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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)

FURTHER 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, 2 July 2018 and 1 August 2018 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements.

CONCERNS RAISED BY THE SECURITIES AND FUTURES COMMISSION

The following concerns were raised by the Securities and Futures Commission (the “**SFC**”) which had led to its directed suspension of dealings in the Company’s Shares under Section 8 of the Securities and Futures (Stock Market Listing) Rules:

- a) The SFC queries the authenticity of:
 - (i) whether the Company or Parko (Hong Kong) Limited (“**Parko**”) had paid 東越控股有限公司 (Dongyue Holdings Limited*) (“**Dongyue**”) RMB850,000,000 (the “**Retainer Money**”) to be held on escrow as earnest money for a possible cooperation between the Company and 中合供銷(上海)股權投資基金管理有限公司 (China Co-Op (Shanghai) Equity Investment Fund Management Company Limited*) for establishment of a fund (the “**Fund**”). For details of the Fund, please refer to the announcements of the Company dated 25 August 2015 and 27 August 2015;
 - (ii) the refund of the Retainer Money as disclosed in the announcements of the Company dated 31 December 2015 and 31 March 2016; and
 - (iii) the alleged receipt of consideration of HK\$676,688,260.50 from Parko which was an amount Parko had to pay the Company when Parko exercised the warrants to subscribe for 212,194,000 shares issued by the Company. For details of the warrants, please refer to the Company’s announcements dated 28 January 2015, 2 April 2015 and 2 June 2015 and the circular of the Company dated 27 April 2015.

- b) The SFC also had serious concerns about the former management of the Group and the reliability of its accounting system and queries the genuineness of:
- (i) the Company's cash position as at 30 June 2016;
 - (ii) the purported refunds in relation to the establishment of the Fund and the acquisition in relation to a target company as disclosed in the announcements of the Company dated 27 November 2015, 31 December 2015, 11 January 2016, 14 March 2016 and 31 March 2016; and
 - (iii) the bank records and accounting records provided to the SFC.

The Company is aware of the SFC's concerns. Since the new Board was just established on 26 July 2018, the new Board will use its best endeavours to address these issues as soon as possible. Further announcement(s) will be made in a due course to inform the shareholders of the Company of the findings.

Trading in shares of the Company on the Stock Exchange will continue to be suspended 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, 9 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.