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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:

LITIGATION AGAINST A SHANXI SUBSIDIARY

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).

Lawsuit Initiated by China Minsheng Bank, Taiyuan Branch (“Taiyuan Minsheng Bank”) (hereinafter referred to as “Shanxi Lawsuit”)

On 15 December 2014, the Company received a report of findings from a legal firm of Shanxi Province (the “Shanxi Legal Firm”), which was engaged by the Group to conduct enquires on the litigation situation of an indirect wholly-owned PRC subsidiary of the Company, namely, Shanxi Astrowood Bioengineering Development Co., Ltd. (“Shanxi Astrowood”). Upon direct enquiry from the relevant court as conducted by the Shanxi Legal Firm, it was confirmed that Shanxi Astrowood was involved in a litigation in respect of its bank indebtedness, which is detailed as follows:

Taiyuan Minsheng Bank (as plaintiff), being the lender of the relevant bank indebtedness, filed a civil petition statement dated 12 August 2014 at the People’s Intermediate Court of Taiyuan City, Shanxi Province (“Taiyuan Intermediate Court”) to sue against (i) Shanxi Astrowood, as borrower of the relevant bank indebtedness, and (ii) Fujian Agrotech Holdings Co., Ltd. 福建浩倫農業科技集團有限公司 (an indirect wholly-owned subsidiary of the Company) and Mr. Wu Shaoning (the chairman and an executive director of the Company), both as guarantors of the relevant bank indebtedness (collectively, the “Shanxi Lawsuit Defendants”), claiming for repayment of the bank indebtedness of Rmb40 million (the “Taiyuan Minsheng Indebtedness”) lent by Taiyuan Minsheng Bank to Shanxi Astrowood.

Regarding the Taiyuan Minsheng Indebtedness, it comprised of a loan of Rmb20 million lent by Taiyuan Minsheng Bank to Shanxi Astrowood in April 2014 (originally due in January 2015) and the net indebtedness of Rmb20 million under a promissory bill issued by Taiyuan Minsheng Bank (i.e. principal amount of promissory bill of Rmb40 million less security deposit of Rmb20 million) in April 2014 (originally due in October 2014).

In the civil petition statement, Taiyuan Minsheng Bank claimed that it had requested Shanxi Astrowood to provide additional guarantees acceptable to it in respect of the Taiyuan Minsheng Indebtedness and to pay additional security deposit of Rmb20 million in respect of the issued promissory bill (which was in substance demanding for early repayment of the indebtedness under the promissory bill), while Shanxi Astrowood failed to provide accordingly. Hence, Taiyuan Minsheng Bank filed the petition at court to claim for repayment of the Taiyuan Minsheng Indebtedness together with interest charged thereon, overdue penal interest, as well as the relevant litigation expenses and legal costs.

In respect of the civil petition statement, Taiyuan Intermediate Court issued an adjudication order dated 12 August 2014 which empowered it to execute encumbrance on the bank deposits or other assets of the Shanxi Lawsuit Defendants of an amount equivalent to the amount of the Taiyuan Minsheng Indebtedness. Taiyuan Intermediate Court also issued a writ of summons dated 26 September 2014 to schedule the Shanxi Lawsuit be put on trial on 29 October 2014. As reported by the Shanxi Legal Firm, upon the commencement of trial by Taiyuan Intermediate Court, it was yet to issue a judgment in respect of the Shanxi Lawsuit.

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

As reported by the Shanxi Legal Firm, due to the delivery procedures of the lawsuit documents by the court being improper, it resulted in the failure of formal receipt of the lawsuit documents and the writ of summons by all the Shanxi Lawsuit Defendants. Moreover, due to mistakes made by the relevant staff of Shanxi Astrowood regarding the reporting of the lawsuit, it resulted in the late awareness of the Company in respect of the Shanxi Lawsuit.

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, 17 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*