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(Continued into Bermuda with limited liability)

(Stock Code: 8166)

**(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE;
AND
(II) ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

Underwriter



VC BROKERAGE LIMITED
滙盈證券有限公司

VC Brokerage Limited

Reference is made to the prospectus of China Eco-Farming Limited (the “**Company**”) dated 25 April 2022 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board wishes to announce that all the conditions precedent set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had not been terminated by the Underwriter prior to the Latest time for Termination. Accordingly, the Underwriting Agreement and the Rights Issue became unconditional at 4:00 p.m. on Thursday, 12 May 2022.

As at 4:00 p.m. on Wednesday, 11 May 2022, being the Latest Time for Acceptance, (i) a total of 1 valid acceptance of provisional allotments under the PAL had been received for a total of 920,688 Rights Shares, representing approximately 1.74% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue; and (ii) a total of 1 valid application for Excess Rights Shares under the EAF had been received for a total of 625,800 Rights Shares, representing approximately 1.18% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue.

In aggregate, 2 valid acceptances and applications in respect of a total of 1,546,488 Rights Shares under the PAL and the EAF, representing approximately 2.92% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue, had been received.

Based on the above results, the Rights Issue was under-subscribed by 51,431,133 Rights Shares, representing approximately 97.08% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

As the Rights Shares were under-subscribed, the valid excess application has been accepted and a total of 625,800 Excess Rights Shares will be allotted and issued to the relevant applicant in full. Accordingly, no refund cheques for wholly and partially unsuccessful applications for Excess Rights Shares will be posted.

THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Issue and in accordance with the terms of the Underwriting Agreement, the Underwriter, on a best effort basis, has underwritten 22,500,000 Rights Shares, of which (i) 11,300,000 Rights Shares were subscribed by the Underwriter; and (ii) 11,200,000 Rights Shares were subscribed by the subscribers (the “**Subscribers**”) which were procured by the Underwriter, representing approximately 42.47% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for the disclosed, the Underwriter and the Subscribers are Independent Third Parties and each of the subscribers is not a party acting in concert with each other.

After the underwriting and the Subscribers’ subscription procured by the Underwriter, the Rights Issue was finally under-subscribed by 28,931,133 Rights Shares, representing approximately 54.61% of the total number of 52,977,621 Rights Shares available for subscription under the Rights Issue. Therefore, the size of the Rights Issue was reduced to 24,046,488 Rights Shares and the details of the shareholding structure of the Company are shown in the section headed “**SHAREHOLDING STRUCTURE OF THE COMPANY**” below in this announcement.

USE OF PROCEEDS

As the size of the Rights Issue was reduced, the gross proceeds from the Rights Issue are approximately HK\$3.85 million and the net proceeds from the Rights Issue, after deducting the underwriting commission, professional fees and all other relevant expenses, are estimated to be approximately HK\$3.06 million. The Company will apply the net proceeds of the Rights Issue in accordance with the proposed use of proceeds as set out in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is set out below:

Shareholders	Immediately before the completion of the Rights Issue		Immediately after the completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Substantial Shareholder				
Mr. So Chi Ming (“ Mr. So ”) (<i>Note 1 & 2</i>)	1,190,400	1.12%	1,190,400	0.92%
Ms. Yeung Sau Han Agnes (“ Ms. Yeung ”) (<i>Note 2</i>)	342,000	0.32%	342,000	0.26%
A S Investment Holdings Limited (“ A S Investment ”) (<i>Note 2</i>)	<u>14,635,200</u>	<u>13.81%</u>	<u>14,635,200</u>	<u>11.26%</u>
Sub-total	16,167,600	15.26%	16,167,600	12.44%
Public Shareholders				
the Subscribers	–	–	11,200,000	8.62%
the Underwriter and its holding company (<i>Note 3</i>)	861,600	0.81%	12,161,600	9.35%
Other public Shareholders	<u>88,926,043</u>	<u>83.93%</u>	<u>90,472,531</u>	<u>69.59%</u>
Sub-total	<u>89,787,643</u>	<u>84.74%</u>	<u>113,834,131</u>	<u>87.56%</u>
Total	<u><u>105,955,243</u></u>	<u><u>100.00%</u></u>	<u><u>130,001,731</u></u>	<u><u>100.00%</u></u>

Notes:

1. Mr. So is the uncle of Mr. So David Tat Man, an executive Director.
2. Mr. So and Ms. Yeung are spouses. Based on the disclosure of interests forms both filed on 1 September 2020 by Mr. So and Ms. Yeung, Mr. So has an interest of 1,190,400 Shares (after the capital reorganisation of the Company being effective on 22 October 2021) as beneficial owner, and Ms. Yeung has an interest of 342,000 Shares (after the capital reorganisation of the Company being effective on 22 October 2021) as beneficial owner. By virtue of the SFO, Mr. So is deemed to be interested in the Shares owned by Ms. Yeung and Ms. Yeung is deemed to be interested in the Shares owned by Mr. So. A S Investment has an interest of 14,635,200 Shares (after the capital reorganisation of the Company being effective on 22 October 2021) as beneficial owner. A S Investment is wholly-owned by Ever Better Holdings Limited. Ever Better Holdings Limited is owned as to 50% by Mr. So and 50% by Ms. Yeung. Mr. So and Ms. Yeung are deemed to be interested in 14,635,200 Shares held by A S Investment, and are therefore deemed to be interested in an aggregate of 16,167,600 Shares.
3. Value Convergence Holdings Limited, being the holding company of the Underwriter, is interested in 861,600 Shares. The Underwriter has subscribed for 11,300,000 Rights Shares.

SCALE-DOWN MECHANISMS OF THE RIGHTS ISSUE

As stated in the Prospectus, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by underwriting and by the Subscribers will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it; and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, after considering the allotment results of the Rights Issue, the Company is not aware of any applications for Rights Shares by any applicants which would result in either the incurring of an MGO Obligation or the non-compliance of the Public Float Requirement. Accordingly, the scale-down mechanism has not been triggered and all the applications for Rights Shares are not required to be scaled down by the Company.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be despatched to the relevant applicants by ordinary post, at their own risk, to their registered addresses on Thursday, 19 May 2022.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 20 May 2022.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed VC Brokerage Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Leung (Dealing Department) at (852) 2913-6716, 6/F, Centre Point, 181–185 Gloucester Road, Wanchai, Hong Kong during the period from Friday, 20 May 2022 at 9:00 a.m. to Friday, 10 June 2022 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Immediately before the completion of the Rights Issue, the Company had 5,580,000 outstanding Share Options. Pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules, the exercise price and/or the number of the outstanding Share Options granted under the Share Option Scheme will be adjusted.

As a result of the Rights Issue, the Company has calculated the necessary adjustments (the “**Share Options Adjustments**”) to the exercise price and the number of Shares falling to be issued upon exercise of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules, and the Supplementary Guidance on GEM Listing Rule 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”).

The Share Options Adjustments as a result of the Rights Issue with effect from Thursday, 19 May 2022, being the date on which the fully-paid Rights Shares are allotted and issued, are set out below:

Date of grant	Exercisable period	Immediately before the completion of the Rights Issue		Immediately after the completion of the Rights Issue	
		Exercise price per Share (HK\$)	Number of Shares to be issued upon exercise of the outstanding Share Options	Adjusted exercise price per Share (HK\$)	Adjusted number of Shares to be issued upon exercise of the outstanding Share Options
7 December 2020	7 December 2020 to 6 December 2025	0.5540	5,580,000	0.5506	5,614,428

Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

The auditor and reporting accountant of the Company, Asian Alliance (HK) CPA Limited, has confirmed to the Directors in writing that the adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the outstanding Share Options are in compliance with the requirements set out in the terms and conditions of the Share Options Scheme, Rule 23.03(13) of the GEM Listing Rules and the Stock Exchange Supplementary Guidance.

By Order of the Board
China Eco-Farming Limited
Liu Chun Fai
Chairman and Executive Director

Hong Kong, 18 May 2022

As at the date of this announcement, the executive Directors are Mr. Liu Chun Fai (Chairman), Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. So David Tat Man and Mr. Ng Cheuk Fan, Keith; the independent non-executive Directors are Mr. Yick Ting Fai, Jeffrey, Mr. Zhang Min and Ms. Yuen Wai Man.

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 Company's website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and the "Latest Listed Company Information" page of the GEM website for at least 7 days from the date of its publication.