



家家富现代农业
Jiajiafu Modern Agriculture

Jiajiafu Modern Agriculture Limited
(ABN: 82607739159)
T: +61 488 470 888
W: <http://www.jjma.com>
A: Suite 521, 368 Sussex Street
Sydney, NSW, Australia, 2000

5 July 2019

Mrs Lisa Banh

Senior Adviser, Listings Compliance (Sydney)

Response to ASX query letter

1. A copy of each individual subscriber's completed application form under JJF's replacement prospectus dated 12 December 2016 (not for release to the market).

Relevant completed application forms – See Attachment “1-1”&“1-2”, provided by JJF's share registry, Advanced Share Registry Limited.

2. The names of all brokers, advisers and any other persons who assisted JJF to obtain shareholder spread, together with the names of shareholders provided or introduced to JJF by them and the number of shares subscribed for by each of those shareholders in the IPO (not for release to the market).

Relevant document – See Attachment “2-1”, “2-2” and “2-3”.

- 2-1: Shareholders introduced by JJF Company, Jarod and former JJF director, Mr Wenyan Zhao.
- 2-2: 29 Shareholders introduced by former JJF director, Mr Chen Chik (Nicholas) Ong.
- 2-3: Shareholders counted by our broker AGC Capital Securities Pty Ltd on 21 Feb 2017. Remove the shareholders of “2-1”&“2-2”, and the rest are introduced by AGC Capital Securities Pty Ltd.

3. If any assistance was provided to applicants to complete IPO application forms, the details of such arrangements, including the name of



家家富现代农业
Jiajiafu Modern Agriculture

Jiajiafu Modern Agriculture Limited
(ABN: 82607739159)
T: +61 488 470 888
W: <http://www.jjfma.com>
A: Suite 521, 368 Sussex Street
Sydney, NSW, Australia, 2000

any persons acting in this capacity and the number of applications that they assisted with (not for release to the market).

Most stock applicants themselves can understand and fill out application forms. If they have any doubts in the filling process, they will consult their introducers on how to fill them out.

4. A copy of each of the completed off-market transfer forms referred to in paragraph G above (not for release to the market).

Relevant document – See Attachment “4-1”, “4-2”, “4-3”, “4-4”, “4-5” and “4-6”, provided by Advanced Share Registry Limited.

5. Please explain the relationship between each of the following individuals and JJF:

- a) Mr Lei Zhang;
- b) Mr Szu-Wu Yu;
- c) Mr Min-Chung Yu; and
- d) Mr Ming-Huang Ho

None of these four individuals have (or had) any involvement, association or connection with JJF other than as former JJF shareholders.

6. Please confirm that JJF’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JJF with delegated authority from the board to respond to ASX on disclosure matters.

I confirm that JJF’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JJF with delegated authority from the board to respond to ASX on disclosure matters.



家家富现代农业
Jiajiafu Modern Agriculture

Jiajiafu Modern Agriculture Limited

(ABN: 82607739159)

T: +61 488 470 888

W: <http://www.jjfma.com>

A: Suite 521, 368 Sussex Street
Sydney, NSW, Australia, 2000

For and on behalf of the Board

Qingkai Li

Executive Chairman and CEO of Jiajiafu Modern Agriculture Limited



1 July 2019

Reference: ODIN03734

Mr Jarod Li
Executive Director & Company Secretary
Jiajiafu Modern Agriculture Limited
Suite 615
368 Sussex Street
Sydney NSW 2000

By email: Jarod@jffma.com

Dear Mr Li

Jiajiafu Modern Agriculture Limited ('JJF'): Questions and Requests for Information

ASX Limited ('ASX') refers to the following:

- A. ASX's letter dated 14 February 2017 confirming its decision to admit JJF to the official list subject to certain conditions precedent, including a variation to Listing Rule 1.1 condition 8 that required ASX to be:
'...satisfied that the Company has an appropriate spread of shareholders and in any case that:
 - 1.3.1. *there are at least 300 shareholders, of which at least 75% are Australian residents, each having a parcel of shares with a value of at least \$2,000; and*
 - 1.3.2. *at least 25% of the Company's ordinary shares are not held by related parties.'*(the 'ASX Spread Condition').
- B. An email dated 3 March 2017 from JJF's legal advisers, Baker & McKenzie, attaching a spreadsheet of shareholders purportedly evidencing compliance with the ASX Spread Condition, which showed JJF as having 336 shareholders with parcels of shares with a value of at least \$2,000, comprising 246 shareholders with Australian residential addresses and 90 shareholders with addresses overseas (mostly China).
- C. ASX's letter of 8 March 2017 confirming JJF's admission to the official list on 8 March 2017 following its apparent satisfaction of all conditions precedent set out in ASX's letter dated 14 February 2017.
- D. JJF's Annual Report for the year ended 30 June 2017 released on the ASX market announcements platform on 2 October 2017, which disclosed that JJF had 161 shareholders as at 28 August 2017.
- E. An email dated 6 May 2019 from JJF's registry service provider, Advanced Share Registry Limited, attaching:
 - i. JJF's register of shareholders as at 6 May 2019, which listed 167 shareholders, of which 115 reside in Australia; and
 - ii. a transaction report setting out JJF's share transfer records for the period between 6 May 2018 and 6 June 2019.
- F. An email dated 20 May 2019 from JJF's registry service provider, Advanced Share Registry Limited, attaching a transaction report setting out JJF's share transfer records for the period between 9 March 2017 and 6 May 2018.

ASX has reviewed the transaction report and finds that:

- There were a total of 157 off-market transfers between 6 April 2017 and 12 July 2017.
- 126 of these off-market transfers were from Australian resident shareholders.
- Each transfer amounted to 6,667 shares in JJF (the minimum parcel).

More specifically:

- On 6 April 2017, there were 20 off-market transfers from 20 different holders to one holder, Mr Lei Zhang.
- Between 1-3 May 2017 and on 12 May 2017, there were a total of 83 off-market transfers from 83 different holders to one holder, Mr Szu-Wu Yu.
- On 1 May 2017, 12 May 2017, 31 May 2017 and 12 July 2018, there were a total of 26 off-market transfers from 26 different holders to one holder, Mr Min-Chung Yu.
- On 2 May 2017, there were 28 off-market transfers from 28 different holders to one holder, Mr Ming-Huang Ho.

G. Section 3.8 of Guidance Note 1 *Applying for Admission – ASX Listing*, which states:

‘ASX will not accept security holdings obtained by artificial means as counting towards minimum spread. Without limitation, ASX regards the following as “artificial” for these purposes:

- *giving securities away;*
- *offering non-recourse loans to prospective investors to acquire securities;*
- *having investors pre-complete transfers of their securities to a third party ahead of listing;*
- *having investors enter into purchase agreements or call options that allow a third party to acquire their securities after listing;*
- *having investors enter into repurchase agreements or put options that allow them to dispose of their securities to a third party after listing;*
- *brokers allocating securities to discretionary managed accounts without the knowledge or consent of the client for whom those accounts are managed;*
- *brokers or other parties being incentivised to procure spread through the payment of abnormally high fees, brokerage or commission; and*
- *splitting what is effectively one beneficial holding of securities across multiple family members, family companies or family trusts or across multiple entities in the same corporate group.*

Unless satisfactory evidence is provided to the contrary, ASX will assume that if there are more than two holdings registered at the same address or post office box, they fall within this last category and ASX will treat all such holdings as no more than two holdings for the purposes of determining whether spread has been achieved.

ASX may require evidence that an entity has achieved its minimum spread without using artificial means ...’

Based on the information outlined in paragraph F above, ASX has serious concerns that JJF may have obtained its minimum spread using artificial means and that JJF did not meet the conditions for admission to the ASX official list.

Questions and Requests for Information

In light of ASX's findings (see paragraph F above) and to assist ASX in assessing whether or not JJF has complied with the listing rules, ASX requests that JJF answer the following questions and provide the following information pursuant to listing rule 18.7 (to be collected and provided at JJF's expense):

1. A copy of each individual subscriber's completed application form under JJF's replacement prospectus dated 12 December 2016 (not for release to the market).
2. The names of all brokers, advisers and any other persons who assisted JJF to obtain shareholder spread, together with the names of shareholders provided or introduced to JJF by them and the number of shares subscribed for by each of those shareholders in the IPO (not for release to the market).
3. If any assistance was provided to applicants to complete IPO application forms, the details of such arrangements, including the name of any persons acting in this capacity and the number of applications that they assisted with (not for release to the market).
4. A copy of each of the completed off-market transfer forms referred to in paragraph G above (not for release to the market).
5. Please explain the relationship between each of the following individuals and JJF:
 - a) Mr Lei Zhang;
 - b) Mr Szu-Wu Yu;
 - c) Mr Min-Chung Yu; and
 - d) Mr Ming-Huang Ho
6. Please confirm that JJF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JJF with delegated authority from the board to respond to ASX on disclosure matters.

ASX reserves the right to request additional information pursuant to listing rule 18.7.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12.00 pm AEST on Friday 5 July 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in JJF's securities under Listing Rule 17.3.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)