

# Market Announcement

31 January 2020

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## Botai Technology Limited (ASX: BTK) – Removal from the ASX Official List

### Description

On 2 September 2019, securities in BTK were suspended from official quotation in accordance with Listing Rule 17.5 following BTK's failure to lodge its half-year report for the six months ending 30 June 2019.

On 16 December 2019, ASX sent BTK a letter (a copy of which is attached):

1. outlining ASX's views regarding various breaches of the ASX Listing Rules by BTK;
2. providing BTK an opportunity to respond to ASX's concerns by 30 December 2019; and
3. advising BTK that unless it could demonstrate good reason to the contrary, ASX would terminate BTK's admission to the ASX official list on and from the commencement of trading on 3 February 2020.

ASX has not received any acknowledgement of or response to its letter.

ASX has therefore determined that it will remove BTK from the Official List under Listing Rule 17.12, with effect on and from the commencement of trading on 3 February 2020.

### Issued by

#### Dean Litis

Principal Adviser, Listings Compliance (Melbourne)



16 December 2019

Reference: ODIN11760

The Board of Directors  
Qianfeng LIN  
Chairman  
Botai Technology Limited

By email

Dear Sirs

**Botai Technology Limited (formerly, Wonhe Multimedia Commerce Ltd) ('BTK'): Show Cause Letter**

ASX refers to the following:

- A. BTK's announcement entitled "Intended Re-statement of Account Receivables" lodged on the ASX Market Announcements Platform released on 29 July 2019 (the 'Announcement'), disclosing that following discussions with the Australian Securities & Investments Commission ('ASIC'), BTK would restate the balance of account receivables recorded in its Statement of Financial Position as at 31 December 2018 and full details of the changes would be included in the Interim Financial Statements for the Half Year ended 30 June 2019 ('HY2019 Report') to be released to the market on or before 2 September 2019 ('Information').
- B. On 2 September 2019, securities in BTK were suspended from official quotation in accordance with Listing Rule 17.5 following BTK's failure to lodge its HY2019 Report.
- C. On 31 July 2019 BTK lodged its Appendix 4C quarterly cash flow report for the quarter ended 30 June 2019.
- D. Since 2 September 2019, ASX has made numerous unsuccessful attempts to contact BTK via telephone and email. BTK is yet to respond to any written request from ASX to its directors. ASX has also received numerous complaints from BTK investors whom are also unable to contact anyone from BTK.
- E. ASX has reliably been informed that:
  - Mr Jun Li resigned as a non-executive of BTK on 1 April 2019; and
  - Mr Xinming (Daney) Xu resigned as a non-executive director and company secretary of BTK on 3 September 2019.
- F. Listing Rule 3.1, which provides: Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

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*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

- I. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

- J. Listing Rule 3.16.1, which relevantly provides: An entity must immediately tell ASX of a change of director or secretary.
- K. Listing Rule 12.1, which provides: The level of an entity’s operations must, in ASX’s opinion, be sufficient to warrant the continued quotation of the entity’s securities and its continued listing.
- L. Listing Rule 12.2, which provides: An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
- M. Listing Rule 12.5, which provides: An entity’s structure and operations must be appropriate for a listed entity.
- N. Section 201A(2) of the *Corporations Act 2001* (Cth.) (‘Corporations Act’), which provides: A public company must have at least 3 directors (not counting alternate directors) and at least 2 directors must ordinarily be resident in Australia.
- O. Listing Rule 12.6, which provides: An entity must appoint a person to be responsible for communication with ASX in relation to listing rule matters. The entity must tell ASX of the initial appointment and any change in the person.
- P. Listing Rule 18.7, which provides: An entity must give ASX any information, document or explanation that ASX asks for to enable it to be satisfied that the entity is, and has been, complying with the listing rules. The entity must do so within the time specified by ASX.”
- Q. Listing Rule 18.8, which provides: An entity must comply with any requirement ASX imposes on it in order to ensure compliance with the listing rules.
- R. Listing Rule 17.12, which provides:

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*ASX may at any time remove an entity from the official list if, in ASX's opinion, any of the following applies.*

- The entity is unable or unwilling to comply with, or breaks, a listing rule.*
- The entity has no quoted securities.*
- It is appropriate for some other reason.*

For the reasons outlined below, ASX considers that BTK may be in breach of Listing Rules 3.1, 3.16, 4.2A, 4.7B, 12.1, 12.2, 12.5, 12.6 and 18.7 and, unless BTK can show good reason to the contrary, ASX considers it appropriate to remove BTK from the Official List pursuant to Listing Rule 17.12 with effect on and from the commencement of trading on **3 February 2020**.

If you wish to provide submissions as to why BTK should not be removed from the Official List under Listing Rule 17.12, please ensure they are sent to me by email at **ListingsComplianceMelbourne@asx.com.au** no later than 9:30 AM AEDT on **Monday, 30 December 2019**

If a response addressing all the matters referred to in this letter is not received by 9:30 AM AEDT on 30 December 2019, ASX will release a copy of this letter and advise the market of BTK's imminent delisting.

#### **Inadequate Financial Condition, Structure and Operations, and No Person Responsible for Communication**

ASX considers BTK to be in breach of Listing Rules 12.1, 12.2, 12.5 and 12.6, having regard to the following:

1. The Information disclosed on 29 July 2019 about ASIC's concerns with respect to BTK's impairment assessment for trade receivables as at 31 December 2018 together with BTK's failure to lodge its HY2019 Report in accordance with Listing Rule 4.2A and failure to lodge its Appendix 4C Quarterly Cash Flow Report for the quarter ended 30 September 2019 in accordance with Listing Rule 4.7B.
2. BTK does not appear to have two resident Australian directors.
3. BTK does not have any person to act as the person responsible for communication with ASX in relation to listing rule matters. Moreover, for all intents and purposes, BTK is currently uncontactable.
4. The current BTK board does not appear to have the requisite ASX experience and skills expected of an ASX listed entity.

#### **Failure to comply with Continuous Disclosure and Other Disclosure Obligations**

ASX considers BTK to be in breach of Listing Rule 3.1, 3.16, 4.2A and 4.7B having regard to the following:

1. BTK has not made any announcements on ASX since 31 July 2019.
2. BTK did not announce the resignations of Messrs Li and Xu.
3. BTK is yet to lodge its HY2019 Report and its Appendix 4C for the quarter ended 30 September 2019.

#### **Failure to comply with ASX directions**

ASX considers BTK to be in breach of Listing Rules 18.7 and 18.8 having regard to the following:

1. More than three months have transpired since ASX first attempted to contact BTK and request an update on the matters referred to in paragraphs A and E above. As at the date of this letter, ASX is yet to receive any response or acknowledgement from BTK.

In the circumstances, ASX considers the above evidences a poor disclosure record by BTK and a failure to comply with the letter and spirit of its continuous disclosure obligations under the Listing Rules

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### Proposed termination of ASX Listing

In light of the number and seriousness of the breaches of the Listing Rules identified above, unless BTK can demonstrate good reason to the contrary, ASX considers it appropriate to terminate the BTK's admission to the Official List under Listing Rule 17.12.

### 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 9:30 AM **AEDT Monday, 30 December 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BTK's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

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 at [ListingsComplianceMelbourne@asx.com.au](mailto:ListingsComplianceMelbourne@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BTK's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BTK's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Enquiries

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

Yours sincerely

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**Dean Litis**  
Principal Adviser, Listings Compliance (Melbourne)