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CODE AGRICULTURE (HOLDINGS) LIMITED

科地農業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNUAL REPORT 2016

Reference is made to the annual report 2016 (the “**Annual Report**”) of Code Agriculture (Holdings) Limited (the “**Company**”) for the year ended 31 March 2016 as published on 27 June 2016. Unless otherwise stated herein, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the Annual Report.

ACTUAL USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

As set out in the section headed “Placing of new shares under general mandate” on page 11 of the Annual Report, it was stated that “During the Year, the Company has completed three tranches of the placing of new shares under general mandate and a total of 542 million new ordinary shares of the Company were allotted and issued to independent third parties. The aggregate net proceeds raised from the placing were approximately HK\$38.6 million and subsequently used as general working capital including the repayment of borrowings and interests.”

Due to an inadvertent error, the Company wishes to clarify that the above quoted statement should read as “During the Year, the Company has completed three tranches of the placing of new shares under general mandate and a total of 542 million new ordinary shares of the Company were allotted and issued to independent third parties. As at the date of the Annual Report, the actual use of proceeds from the placing of new shares under general mandate was shown as follows:

| Date of announcement | Net proceeds (approximately) | Intended use of proceeds | Actual use of proceeds |
|-----------------------------|-------------------------------------|---|--|
| 21 April 2015 | HK\$9.6 million | used for general working capital of the Group | <ul style="list-style-type: none"> (i) approximately HK\$2.2 million used for interest payments for borrowings of the Group; (ii) approximately HK\$4.2 million used for repayment of borrowings of the Group; and (iii) approximately HK\$3.2 million used for operating expenses of the Group. |
| 11 May 2015 | HK\$10.2 million | used for general working capital of the Group | <ul style="list-style-type: none"> (i) approximately HK\$3.0 million used for interest payments for borrowings of the Group; (ii) approximately HK\$5.1 million used for repayment of borrowings of the Group; and (iii) approximately HK\$2.1 million used for operating expenses of the Group. |
| 2 June 2015 | HK\$18.8 million | used for general working capital of the Group | <ul style="list-style-type: none"> (i) approximately HK\$8.0 million used for interest payments for borrowings of the Group; (ii) approximately HK\$3.9 million used for repayment of borrowings of the Group; and (iii) approximately HK\$6.8 million used for operating expenses of the Group.” |

Save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

By order of the Board
Code Agriculture (Holdings) Limited
Hu Chao
Executive Director

Hong Kong, 13 March 2017

As of the date of this announcement, the executive Directors are Ms. Jingquan Yingzi (Chairman), Mr. Chin Wai Keung Richard, Mr. Wang Anyuan, Mr. Wang Rongqian, Mr. Hu Chao and Ms. Lin Yan Jenny; and the independent non-executive Directors are Mr. Hau Chi Kit, Mr. Lee Chi Hwa Joshua and Mr. Zhao Zhizheng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for 7 days from the date of its publication and on the Company’s website at <http://www.code-hk.com>.