

## Response to Aware Letter

19 February 2018

Mr Dale Allen  
Adviser, Listings Compliance (Perth) Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

By email: [Dale.Allen@asx.com.au](mailto:Dale.Allen@asx.com.au) and [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au)

Dear Dale,

### RE: ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES LTD ("ROO")

We refer to your letter dated 16 February 2018 and respond to your questions as follows:

- 1. Does ROO consider the information contained in the China Dispatch Announcement, in particular the dispatch of ROO's first sales order, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No – ROO does not consider the China Dispatch Announcement, in particular the dispatch of ROO's first sales order, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

- 2. If the answer to question 1 is "no", please advise the basis for that.**

ROO's view is that China Dispatch Announcement, in particular the dispatch of ROO's first sales order is not material, and the China Dispatch Announcement was essentially a continuation of the announcements previously lodged on ROO's platform on 29 January 2018 and 5 February 2018 in relation to the Dagan Agricultural Automation ("Dagan") agreement.

- 3. When did ROO first become aware of the likely dispatch date of the first sales order? In answering this question, please specify the date and time that ROO first became aware of this information**

ROO first become aware of the likely dispatch date of the first sales order after market at 5:01pm AEDST on Thursday, 15 February 2018.

- 4. If ROO first became aware of the likely dispatch date of the first sales order before ROO's response to the Price Query, did ROO make any announcement prior to Price Query which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ROO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ROO took to ensure that the information was released promptly and without delay.**

Not Applicable.

5. Please confirm that the ROO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

ROO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that the ROO'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 ROO with delegated authority from the board to respond to ASX on disclosure matters.

ROO's confirms its responses to the above questions have been authorised and approved by its Board.

**For and on behalf of the Board**

Sarah Smith

**Company Secretary**



16 February 2018

Ms Sarah Smith  
Company Secretary  
Roots Sustainable Agricultural Technologies Ltd  
C/- Mirador Corporate Pty Ltd  
Level 4, 11 Ventnor Avenue  
West Perth WA 6005

By email: [ss@miradorcorporate.com](mailto:ss@miradorcorporate.com)

Dear Ms Smith

**Roots Sustainable Agricultural Technologies Ltd ("ROO"): aware query**

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

1. The price query letter from ASX dated 14 February 2018 ("Price Query") in which ASX queried the increase in price and volume in ROO's securities.
2. ROO's response in answer to ASX's questions 1 and 3 in ASX's Price Query as follows:
  - "1. Is ROO aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?"

*"The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in the Company's securities."*
  - "3. If the answer to question 1 is "no", is there any other explanation that ROO may have for the recent trading in its securities?"

*"The Company notes that on 14 February 2018, Port Phillip Publishing released an article titled 'This Israeli Pioneer Just Found the Holy Grail of Agriculture' with a buy recommendation on the Company."*

*The Company also notes the exclusive distribution agreement signed with Dagan Agricultural Automation, the details of which were announced to the market on 5<sup>th</sup> February 2018. The Company will release regular market updates as appropriate."*
3. ROO's announcement entitled "First Shipment to China dispatched" lodged on the ASX Market Announcements Platform and released at 8:22 am AEDT on Friday, 16 February 2018 (the "China Dispatch Announcement"), disclosing, amongst other things, the following:
  - 3.1. *"This initial shipment is the first of eight which contain the patented Roots equipment and kits to be installed in all eight greenhouses for the eight crops in the project. It reaches China within thirty days where the onsite installation phase will begin shortly after."*

4. Trading in ROO's securities on Friday, 16 February 2018, where ROO's share price increased 14.7% from a closing price of \$0.475 on Thursday, 15 February 2018, reaching an intraday high of \$0.545 on Friday, 16 February 2018 on higher than usual volumes.

#### **Listing Rules and Guidance**

5. Listing Rule 3.1, which requires a listed entity to give ASX immediately 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.

6. 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"*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".

7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"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."*

8. 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."*

## ASX Queries

Having regard to the above, ASX asks ROO to respond separately to each of the following questions and requests for information:

1. Does ROO consider the information contained in the China Dispatch Announcement, in particular the dispatch of ROO's first sales order, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did ROO first become aware of the likely dispatch date of the first sales order? In answering this question, please specify the date and time that ROO first became aware of this information.
4. If ROO first became aware of the likely dispatch date of the first sales order before ROO's response to the Price Query, did ROO make any announcement prior to Price Query which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ROO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ROO took to ensure that the information was released promptly and without delay.
5. Please confirm that ROO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ROO'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 ROO with delegated authority from the board to respond to ASX on disclosure matters.

## When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **7.00 a.m. AWST on Tuesday, 20 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ROO's securities under Listing Rule 17.3.

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, ROO'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 [dale.allen@asx.com.au](mailto:dale.allen@asx.com.au) and to [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@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 ROO'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 ROO'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.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ROO's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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

Yours sincerely

*[Sent electronically without signature]*

Dale Allen  
**Senior Adviser, Listings Compliance (Perth)**