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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 COOPERATION

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 13 November 2018 (after trading hours), the Company, as potential partner, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with potential partner (the “**Potential Partner**”). The Potential Partner is engaged in the business of car beauty services in the People’s Republic of China (the “**PRC**”), providing 24-hour unmanned smart car wash. Pursuant to the MOU, the Company intends to cooperate with the Potential Partner to establish the 24-hour unmanned smart car wash stations in the PRC on a large-scale (the “**Proposed Cooperation**”).

Principal Terms of the MOU

Date

13 November 2018 (after trading hours).

Parties

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

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

Investment amount

The investment amount for the Proposed Cooperation and the manner of payment shall be further negotiated between the Company and the Potential Partner 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 Partner may mutually agree) (the "**Exclusivity Period**"), the Company shall have exclusive right to negotiate with the Potential Partner in relation to the terms of the Proposed Cooperation. During the Exclusivity Period, the Potential Partner shall not directly or indirectly negotiate or agree with any other party with respect to any of its business cooperation.

Formal Agreement

Before the expiry of the Exclusivity Period, the Company and the Potential Partner shall use his best endeavour to procure a legally binding formal agreement in relation to the Proposed Cooperation (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, 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 Cooperation are still being negotiated and no legally binding agreement has been entered into. The Proposed Cooperation, 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
Wang Dequn
Chairman

Hong Kong, 13 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 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>.

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