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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)

ANNOUNCEMENT

LETTER OF INTENT IN RESPECT OF POSSIBLE ACQUISITION

POSSIBLE ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board of the Company would like to announce that on 12 March 2010 (after trading hours), Top Invest, a wholly owned subsidiary of the Company, entered into the Letter of Intent with Mr. Wu, an executive Director and controlling Shareholder, in relation to the negotiation on the possible acquisition by Top Invest from Mr. Wu of the shares in the Target Company wholly owned by Mr. Wu.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. The Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it may constitute a notifiable transaction and connected transaction to the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the proposed acquisition will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

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* For identification purpose only

Mr. Wu is a connected person of the Company under the Listing Rules.

INFORMATION OF THE TARGET GROUP

The Target Company, an investment holding company, indirectly wholly owns the Seedling Company.

The Seedling Company is a company incorporated in the PRC with limited liability, with registered and paid-up capital of RMB 160 million. The Seedling Company is principally engaged in the research and development, nursing, planting and sales of landscaping seedlings, led by rare seedlings (whitebark pine, pterocarya stenoptera and oriental arborvitae). The Seedling Company's current seedling base is located in Shanxi Province, PRC, and is planning on the construction of seedling promotion parks in Shanxi, Beijing and Tianjin, the PRC.

MAJOR TERMS OF THE LETTER OF INTENT

1. Top Invest intends to acquire the controlling equity interest of the Target Company (the percentage of which has not been determined).
2. Top Invest acknowledges that the Target Company may further enlarge the asset base and sources of income of the Seedling Company by way of merger and acquisition. As such, when Top Invest determines to officially carry out the Possible Acquisition, the asset base and the structure of the shareholders of the Target Company may be different from now.
3. Within 180 days from the signing of the Letter of Intent (the "Exclusivity Period"), Top Invest has an exclusive right for the negotiation of the Possible Acquisition.
4. Save for the terms in relation to the Exclusivity Period, other terms in the Letter of Intent are not legally binding.

REASONS FOR AND BENEFITS OF THE LETTER OF INTENT

The Group is principally engaged in: (i) the trading of fertilisers, pesticides and other agricultural resources products; (ii) the manufacturing and selling of plant growth regulatory products, pesticides and fertilisers; (iii) the provision of plant protection technical services; and (iv) the trading of non-agricultural resources products in the PRC. The Directors are of the view that the Possible Acquisition is expected to diversify the scope of the Group's agriculture business, enlarge the Group's asset base and contribute to expand its source of income.

The Directors are of the view that the future development of PRC economy is the fundamental driving force for the growth of the seedling industry, and the accelerating pace of urbanization and traffic afforestation projects in the PRC as well as the rapid development of real estate industry and tourist industry will greatly drive the demands for landscaping seedlings. Hence, the Directors believe that the Possible Acquisition represents a good investment opportunity for the Group and it will be beneficial to the Company and Shareholders as a whole.

GENERAL DISCLOSURE PURSUANT TO RULE 13.09 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.09 of the Listing Rules. The Company will comply with applicable requirements of the Listing Rules in relation to the Possible Acquisition. Further announcement, as and when appropriate, will be made by the Company in connection with the Possible Acquisition and/or the relevant acquisition agreement in compliance with the Listing Rules. Save as disclosed above, the Directors confirm that there are no other matters that are required to be disclosed pursuant to Rule 13.09 of the Listing Rules in relation to the Possible Acquisition.

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DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	China Agrotech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the letter of intent dated 12 March 2010 entered into between Top Invest and Mr. Wu, in relation to the negotiation on the possible acquisition by Top Invest from Mr. Wu of the shares in the Target Company wholly-owned by Mr. Wu.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Shaoning, an executive Director and controlling Shareholder (as defined under the Listing Rules)

“Possible Acquisition”	the possible acquisition by Top Invest of the shares of the Target Company in accordance with the Letter of Intent
“PRC”	the People’s Republic of China
“Seedling Company”	Shanxi Astro-Wood Bio-Engineering Development Co., Ltd., a company incorporated in the PRC with limited liability, and mainly engaged in the production and operation of landscaping seedlings
“Shareholder(s)”	the holder(s) of Shares
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Present Sino Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	Target Company and its subsidiaries, including the Seedling Company
“Top Invest”	Top Invest Limited, a wholly-owned subsidiary of the Company

On behalf of the Board
China Agrotech Holdings Limited
Tong Hing Wah
Company Secretary

Hong Kong, 12 March 2010

As at the date of this announcement, the Executive Directors of the Company are Mr. Wu Shaoning and Mr. Yang Zhuoya, and the Independent Non-executive Directors are Mr. Lam Ming Yung, Mr. Zhang Shaosheng and Mr. Wong Kin Tak.