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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 28 April 2017 (after trading hours), the Company and the Consignee entered into the MOU in relation to the Proposed Acquisition.

The Consignee has the consignment right to procure and it will procure the vendor(s) or owner(s) of the Target Company (中信礦業科技有限公司) which holds the entire issued share capital of the Target Company (中信礦業科技有限公司) to enter into a formal agreement with the Company in respect of the Proposed Acquisition. The Consignee will also assist to arrange financing for the Company to complete the Proposed Acquisition, if needed.

To the best of the Directors' information and belief having made all reasonable enquiries, the Consignee and its ultimate beneficial owner(s) are Independent Third Parties.

The Target Company (中信礦業科技有限公司) is principally engaged in investment holding. The Target Group is principally engaged in mining related technology development.

The consideration of the Proposed Acquisition will be not more than RMB500 million. The Company shall be entitled to carry out due diligence review of the assets, liabilities, business, financial, legal and other affairs of the Target Group.

The MOU shall be terminated upon entering into the Formal Agreement.

The MOU does not create legally binding obligations on the parties in relation to the Proposed Acquisition but is legally binding as to such terms relating to termination of the MOU and confidentiality. The Proposed Acquisition is subject to the negotiation and execution of the Formal Agreement.

The MOU is not legally binding with regard to the Proposed Acquisition, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares. Should the Company enter into the Formal Agreement or decide to terminate the MOU or there be any material development on the Proposed Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Code Agriculture (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on GEM (stock code: 8153)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consignee”	中信國通企業管理有限公司 (CITIC Merchant Co., Ltd), a company incorporated in the PRC
“Director(s)”	director(s) of the Company
“Formal Agreement”	a formal sale and purchase agreement between the Company and the vendor(s) or owner(s) of the Target Company which holds the entire issued share capital of the Target Company in relation to the Proposed Acquisition
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“MOU”	the memorandum of understanding dated 28 April 2017 entered into between the Company and the Consignee in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital in the Target Company and related business by the Company as contemplated under the MOU
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	中信礦業科技有限公司, a company incorporated in the PRC
“Target Group”	the Target Company and its subsidiary(ies)

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

Hong Kong, 28 April 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 jointly and individually accept full responsibility, including the 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 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 at least 7 days from the date of its publication and on the Company’s website at <http://www.code-hk.com>.