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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)

CANCELLATION AND GRANT OF SHARE OPTIONS

On 3 October 2012, the Board announced that:

- (a) the Board resolved to cancel the Old Share Options to subscribe for a total of 60,000,000 Shares previously granted to certain consultants and full-time employees of the Group; and
- (b) the Company offered to grant the New Share Options to subscribe for a total of 202,000,000 Shares to the Grantees subject to the acceptance of the Grantees under the Share Option Scheme.

The announcement is made pursuant to Rule 23.06A of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

CANCELLATION OF THE OLD SHARE OPTIONS

On 3 October 2012, the board (the “**Board**”) of directors (the “**Directors**”) of Code Agriculture (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announced that it resolved to cancel 60,000,000 outstanding share options (the “**Old Share Options**”) previously granted to certain consultants and full-time employees of the Group on 10 December 2010 to subscribe for a total of 60,000,000 ordinary shares of HK\$0.01 each (the “**Shares**”) in the share capital of the Company under the share option scheme adopted by the Company on 2 February 2009 (the “**Share Option Scheme**”). The said cancellation of the Old Share Options is due to the significant drop in the price of the Shares resulting from global market downturn and the Old Share Options no longer serve as effective incentives for the said consultants and full-time employees as the exercise price of the Old Share Options are much higher than the current market price of the Shares.

GRANT OF NEW SHARE OPTIONS

The Board also announced that the Company would conditionally grant 202,000,000 new share options (the “**New Share Options**”) under the Share Option Scheme to certain employees and consultants of the Group and a Director (collectively, the “**Grantees**”) to subscribe for a total of 202,000,000 Shares subject to the acceptance of the Grantees under the Share Option Scheme. The New Share Options consist of two batches, namely Batch 1 and Batch 2. The following are the details of the New Share Options granted:

Batch 1

Date of grant	:	3 October 2012 (the “ Batch 1’s Date of Grant ”)
Exercise price of share options granted	:	HK\$0.163 per Share
Number of share options granted	:	60,000,000 (each share option shall entitle the holder thereof to subscribe for one Share)
Closing price of the Shares on the Batch 1’s Date of Grant	:	HK\$0.163 per Share
Average closing price of the Shares for the five business days immediately preceding the date of grant	:	HK\$0.162 per Share
Validity period of the share options	:	From 3 October 2012 to 2 October 2014 (the “ Batch 1’s Option Period ”)

The New Share Options granted under Batch 1 may be exercisable at any time during the Batch 1’s Option Period, provided that the maximum number of share options which the Grantees under Batch 1 are entitled to exercise shall not exceed:

- (a) 50% of the total number of share options granted to the Grantees under Batch 1 during the period from the Batch 1’s Date of Grant to the date immediately before the first anniversary of the Batch 1’s Date of Grant; and
- (b) 50% of the total number of share options granted to the Grantees under Batch 1 during the period from the first anniversary of the Batch 1’s Date of Grant to the date immediately before the second anniversary of the Batch 1’s Date of Grant;

save that any of the outstanding and unexercised share options at the end of the exercise period as mentioned in the paragraph (a) above can be rolled over to the next exercise period as mentioned in the paragraph (b) above and be exercisable before the expiry of the Batch 1’s Option Period.

None of the Grantees under Batch 1 is a Director, chief executive or substantial shareholder of the Company or any of their respective associate (as defined under the GEM Listing Rules).

Batch 2

Date of grant	:	3 October 2012 (the “ Batch 2’s Date of Grant ”)
Exercise price of share options granted	:	HK\$0.163 per Share
Number of share options granted	:	142,000,000 (each share option shall entitle the holder thereof to subscribe for one Share)
Closing price of the Shares on the Batch 2’s Date of Grant	:	HK\$0.163 per Share

Average closing price of the Shares : HK\$0.162 per Share
for the five business days immediately
preceding the date of grant

Validity period of the share options : From 3 October 2012 to 2 October 2014 (the “**Batch 2’s Option Period**”)

The New Share Options granted under Batch 2 may be exercisable at any time during the Batch 2’s Option Period.

Among the New Share Options granted under Batch 2 as described above, the following New Share Options were granted to the following Director and details of which are as follows:

Name	Position	Number of share options granted
Wong Man Hung Patrick	Executive Director	7,000,000

In accordance with Rule 23.04(1) of the GEM Listing Rules, the grant of the above share options to the above Director has been approved by the independent non-executive Directors.

Save as disclosed above, none of the Grantees under Batch 2 is a Director, chief executive or substantial shareholder of the Company or any of their respective associate (as defined under the GEM Listing Rules).

By Order of the Board
Code Agriculture (Holdings) Limited
Jingquan Yingzi
Chairman

Hong Kong, 3 October 2012

As of the date of this announcement, the executive directors of the Company are Ms. Jingquan Yingzi, Mr. Wong Man Hung Patrick, Mr. Shan Xiaochang, Mr. Wu Zhongxin and Mr. Stephen William Frostick; the non-executive director of the Company is Prof. Liu Guoshun; and the independent non-executive directors of the Company are Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Mr. Zhao Zhizheng.

This announcement, for which the directors of Code Agriculture (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Code Agriculture (Holdings) Limited. 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 for 7 days from the date of its publication and on the Company’s website at <http://www.code-hk.com>.