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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 THE PROPOSED ACQUISITION**

This announcement is made by Code Agriculture (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

#### **MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that on 22 June 2018 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with potential vendor (the “**Potential Vendor**”). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intends to dispose of, the entire capital in a company (the “**Target Company**”) that is a winery management company and principally engaged in the business of brewing and trading of wine (the “**Proposed Acquisition**”). The Target Company is committed to forming O2O integrated wine platform to provide service to consumers in the world. As at the date of the MOU, the Potential Vendor holds the entire capital of the Target Company.

#### **Principal Terms of the MOU**

##### ***Date***

22 June 2018 (after trading hours)

## ***Parties***

- (i) The Company; and
- (ii) the Potential Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Potential Vendor is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules)

## ***Consideration***

The consideration for the Proposed Acquisition and the manner of payment shall be further negotiated between the Company and the Potential Vendor and be determined in the Formal Agreement (as defined below).

## ***Exclusivity***

During a period of 180 days from the date of the MOU (or such other longer period as the Company and the Potential Vendor may mutually agree) (the "**Exclusivity Period**"), the Company shall have exclusive right to negotiate with the Potential Vendor in relation to the terms of the Proposed Acquisition. During the Exclusivity Period, the Potential Vendor shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Company or any of its businesses.

## ***Due Diligence Review***

Pursuant to the MOU, in the Exclusivity Period, the Company may conduct due diligence review on, including but without limitation, the incorporation and subsisting status of the Target Company and its subsidiaries, the assets, liabilities, financial status and business operations of the Target Company. The Potential Vendor shall use his best endeavor to procure the Target Company and his agent to provide such assistance and information as is necessary for the Company to complete its due diligence review on the Target Company.

## ***Formal Agreement***

Before the expiry of the Exclusivity Period, the Company and the Potential Vendor shall use his best endeavour to procure a legally binding formal agreement in relation to the Proposed Acquisition (the "**Formal Agreement**"). The Company has the right to nominate a company in the Group as the purchaser to enter into the Formal Agreement.

### ***Termination***

The MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period;
- (ii) the date of execution of the Formal Agreement; or
- (iii) both parties mutually written consent to terminate the MOU.

### ***Binding effect***

Save for the provisions relating to the exclusivity, due diligence review, confidentiality, termination, notices, binding effect, governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

### **GENERAL**

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

**As the Proposed Acquisition may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.**

By order of the Board  
**Code Agriculture (Holdings) Limited**  
**Wu Meirong**  
*Chairlady*

Hong Kong, 22 June 2018

*As of the date of this announcement, the executive Directors are Ms. Wu Meirong, Ms. Jingquan Yingzi, Mr. Chin Wai Keung Richard, 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 <http://www.hkgem.com> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.code-hk.com>.*