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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**

#### **MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE BONDS**

China Agrotech Holdings Limited (the “Company”) 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).

#### **MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE BONDS**

Reference is made to the announcement and circular of the Company dated 26 November 2010 and 9 December 2010 respectively (the “CB Announcements”). Capitalised terms used in this announcement shall have their respective meanings as in the CB Announcements unless otherwise defined.

The Bondholder exercised its Put Option attached to the Convertible Bonds (the “Existing CB”) which allowed the Bondholder to request the Company to early redeem the Existing CB on 28 January 2014, being the date falling three years after the CB Issue Date, at the then Accreted Principal Amount of RMB83,371,120.

The Company and the Bondholder entered into an extension agreement on 27 January 2014 to extend the redemption date for the redemption of the Existing CB to a date on or before 28 April 2014 (the “Extended Redemption Date”). However, the Company did not redeem the Existing CB on or before the Extended Redemption Date and had been negotiating with the Bondholder to further extend the redemption date of the Existing CB since then.

On 25 June 2014, after the trading hours, the Company and the Bondholder entered into a memorandum of understanding (the “MOU”) for the purpose of refinancing the overdue Accreted Principal Amount together with further yield accrued up to actual date of redemption of the Existing CB by way of issuing a new convertible bond (the “Replacement CB”) to replace the Existing CB.

Under the MOU, it is agreed that, unless with prior written consent of the Bondholder, the Company will not, and will procure that its directors, officers, employees, representatives and agents will not, directly or indirectly, within six months from the date of the MOU solicit, initiate, negotiate, discuss or enter into any agreement with any party (other than the Bondholder) with respect to the subscription of securities of the Company except that such acts are in respect of issue of securities of the Company, the proceeds of which are explicitly expressed as being used for redemption of the Existing CB or the Replacement CB (as the case may be) in the relevant announcement of the Company.

The Company and the Bondholder shall proceed with negotiation for entering into a formal subscription agreement (the “Subscription Agreement”) for the proposed issue of the Replacement CB (the “Proposed Issue of CB”) as soon as possible.

The MOU does not constitute legally-binding commitment in respect of the Proposed Issue of CB. The consummation of the Proposed Issue of CB is subject to the execution and completion of the Subscription Agreement.

As at the date of this announcement, the Company and the Bondholder were still discussing the terms of the Replacement CB, including but not limited to the overdue amount under the Existing CB to be refinanced to offset against the proceeds of the Replacement CB, the number of shares of the Company to be converted under the Replacement CB, and the details of the early redemption options available to the Company and the Bondholder.

Details of the terms and conditions of the Subscription Agreement and the Replacement CB will be subject to further negotiation between the Company and the Bondholder.

The Company will comply with applicable requirements of the Listing Rules in relation to the Proposed Issue of CB. 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 Proposed Issue of CB.

**The Board wishes to emphasize that no binding agreement in relation to the Proposed Issue of CB has been entered into as at the date of this announcement. The Proposed Issue of CB may or may not proceed. If the Proposed Issue of CB is materialized, it may constitute a notifiable transaction of 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 Issue of CB will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.**

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

Hong Kong, 25 June 2014

*The Board as of the date of this announcement comprises Mr. Wu Shaoning and Ms. Chen Xiao Fang, who are the executive Directors of the Company, and Mr. Wong Kin Tak, Mr. Zhang Shaosheng and Mr. Cheung Ka Yue, who are the independent non-executive Directors of the Company.*

*\* For identification purpose only*