

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.*



## **CODE AGRICULTURE (HOLDINGS) LIMITED** **科地農業控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 8153)**

### **PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE**

#### **PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) Existing Shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 in the issued and unissued share capital of the Company. The Board also proposes to change the board lot size for trading from 2,000 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective.

As at the date of this announcement, there are 3,924,938,941 Existing Shares of HK\$0.01 each in issue and fully paid or credited as fully paid. As disclosed in the Placing Announcement, pursuant to the Placing Agreement, the Company will place up to 400,000,000 new Shares. In the event that the Placing has been completed and all the Placing Shares are fully placed, the number of Existing Shares will become 4,324,938,941.

Further, as at the date of this announcement, the Company does not have any outstanding options, warrants or securities in issue which are convertible or exchangeable into the Shares.

Assuming (i) all the Placing Shares are fully placed and (ii) no additional Shares will be issued (save and except the Placing Shares) or repurchased from the date of this announcement up to the date of the SGM, there will be 432,493,894 Consolidated Shares of HK\$0.10 each in issue and fully paid or credited as fully paid following the Share Consolidation. On the other hand, if (i) none of the Placing Shares are placed and (ii) no additional Shares will be issued or repurchased from the date of this announcement up to the date of the SGM, there will be 392,493,894 Consolidated Shares of HK\$0.10 each in issue and fully paid or credited as fully paid following the Share Consolidation.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the SGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

## **GENERAL**

A circular containing, among other things, (i) further details of the Share Consolidation and the Change in Board Lot Size; and (ii) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 22 June 2015.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) Existing Shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 in the issued and unissued share capital of the Company. The Board also proposes to change the board lot size for trading from 2,000 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective.

As at the date of this announcement, there are 3,924,938,941 Existing Shares of HK\$0.01 each in issue and fully paid or credited as fully paid. As disclosed in the Placing Announcement, pursuant to the Placing Agreement, the Company will place up to 400,000,000 new Shares. In the event that the Placing has been completed and all the Placing Shares are fully placed, the number of Existing Shares will become 4,324,938,941.

Further, as at the date of this announcement, the Company does not have any outstanding options, warrants or securities in issue which are convertible or exchangeable into the Shares.

Assuming (i) all the Placing Shares are fully placed and (ii) no additional Shares will be issued (save and except the Placing Shares) or repurchased from the date of this announcement up to the date of the SGM, there will be 432,493,894 Consolidated Shares of HK\$0.10 each in issue and fully paid or credited as fully paid following the Share Consolidation. On the other hand, if (i) none of the Placing Shares are placed and (ii) no additional Shares will be issued or repurchased from the date of this announcement up to the date of the SGM, there will be 392,493,894 Consolidated Shares of HK\$0.10 each in issue and fully paid or credited as fully paid following the Share Consolidation.

The authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.10 each.

## **Conditions of the Share Consolidation**

The implementation of the Share Consolidation is conditional upon:

- (a) the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective; and
- (c) the compliance with all relevant procedures and requirements under the Companies Act 1981 of Bermuda to effect the Share Consolidation.

## **Status of the Consolidated Shares**

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

## **Listing application**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

## **PROPOSED CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently trade in board lot size of 2,000 Existing Shares. The Board proposes that, upon the Share Consolidation becoming effective, the board lot size of the Consolidated Shares for trading on the Stock Exchange will be changed to 3,000 Consolidated Shares.

Based on the closing price of HK\$0.0840 per Existing Share (equivalent to HK\$0.840 per Consolidated Share) as quoted on the Stock Exchange as at the last trading day immediately before the date of this announcement, the board lot value is HK\$168 in the current board lot size of 2,000 Existing Shares, and HK\$2,520 in the proposed new board lot size of 3,000 Consolidated Shares.

The Change in Board Lot Size will not, by itself, affect any of the rights of Shareholder. As from Thursday, 9 July 2015, any new share certificate will be issued in board lots of 3,000 Consolidated Shares each (except for odd lots or where the Registrar is otherwise instructed).

## **REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE**

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. As such, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company and the Shareholders as a whole. The Share Consolidation also serves to facilitate fund raising activities of the Company and to comply with the trading requirements of GEM Listing Rules. Moreover, as the market value of each board lot upon the Share Consolidation and the Change in Board Lot Size becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lowered. It is expected that the liquidity in trading of the Shares will increase accordingly and the market value of the Shares will more precisely reflect the intrinsic value of the Company. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to the Company and Shareholders as a whole.

Other than the expenses to be incurred by the Company in relation to the Share Consolidation and the Change in Board Lot Size, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional Consolidated Share which may arise.

## **OTHER ARRANGEMENTS**

Fractional Consolidated Shares will not be issued by the Company to Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company in accordance with the Bye-laws of the Company.

### **Odd lot trading arrangement**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company has agreed to procure an agent to arrange for matching service regarding the sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares, from Thursday, 23 July 2015 to Wednesday, 12 August 2015 (both days inclusive).

Shareholders should note that matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

Further details in respect of the odd lots trading arrangement will be set out in the circular to be despatched to the Shareholders.

### **Exchange of Share Certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 9 July 2015, being the business day immediately after the date of the SGM. Shareholders may during the business hours, on or after Thursday, 9 July 2015 and until Wednesday, 19 August 2015 (both days inclusive) submit their share certificates in peach for the Existing Shares to the Registrar to exchange, at the expense of the Company, for new share certificates in green for the Consolidated Shares on the basis of every ten (10) Existing Shares for one (1) Consolidated Share, without any fractional Consolidated Share.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for exchange of share certificates.

Subject to the Share Consolidation becoming effective, with effect from Thursday, 9 July 2015, trading will only be effected in the Consolidated Shares, the share certificates of which will be issued in yellow colour. The existing share certificates in peach for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## **GENERAL**

A circular containing, among other things, further details of the Share Consolidation and a notice convening the SGM is expected to be despatched to the Shareholders on or before Monday, 22 June 2015. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

## **EXPECTED TIMETABLE**

Set out below is the expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size. The below expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by Shareholders at the SGM, and is therefore for indicative purpose only. Further announcement(s) (if any) will be made by the Company regarding any significant change to the following expected timetable as and when appropriate:

<b>Event</b>	<b>(Hong Kong time)</b>
Despatch of Company's circular with notice and proxy form of SGM .....	Monday, 22 June 2015
Latest time for lodging forms of proxy for the purpose of the SGM (not less than 48 hours prior to the time of the SGM) .....	11:00 a.m. on Monday, 6 July 2015
SGM .....	11:00 a.m. on Wednesday, 8 July 2015
Announcement of poll results of SGM.....	Wednesday, 8 July 2015
Effective date of the Share Consolidation .....	Thursday, 9 July 2015
Dealings in the Consolidated Shares commence.....	9:00 a.m. on Thursday, 9 July 2015
Free exchange of existing share certificates for new share certificates for the Consolidated Shares commences.....	9:00 a.m. on Thursday, 9 July 2015

Original counter for trading in Existing Shares in  
board lot size of 2,000 Existing Shares  
(in the form of existing share certificates) temporarily closes ..... 9:00 a.m. on  
Thursday, 9 July 2015

Temporary counter for trading in the Consolidated Shares  
in board lot size of 200 Consolidated Shares  
(in the form of existing share certificates) opens ..... 9:00 a.m. on  
Thursday, 9 July 2015

Original counter for trading in Consolidated Shares in  
board lot size of 3,000 Consolidated Shares  
(in the form of new share certificates) re-opens ..... 9:00 a.m. on  
Thursday, 23 July 2015

Parallel trading in Consolidated Shares (in form of  
new share certificates in board lots of 3,000 Consolidated Shares  
and the existing share certificates in board lots of  
200 Consolidated Shares) commences ..... 9:00 a.m. on  
Thursday, 23 July 2015

Designated broker starts to stand in the market to provide  
matching services for the sale and purchase of odd lots of  
Consolidated Shares ..... 9:00 a.m. on  
Thursday, 23 July 2015

Temporary counter for trading in the Consolidated Shares  
in board lot size of 200 Consolidated Shares  
(in the form of existing share certificates) closes ..... 4:00 p.m. on  
Wednesday, 12 August 2015

Parallel trading in Consolidated Shares (in form of  
new share certificates in board lots of 3,000 Consolidated Share  
and the existing share certificates in board lots of  
200 Consolidated Shares) ends ..... 4:00 p.m. on  
Wednesday, 12 August 2015

Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares ..... 4:00 p.m. on Wednesday, 12 August 2015

Latest time for free exchange of existing share certificates for new share certificates of the Consolidated Shares ..... 4:00 p.m. on Wednesday, 19 August 2015

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	:	board of the Directors
“Change in Board Lot Size”	:	the proposed change in board lot size for trading from 2,000 Existing Shares to 3,000 Consolidated Shares
“Company”	:	Code Agriculture (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Consolidated Share(s)”	:	ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Directors”	:	directors of the Company
“Existing Share(s)”	:	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“GEM”	:	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	:	the Rules Governing the Listing of Securities on GEM
“Group”	:	the Company and its subsidiaries

“Hong Kong”	: Hong Kong Special Administrative Region of the People’s Republic of China
“Placing”	: the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	: China Rise Securities Asset Management Company Limited, a licensed corporation to carry on businesses in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	: the placing agreement entered into between the Company and the Placing Agent dated 11 May 2015 in relation to the Placing
“Placing Announcement”	: announcement of the Company dated 11 May 2015 in relating to the Placing of 400,000,000 new Shares
“Placing Shares”	: a maximum of 400,000,000 new Shares to be placed pursuant to the Placing Agreement
“Registrar”	: the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SGM”	: the special general meeting of the Company to be convened to consider and, if thought fit, approve, among others, the Share Consolidation and the transactions contemplated thereunder
“Share(s)”	: Existing Share(s) or Consolidated Share(s), as the case maybe
“Share Consolidation”	: the proposed consolidation of every ten (10) Existing Shares of HK\$0.01 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$0.10 in the issued and unissued share capital of the Company

“Shareholder(s)”	: holder(s) of the Share(s)
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board of  
**CODE AGRICULTURE (HOLDINGS) LIMITED**  
**Jingquan Yingzi**  
*Chairman*

Hong Kong, 20 May 2015.

*As of the date of this announcement, the executive directors of the Company are Ms. Jingquan Yingzi (Chairman), Mr. Chin Wai Keung Richard, Mr. Wu Zhongxin and Mr. Stephen William Frostick; the non-executive director is Prof. Liu Guoshun; and the independent non-executive directors are Mr. Sousa Richard Alvaro, Mr. Lee Chi Hwa Joshua and Mr. Zhao Zhizheng.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The directors of the Company, 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>.*