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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: 1073)

ANNOUNCEMENT LETTER OF INTENT

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

On 29 November 2007, the Purchaser, a wholly owned subsidiary of the Company, entered into the Letter of Intent with the Vendor in respect of the possible sale and purchase of the Sale Shares.

Introduction

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

The Board of the Company is pleased to announce that on 29 November 2007, the Purchaser entered into the Letter of Intent with the Vendor and Guarantors in relation to the negotiations on the possible acquisition by the Purchaser from the Vendor of the Sale Shares in the Target Company which has entered into an agreement (the “Cooperation Agreement”) to acquire 80% interest in the Mining Company which owns the Mine located at Ma Li Wan Village (馬里灣村), Qiao Shang Xiang (橋上鄉), Fang County (房縣), Shi Yan City (十堰市) of Hubei Province of the PRC.

In November 2007, the Target Company entered into the Cooperation Agreement under which the Target Company agreed to conditionally acquire 80% interest in the Mining Company, which in turn owns the Mine. The proposed acquisition under the Cooperation Agreement has not completed as at the date of this announcement, the completion of which primarily depends on the procurement of the mine exploitation license by the Mining Company and the consideration of the acquisition of the 80% interest in the Mining Company will be based on the verified reserve of phosphorous rock and the to-be-agreed price of not more than RMB15 per tonne of phosphorous rock.

Based on the information provided by the Vendor, the Mine has a preliminary estimated reserve of range between approximately 5 million to 10 million tonnes of phosphorous rock.

* For identification purposes only

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is a third party independent of the Company and is not a connected person (as defined in the Listing Rules) of the Company.

Major terms of the Letter of Intent

As soon as practicable after the signing of the Letter of Intent and up to the end of the Exclusivity Period, the Vendor will procure the acquisition by the Target Company, the 80% interest in the Mining Company, and in particular, the obtaining of the mine exploitation license by the Mining Company under the terms of the Cooperation Agreement. Pursuant to the Letter of Intent, the Purchaser has agreed to pay a sum of RMB12,000,000 as refundable deposit to the Vendor within one month after the signing of the Letter of Intent and the Vendor has agreed to procure the registration of the entire interest of the Target Company in the name of the Purchaser as security for the refundable deposit. Upon the obtaining of the mine exploitation license by the Mining Company, the Vendor and the Purchaser will negotiate in good faith the terms of the S&P Agreement in respect of the sale and purchase of the Sale Shares. If the mine exploitation license cannot be obtained by the Mining Company during the Exclusivity Period, the RMB12,000,000 refundable deposit will be returned to the Purchaser within ten days after the expiration of the Exclusivity Period. Pursuant to the Letter of Intent, the Guarantors agreed to act as guarantors for the performance of obligations of the Vendor in respect of the refundable deposit.

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. It has been the Group's strategy to vertically expand its business. The Directors are of the view that the Possible Acquisition is expected to enable the Group to expand its business scope to the exploration and exploitation of phosphorous mine. At the same time, the Possible Acquisition will also secure the supply of raw material for the Group's production of phosphorous fertilisers. The Directors believe that with a secured supply of raw material, the Group is in a better position to expand its fertiliser business.

General

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. Further announcement, as and when appropriate, will be made by the Company in connection to the Possible Acquisition and/or the S&P Agreement in compliance with the Listing Rules. **The securities holders of the Company should note that the Possible Acquisition may or may not materialize. Accordingly, the securities holders of the Company are advised to exercise caution when dealing in the Shares.**

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

“Cooperation Agreement”	the cooperation agreement entered into between (i) the Mining Company; (ii) the Target Company; and (iii) 王宗彬, 陳德凱 and 李會權 (original shareholders of the Mining Company)
“Directors”	the directors of the Company
“Exclusivity Period”	the period ending 240 days after the signing of the Letter of Intent
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, (i) the Mining Company and (ii) 王宗彬, 陳德凱 and 李會權
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the letter of intent dated 29 November 2007 entered into between the Purchaser, the Vendor, the Target Company and the Guarantors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mine”	a phosphorous mine located at Ma Li Wan Village (馬里灣村), Qiao Shang Xiang (橋上鄉), Fang County (房縣), Shi Yan City (十堰市) of Hubei Province, the PRC with an area of approximately 2.48 sq. km
“Mining Company”	湖北省房縣東蒿礦業有限公司, a company incorporated in the PRC
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Purchaser as described in the Letter of Intent
“PRC”	the People’s Republic of China
“Purchaser”	福建浩倫東方資源物產有限公司, a company incorporated in the PRC and a wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire existing issued share capital of the Target Company
“Shareholders”	the holders of Shares of the Company
“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
“sq. km”	square kilometer
“S&P Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor at a later date subject to the obtaining of the mine exploitation license by the Mining Company during the Exclusivity Period

“Target Company”	十堰市房縣楚源磷礦銷售有限公司, a company incorporated in the PRC
“Vendor”	曾慶保 and 丁琮, the co-owners of the Target Company
“%”	per cent

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

Hong Kong, 29 November 2007

The Board as of the date of this announcement comprises Mr. Wu Shaoning and Mr. Yang Zhuoya as the executive directors of the Company, Mr. Lam Ming Yung, Mr. Zhang Shaosheng and Mr. Wong Chi Wai as the independent non-executive directors of the Company.