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## **CHINA AGROTECH HOLDINGS LIMITED**

**浩倫農業科技集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01073)**

### **INSIDE INFORMATION:**

#### **ARBITRATION CASE IN RESPECT OF A TRADE FINANCE INDEBTEDNESS**

China Agrotech Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) makes this announcement 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

#### **Arbitration Case in respect of a Trade Finance Indebtedness**

On 8 December 2014, the Company received a decision letter dated 5 December 2014 (the “Decision Letter”) which was issued by Shenzhen Arbitration Commission to Mr. Wu Shaoning (“Mr. Wu”, the chairman and an executive director of the Company, being one of the respondents for the arbitration case as detailed below) in respect of a trade finance indebtedness involving certain PRC subsidiaries of the Company.

According to the Decision Letter, Shenzhen Arbitration Commission confirmed its jurisdiction in respect of the application for arbitration dated 19 September 2014 (the “Arbitration Application”) in respect of the trade finance indebtedness involving certain PRC subsidiaries of the Company.

The Arbitration Application was lodged by ZTE Supply Chain Co., Ltd. (“ZTE”, as the applicant) at Shenzhen Arbitration Commission. According to the Arbitration Application, ZTE provided trade finance to three indirect PRC subsidiaries of the Company, namely, Fujian Agrotech Holdings Co., Ltd. 福建浩倫農業科技集團有限公司 (“Fujian Agrotech”), Fujian Sanming Agrotech Landscaping and Plant Protection Co., Ltd. 福建省三明市浩倫園藝植保有限公司 and Fujian Agrotech Oriental Import and Export Co., Ltd. 福建浩倫東方資源物產有限公司 (collectively, the “Fujian Subsidiaries”) through procurement agency service arrangement, and signed the relevant contracts during April to July 2014 in order to provide the amount of trade finance (the “Trade Finance Indebtedness”); where the

settlement obligations for the Trade Finance Indebtedness were guaranteed by Fujian Agrotech, another three indirect wholly-owned PRC subsidiaries of the Company (namely, Jiangxi Haolun Agrotech Co., Ltd. 江西浩倫農業科技有限公司, Shanxi Astrowood Bioengineering Development Co., Ltd. 山西天行若木生物工程開發有限公司 and Fuzhou Agrotech Crop Science Co., Ltd. 福州浩倫作物科學有限公司, and collectively, the “Guaranteed Subsidiaries”) and Mr. Wu.

According to the Arbitration Application, ZTE claimed against the Fujian Subsidiaries, the Guaranteed Subsidiaries and Mr. Wu (collectively, the “Respondents”) for payment of the Trade Finance Indebtedness of Rmb42,879,196.02, the related charge for the trade finance arrangement of Rmb1,702,291.76, overdue penalty of Rmb1,898,149.83 and default penalty of Rmb4,287,919.60, which totaled Rmb50,767,557.21; as well as the relevant arbitration and legal fees.

Further announcement(s) relating to the proceedings of the arbitration case will be made by the Company as and when appropriate.

### **Continued Suspension in Trading of the Shares**

At the request of the Company, trading in the shares of the Company has been suspended with effect from 1:00 p.m. on 18 September 2014 and will remain suspended until the release of further announcement of inside information in relation to the indebtedness situation of the Group and the publication of the audited annual results of the Company for the year ended 30 June 2014.

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

By order of the Board  
**China Agrotech Holdings Limited**  
**Wu Shaoning**  
*Chairman*

Hong Kong, 11 December 2014

*As at the date of this announcement, the Executive Directors of the Company are Mr. Wu Shaoning, Ms. Chen Xiao Fang, Mr. Zhang Liang and Mr. Xu Jiangtao, and the Independent Non-executive Directors are Mr. Wong Kin Tak and Ms. Zhao Jianhua.*

*\* For identification purpose only*