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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)

(1) COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND (2) CHANGE OF USE OF PROCEEDS FROM THE PLACING

Placing Agent



Royston Securities Limited

Reference is made to the announcements of the Company dated 29 August 2019 and 18 September 2019 (the “**Announcements**”) in relation to the placing of new shares under the General Mandate. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions set out in the Placing Agreement had been fulfilled and completion of the Placing took place on 11 October 2019. An aggregate of 452,000,000 Placing Shares, representing approximately 10.77% of the Company’s issued share capital immediately after completion of the Placing, have been successfully placed to not less than six Placees at the Placing Price of HK\$0.019 per Placing Share. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is an Independent Third Party; and (ii) none of the Placees has become a substantial Shareholder (as defined under the Listing Rules) immediately after completion of the Placing.

CHANGE OF USE OF PROCEEDS FROM THE PLACING

As set out in the Announcements, the net proceeds from the Placing (assuming fully placed) would amount to approximately HK\$9.1 million and it is intended that HK\$7.5 million would be used to repay outstanding loans and the balance would be used as working capital for the Company which includes operating expenses such as professional fees, employees' remuneration and interest expenses. As the Placing Shares were not fully placed, the actual net proceeds now amounts to HK\$8,317,021.28 (the "Net Proceeds") and the net issue price per Placing Share is approximately HK\$0.0184. After taking into account the current social and business environment, the financial position of the Company and the fact that the Placing Shares were not fully placed, the Company intends to change the use of proceeds where HK\$5.5 million will be used to repay outstanding loans and the balance of the Net Proceeds will be used as general working capital for the Company. The Board considers that the proposed change of use will allow the Company to deploy its financial resources with more flexibility which is in the best interest of the Company and its shareholders as a whole.

The shareholding structure of the Company immediately before and upon completion of the Placing is set out below:

Name of Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Director(s):				
WANG Dequn	220,000,000	5.87	220,000,000	5.24
Substantial Shareholder:				
SONG Wenxia	364,200,547	9.72	364,200,547	8.67
Placee(s)	–	–	452,000,000	10.77
Public Shareholders	<u>3,161,972,205</u>	<u>84.41</u>	<u>3,161,972,205</u>	<u>75.32</u>
	<u><u>3,746,172,752</u></u>	<u><u>100.00</u></u>	<u><u>4,198,172,752</u></u>	<u><u>100.00</u></u>

By order of the Board
Code Agriculture (Holdings) Limited
Tsang King Sun
Executive Director

Hong Kong, 11 October 2019

As of the date of this announcement, the executive directors of the Company are Mr. Chow Chi Wah Vincent, Mr. Tsang King Sun, Mr. Wang Rongqian, Mr. Hu Chao; the non-executive directors of the Company are Mr. Qian Gang, Mr. Wang Dequn; and the independent non-executive directors of the Company are Mr. Lee Chi Hwa Joshua, Mr. Wong Ching Keung, Ms. Ng Yin Ling Elaine and Dr. Antonio Maria Santos.

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>.