



8 May 2017

## WITHDRAWAL FROM COOPERATIVE

- **Withdrawal from Qingzhou Jiajiafu Fruit and Vegetable Professional Cooperative which the Company has an 11.3% interest**
- **Company to receive a refund of RMB 18.4 million (circa A\$3.6 million) invested into the Cooperative**
- **Continue focus on farming, plantation and processed product development**

Jiajiafu Modern Agriculture Limited (ASX:JFJ) is pleased to advise that the Company has elected to withdraw from the Qingzhou Jiajiafu Fruit and Vegetable Professional Cooperative ("Cooperative") which the Company has an 11.3% interest, and a 3.955% profit entitlement.

As disclosed in its Replacement Prospectus dated 12 December 2016, the Cooperative business is based on arranging procurement of agricultural production materials for its members. It also provides fruit and vegetable produce preservation and horticultural technology consultation services to its members. The Company's 11.3% represents a minority passive interest and not a controlling interest. The Cooperative is not part of the Company's operating business.

Withdrawal from the Cooperative will see RMB 18.4 million cash (circa A\$3.6 million) released to the Company by the end of May 2017. The Company retains a 0.3% interest in the Cooperative and has a remaining RMB 500k (A\$98k) investment in the Cooperative. The withdrawal will also free up capacity for the Company's personnel by relieving them from their duties as management committee members.

The Company intends to re-deploy the A\$3.6 million towards plantation, processed product development and R&D.

**ENDS**

**Qingkai Li**

Executive Chairman & CEO

On behalf of the Board of Jiajiafu Modern Agriculture Limited