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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)

ADOPTION OF DIVIDEND POLICY

This announcement is made by Code Agriculture (Holdings) Limited (the “**Company**” together with its subsidiaries, collectively 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 (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Board has approved and adopted a dividend policy on 1 January 2019 (the “**Dividend Policy**”).

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- a) the Company’s actual and expected financial performance;
- b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- c) the Group’s expected working capital requirements, capital expenditure requirements and future expansion plans;
- d) the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- e) any restrictions on payment of dividends that may be imposed by the Group’s lenders;

- f) general economic conditions, business cycle of the Group's motion control business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- g) any other factors that the Board deem appropriate.

Any declaration and payment of dividends under the Dividend Policy are subject to the Board's sole determination. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

The declaration and payment of the dividend by the Company is also subject to any restrictions under the Companies Laws of Bermuda, any applicable laws, rule and regulations and the Articles of Association of the Company.

The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

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

Hong Kong, 17 January 2019

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>.