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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 STRATEGIC AGREEMENT

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 9 December 2018, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Yidao Donglian Blockchain Technology (Hainan) Limited* (“**Yidao Donglian**”) and Baping Sky International Technology Limited* (“**Baping Sky**”) (collectively referred to as the “**Potential Partner**”). Pursuant to the MOU, the Company intends to work with Potential Partners to create a new cross-border e-commerce platform (the “**Proposed Cooperation**”).

Yidao Donglian focuses on the upgraded consumption experience in the mobile internet “consumers can pay later”, combined with the strategic cooperation of China Agricultural Film and Television Centre. The public welfare concept of precision poverty alleviation and county-level products is taken as the entrance (117 provinces as the first pilot), and a number of listed companies’ platforms can introduce the products and services of listed companies. 30 million employees of those listed companies take part in “travel first and pay later” as the pre-population, which drives the sales of overseas real estate and high-quality products at local and overseas, aiming to build a one-stop credit consumption cross-border e-commerce platform integrating public welfare, entrepreneurship and benefit to people. The main business of Baping Sky is the provision of production and distribution of advertisements rental services for Friend Circle. It is also a diversified and innovative media enterprise, integrating advertising media and internet marketing. It integrates multi-industry resources and leads the development of advertising industry with a cross-border integration thinking mode. Through the rapid establishment of a large mobile new media user group, and ultra-precise data statistics for users, deepen potential business value, and build a promotion platform for cross-border e-commerce companies. After the strategic cooperation of the three parties, with the respective resource advantages, we create a new and modern cross-border e-commerce platform of “Huayou Baping” to provide high-quality services for enterprises, businesses and consumers.

Principal Terms of the MOU

Date

9 December 2018

Parties

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

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Partners 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 Partners 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 Partners may mutually agree) (the “**Exclusivity Period**”), the Company shall have exclusive right to negotiate with the Potential Partners in relation to the terms of the Proposed Cooperation. During the Exclusivity Period, the Potential Partners 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 Partners 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) three 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 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 Cooperation may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

* *The English name in the announcement is for reference only. The official name is in Chinese.*

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

Hong Kong, 10 December 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>.