the information contained in this announcement can only be treated as preliminary assessment by the Board based on the information currently available to the Group. It is expected that the Company will publish updated quarterly announcement by end of October 2018 in respect of the business operations of the Company for the period from July 2018 to September 2018 and to update on the implementation of resumption proposal and satisfying the resumption conditions.

Trading in shares of the Company on the Stock Exchange will continue to suspend until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of
National Agricultural Holdings Limited
Ma Zhaohui
Chairman

Hong Kong, 1 August 2018

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Ma Zhaohui, Mr. Yang Ruisheng and Mr. Lei Zhen, and three independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Fan William Chung Yue and Mr. Cheung Pak To, Patrick.