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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:**

#### **LITIGATIONS INVOLVING A JIANGXI 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).

#### **Enquires on Litigation Situation of a Jiangxi Subsidiary**

As mentioned in the Company’s announcement dated 17 October 2014 regarding the Jiangxi subsidiaries of the Company, the production operation of the Company’s Jiangxi subsidiaries were ceased, and the local management was not cooperative in response to the Group’s financial and other reporting requests. Recently, the Fuzhou legal firm (the “Fuzhou Legal Firm”) engaged by the Group reported its findings after its enquires on the litigation situation of a Jiangxi subsidiary, namely, Jiangxi Haolun Agrotech Co., Ltd. 江西浩倫農業科技有限公司 (“Jiangxi Haolun”).

According to the report of findings of the Fuzhou Legal Firm dated 19 December 2014, upon its direct enquiries from the relevant courts, it was confirmed that Jiangxi Haolun was involved in the following litigations:

#### **Lawsuit Initiated by Bank of Jiujiang, Fuzhou (撫州) Branch (“Bank of Jiujiang”) (hereinafter referred to as “Jiangxi Lawsuit 1”)**

Bank of Jiujiang (as plaintiff), being the lender of the relevant trade finance indebtedness, filed a civil petition statement dated 4 July 2014 at the People’s Intermediate Court of Fuzhou City, Jiangxi Province (“Jiangxi Fuzhou Intermediate Court”) to sue against (i) Jiangxi Haolun, as the borrower of the relevant trade finance indebtedness, and (ii) Fujian

Agrotech Holdings Co., Ltd. 福建浩倫農業科技集團有限公司 (“Fujian Agrotech”, an indirect wholly-owned subsidiary of the Company), Mr. Wu Shaoning (the chairman and an executive director of the Company) and other defendants, all as guarantors of the relevant trade finance indebtedness (collectively, the “Jiangxi Lawsuit 1 Defendants”), claiming for repayment of the principal amount of the trade finance indebtedness of Rmb14,877,423.78 lent by Bank of Jiujiang to Jiangxi Haolun, and the relevant interest.

In respect of the Jiangxi Lawsuit 1, Jiangxi Fuzhou Intermediate Court issued a civil judgment (民事判決書) dated 21 October 2014, which sentenced that the Jiangxi Lawsuit 1 Defendants have to repay to Bank of Jiujiang, the principal amount of the trade finance indebtedness of Rmb14,877,423.78, interest of Rmb115,999.65 and further interest accrued up to the actual date of repayment, as well as expenses related to the lawsuit of Rmb121,761.

**Lawsuit Initiated by Henan Xingfa Haolida Fertilizers Co., Ltd. 河南興發昊利達肥業有限公司 (“Henan Xingfa”) (hereinafter referred to as “Jiangxi Lawsuit 2”)**

Henan Xingfa (as plaintiff), being a supplier of Jiangxi Haolun, filed a civil petition statement dated 8 July 2014 at the People’s Intermediate Court of Yichang City, Hubei Province (“Hubei Yichang Intermediate Court”) to sue against (i) Jiangxi Haolun, as the debtor of the relevant purchase amount, and (ii) Fujian Agrotech, as the guarantor for the payment of the relevant purchase amount (collectively, the “Jiangxi Lawsuit 2 Defendants”), claiming for repayment of the amount for goods supplied of Rmb10,542,135.90, the overdue interest, default penalty and legal fee.

In respect of the Jiangxi Lawsuit 2, Hubei Yichang Intermediate Court issued a civil judgment dated 13 October 2014, which sentenced that the Jiangxi Lawsuit 2 Defendants have to repay to Henan Xingfa, the amount for goods supplied of Rmb10,542,135.90 and the relevant overdue interest, legal fee of Rmb344,700, as well as expenses related to the lawsuit of Rmb97,820.

**Lawsuit Initiated by China Construction Bank, Dongxiang Sub-branch (“Dongxiang Construction Bank”) (hereinafter referred to as “Jiangxi Lawsuit 3”)**

Dongxiang Construction Bank (as plaintiff), being the lender of the relevant bank loans, filed a civil petition statement dated 3 September 2014 at the Jiangxi Fuzhou Intermediate Court to sue against (i) Jiangxi Yuanda Agricultural Production Resources Co., Ltd. 江西遠大農業生產資料有限公司 (“Jiangxi Yuanda”, which is a supplier of the Group), being the borrower of the relevant bank loans, and (ii) Jiangxi Haolun, Fujian Agrotech and other defendants, all as guarantors of the relevant bank loans (collectively, the “Jiangxi Lawsuit 3 Defendants”), claiming for repayment of the bank loans amounted to Rmb18 million lent by Dongxiang Construction Bank to Jiangxi Yuanda, and the relevant interest; where Jiangxi Haolun and Fujian Agrotech have to bear the liabilities as guarantors.

In respect of the Jiangxi Lawsuit 3, Jiangxi Fuzhou Intermediate Court issued a writ of summons dated 17 September 2014 to schedule the Jiangxi Lawsuit 3 be put on trial on 16 December 2014. As reported by the Fuzhou Legal Firm, upon the commencement of trial by Jiangxi Fuzhou Intermediate Court, it was yet to issue a judgment in respect of the Jiangxi Lawsuit 3.

Further announcement(s) relating to the legal proceedings of the Jiangxi Lawsuit 3 will be made by the Company as and when appropriate.

As reported by the Fuzhou Legal Firm, due to the delivery procedures of the lawsuit documents by the courts being improper, it resulted in the failure of formal receipts of the lawsuit documents, the writ of summons and the judgments by all the defendants of the above Jiangxi lawsuits. Moreover, due to mistakes made by the relevant staff of Jiangxi Haolun regarding the reporting of the lawsuits, it resulted in the late awareness of the Company in respect of the above Jiangxi lawsuits.

### **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, 22 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*