

Origin Agritech LTD  
Form 20-F  
February 15, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 20-F**

**(Mark One)**

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended \_\_\_\_\_

**OR**

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report \_\_\_\_\_

**For the transition period from January 1, 2006 to September 30, 2006.**

Commission file number: 000-51576

Origin Agritech Limited

(Exact name of Registrant as specified in its charter)

**Not Applicable**

(Translation of Registrant's name into English)

**British Virgin Islands**

(Jurisdiction of incorporation or organization)



**No. 21 Sheng Ming Yuan Road, Chanping District, Beijing 102206, China**  
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class  
**Ordinary Shares**

Name of each exchange on which registered  
**The NASDAQ Stock Market LLC**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.  
**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 23,472,910 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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## INTRODUCTION

Except where the context otherwise requires and for purposes of this Transition Report only:

- “we,” “us,” “our company,” “our,” the “Company” and “Origin” refer to Origin Agritech Limited and, in the context of describing our operations, also include our PRC Operating Companies: Beijing Origin State Harvest Biotechnology Limited, Beijing Origin Seed Limited and its three subsidiaries, Changchun Origin Seed Technology Development Limited, Henan Origin Cotton Technology Development Limited and Denong Zhengcheng Seed Company, Ltd.;
- “shares” and “ordinary shares” refer to our ordinary shares, “preferred shares” refers to our preferred shares;
- “China” or “PRC” refers to the People’s Republic of China, excluding Taiwan, Hong Kong and Macau;
- “Hong Kong” refers to the Hong Kong Special Administrative Region of the People’s Republic of China; and
- all references to “Renminbi,” “RMB” or “yuan” are to the legal currency of China; all references to “U.S. dollars,” “dollars,” “\$” or “US\$” are to the legal currency of the United States. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

## FORWARD-LOOKING INFORMATION

This Transition Report on Form 20-F contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company and industry. All statements other than statements of historical fact in this Transition Report are forward-looking statements. These forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “estimate,” “plan,” “believe,” “is/are likely to” or similar expressions. The forward-looking statements included in this Transition Report relate to, among others:

- our goals and strategies, including how we implement our goals and strategies;
- our expectations for our future business and product development, business prospects, results of business operations and current financial condition;
  - expected changes in our margins and certain costs or expenditures;
  - our future pricing strategies or pricing policies;
- our plans to expand our business level or corporate level operations and product offerings;
- expected changes in the respective component shares of our revenues stream from our business operations or other sources;
  - competition in the crop seed industry in China and other international markets;
  - the future development of the crop seed industry in China and other international markets;

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- our plans for current staffing requirements, research and development and regional business focus;
- PRC and other international governmental policies and regulations relating to the crop seed industry; and
- other “forward-looking” information.

We believe it is important to communicate our expectations to our stockholders. However, there may be certain events in the future that we are not able to predict with accuracy or over which we have no certain control. The risk factors and cautionary language discussed in this Transition Report provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations in these forward-looking statements, including among other things:

- changing interpretations of generally accepted accounting principles;



- outcomes of the PRC and other international government reviews, inquiries, investigations and related litigation;
  - continued compliance with the PRC and other international government regulations;
- legislative and regulatory environments, requirements or changes adversely affecting the businesses in which we and our PRC operating companies are engaged;
  - fluctuations in the PRC or international customer demand;
  - management of rapid growth of our business;
- intensity of competition from other providers of crop seeds in the PRC or other international markets;
  - timing of approval and market acceptance of new products;
  - general economic conditions in the PRC and worldwide; and
    - geopolitical events and regulatory changes.

These forward-looking statements involve various risks, assumptions and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, we cannot assure that our expectations will materialize. Our actual results could be materially different from and worse than our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in Item 3D of this Transition Report, “Key information — Risk Factors” and elsewhere in this Transition Report.

This Transition Report also contains information relating to the crop seed market. This market data includes projections that are based on a number of assumptions. The crop seed market may not grow at the rates we project, or at all. The failure of this market to grow at the projected rates may have a material adverse effect on our business and the market price of our shares. In addition, the relatively new and rapidly changing nature of the genetically modified crop seed industry subjects any projections or estimates relating to the growth prospects or future condition of our markets to significant uncertainties. Furthermore, if any one or more of the assumptions underlying the market data turns out to be incorrect, actual results may differ from the projections based on these assumptions.

The forward-looking statements made in this Transition Report relate only to events or information as of the date on which the statements are made in this Transition Report. Readers should read these statements in conjunction with the risk factors disclosed in Item 3D of this Transition Report.

All forward-looking statements included herein attributable to us or other parties or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this Transition Report or to reflect the occurrence of unanticipated events.

## **PART I**

### **ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not Applicable.



**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not Applicable.

**ITEM 3. KEY INFORMATION**

**A. Selected financial data.**

The following selected consolidated financial information has been derived from our consolidated financial statements. The following information should be read in conjunction with those statements and Item 5, "Operating and Financial Review and Prospects." The summary consolidated statements of operations and comprehensive income data of the Company for the years ended December 31, 2004, 2005 and the nine months ended September 30, 2005 (un-audited) and nine months ended September 30, 2006 and the summary consolidated balance sheet data of the Company as of December 31, 2005 and September 30, 2006, as set forth below are derived from, and are qualified in their entirety by reference to, the audited consolidated financial statements of the Company, including the notes thereto, which are included in this Transition Report. The summary statement of operations and comprehensive income data for the years ended December 31, 2002 and 2003, and the summary balance sheet data as of December 31, 2002, 2003 and 2004 set forth below are derived from audited consolidated financial statements of the Company not included herein.

Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

(in thousands, except share data)	For the year ended December 31, 2002      2003	For the nine months ended September 30,
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