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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:

(1) FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2014 AND DISPATCH OF 2014 ANNUAL REPORT;

AND

(2) UPDATE OF PROFIT WARNING

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).

Further Delay in Publication of Annual Results for the Year Ended 30 June 2014 and Dispatch of 2014 Annual Report

Reference is made to the Company’s announcements dated 25 September 2014 and 30 October 2014 (the “Delay Results Announcements”). Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Delay Results Announcements.

The Company expects that the publication of the 2014 Annual Results will be further delayed due to the following reasons:

- (1) the Group’s PRC finance personnel further departed in the fourth quarter of 2014 as a result of the financial difficulties of various subsidiaries which were also subject to various litigations, while certain Audit Materials are yet to be provided to the Company’s auditor;
- (2) the action of the Group in urging the repayment of amounts due from a considerable number of debtors, including but not limited to taking of legal actions, on a case-by-case basis, which affected their cooperation regarding the return of confirmations issued to them for audit purpose and resulted in the low return rate of audit confirmations, and

hence the necessity for the Group to devote considerable additional time to prepare information and documents as alternative evidences to ascertain the year end balances for audit purpose;

- (3) many PRC lawsuits as detailed in the Company's announcements published in November and December 2014 were scheduled to be put on trial by the relevant courts in the first quarter of 2015, the judgments of which are expected to be issued within one month thereafter and are expected to have material effects on the operation and financial position of the Group, in particular, the overdue penal interests and default penalties claimed by the relevant plaintiffs (creditors) and the losses and damages which may be claimed by the relevant guarantors of the Group's indebtedness are yet to be ascertained at this stage; and
- (4) the Company is currently subject to a winding up petition which is scheduled to be heard before The High Court of Hong Kong on 14 January 2015, the consequence of which is critical as to whether the Company is able to continue as a going concern.

In light of the above situations, in order to better ascertain the financial positions of the Company and the Group upon clearance of the aforesaid uncertainties, the Company currently expects that the 2014 Annual Results would be published at around the end of May 2015 and the 2014 Annual Report will be dispatched at around the end of June 2015.

The Company will make further announcement(s) with respect to the release of the 2014 Annual Results and the dispatch of the 2014 Annual Report in accordance with the Listing Rules in due course.

Update of Profit Warning

Further to the Company's announcement dated 8 July 2014 regarding, among others, the profit warning of the Company's 2014 Annual Results (the "Initial Profit Warning Announcement"), the Company wishes to further inform shareholders of and potential investors in the Company that it expects that the Group will record a substantial loss after tax for the year ended 30 June 2014.

The expected substantial loss is mainly due to (1) the factors as detailed in the Initial Profit Warning Announcement; (2) the shrink in profit margins and discounts given to certain debtors for expediting the recovery of receivables resulted in loss (last year: profit) in respect of the agricultural resources trading operation; (3) loss on revaluation of approximately HKD39 million (last year: gain on revaluation of approximately HKD6 million) of convertible bonds which were subject to early redemption; (4) possible impairment of available-for-sale financial assets amounted to approximately HKD28 million; (5) possible full impairment of investments in and amounts due from unconsolidated subsidiaries amounted to an aggregate of approximately HKD180 million; (6) possible full impairment of intangible assets (i.e. goodwill) amounted to approximately HKD86 million; and (7) impairment of trade and other receivables.

Based on the above factors, it is expected that the Group will record a loss after tax for the year ended 30 June 2014 of approximately HKD500 million to HKD600 million, which has not yet taken into account the impairment of trade and other receivables as mentioned in item (7) above, as such impairment amount is yet to be ascertained.

The information regarding profit warning contained in this announcement is only a preliminary assessment by the management of the Company based on information available as at the date of this announcement, and is not based on any figures or information which is finalized or has been audited or reviewed by the Company's auditors. The detailed financial information of the Group shall be disclosed in the final results announcement of the Group for the year ended 30 June 2014.

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(s) of inside information in relation to the indebtedness situation of the Group and the publication of the 2014 Annual Results.

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, 30 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*