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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)**

**PROPOSED SHARE CONSOLIDATION**

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The Board proposes to implement the Share Consolidation on the basis that every eight (8) issued and unissued Shares of par value of HK\$0.0004 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.0032 each.

**GENERAL**

The SGM will be convened and held for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the SGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of SGM will be despatched to the Shareholders on or before 19 November 2018.

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### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 250,000,000,000 Shares of HK\$0.0004 each, of which 2,584,475,222 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 31,250,000,000 Consolidated Shares of HK\$0.0032 each, of which 323,059,402 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

### **Conditions Precedent to the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the Bermuda Law (if applicable) and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

## **Listing Application**

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, 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. Details of the odd lot arrangement will be set out in the Circular.

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

## **Free exchange of Consolidated Shares' certificates and trading arrangement**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Thursday, 6 December 2018 until Wednesday, 16 January 2019 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit the existing share certificates for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of eight (8) Shares for one (1) Consolidated Share).

Thereafter, existing share certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

After 4:00 p.m. on Monday, 14 January 2019, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

## **Adjustments in relation to other securities of the Company**

As at the date of this announcement, the Company has convertible bonds with outstanding principal amount of HK\$163,000,000 which is convertible into 3,260,000,000 Shares at the conversion price of HK\$0.05. The Share Consolidation may cause adjustments to the conversion price and/or the number of Consolidated Shares which may fall to be issued upon exercise of the conversion right attaching to the convertible bonds. The Directors will determine any adjustments required to be made in respect of the above as a result of the Share Consolidation. The Company will make further announcement(s) regarding the adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into the Shares as at the date of this announcement.

## REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 3 July 2018 has further stated that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Based on the closing price of HK\$0.094 per Share as at the date of this announcement, the value of each board lot of 5,000 Shares was HK\$470 (the “**Existing Value**”). In view of the recent trading prices of the Shares at a level less than HK\$0.1 and the Existing Value being less than HK\$2,000, the proposed Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. As such, it would (i) enable the Company to comply with the trading requirements under the GEM Listing Rules; and (ii) reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

Assuming the Share Consolidation had become effective, based on the closing price of HK\$0.094 per Share (equivalent to the theoretical closing price of HK\$0.752 per Consolidated Share) as at the date of this announcement, the theoretical value of each board lot of 5,000 Consolidated Shares would be HK\$3,760.

The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation:

<b>Event</b>	<b>2018</b>
Expected date of despatch of the Circular with notice of the SGM .....	Monday, 19 November
Latest date and time for lodging transfers of Shares in order to qualify for attendance and voting at the SGM .....	4:30 p.m. on Thursday, 29 November
Closure of register of members of the Company for the entitlement to attend and vote at the SGM (both dates inclusive) .....	Friday, 30 November to Wednesday, 5 December
Latest date and time for lodging forms of proxy for the SGM .....	11:00 a.m. on Monday, 3 December
Date and time of the SGM .....	11:00 a.m. on Wednesday, 5 December
Announcement of poll results of the SGM .....	Wednesday, 5 December

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, which are included in this announcement.**

<b>Event</b>	<b>2018</b>
Effective date of the Share Consolidation . . . . .	Thursday, 6 December
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	Thursday, 6 December
Dealing in the Consolidated Shares commences. . . . .	9:00 a.m. on Thursday, 6 December
Original counter for trading in the Shares in board lots of 5,000 Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m. on Thursday, 6 December
Temporary counter for trading in the Consolidated Shares in board lots of 625 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. on Thursday, 6 December
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m. on Thursday, 20 December
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences. . . . .	9:00 a.m. on Thursday, 20 December

**Event****2018**

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . . 9:00 a.m. on Thursday, 20 December

**2019**

Temporary counter for trading in the Consolidated Shares in board lots of 625 Consolidated Shares (in the form of existing share certificates) closes . . . . . 4:00 p.m. on Monday, 14 January

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends . . . . . 4:00 p.m. on Monday, 14 January

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . . 4:00 p.m. on Monday, 14 January

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . . Wednesday, 16 January

*Note:*

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified herein is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the GEM website of the Stock Exchange and on the website of the Company as and when appropriate.



## **GENERAL**

The SGM will be convened and held for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the SGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of SGM will be despatched to the Shareholders on or before 19 November 2018.

## **DEFINITIONS**

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

“Board”	the Board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company to be despatched to the Shareholders to provide, among other things, further details regarding the Share Consolidation
“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)
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.0032 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	The Listing Committee of the Stock Exchange
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Share(s)”	ordinary share(s) of par value of HK\$0.0004 each in the share capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the consolidation of every eight (8) issued and unissued Shares of par value of HK\$0.0004 each into one (1) Consolidated Share of par value of HK\$0.0032 each
“Shareholder(s)”	the holder(s) of the Share(s) and/or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Code Agriculture (Holdings) Limited**  
**Wang Dequn**  
*Chairman*

Hong Kong, 2 November 2018

*As of the date of this announcement, the executive Directors are Mr. Wang Dequn, Ms. Jingquan Yingzi, Mr. Wang Rongqian, Mr. Hu Chao, Ms. Lin Yan Jenny and Mr. Mao Songtao; and the independent non-executive Directors are Mr. Hau Chi Kit, Mr. Lee Chi Hwa Joshua and Mr. Wong Ching Keung.*

*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’s website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <http://www.code-hk.com> for at least 7 days from the day of its posting.*