



23 September 2019

Ms Cheng Tang
Senior Adviser
Listings Compliance (Melbourne)
ASX Limited

By email only

Dear Ms Tang

Wattle Health Australia Limited (WHA) – Response to ASX Price Query

Wattle Health Australia Limited (the **Company** or **WHA**) refers to your letter of 23 September 2019 regarding the change in the price of WHA's securities from a low of \$0.57 to a high of \$0.74 at the time of writing and a significant increase in the volume of WHA's securities traded today.

The Company provides the following responses in relation to the letter (adopting the numbering of paragraphs in your letter).

1. No.
2. Not applicable.
3. WHA makes the following commentary:
 - a. WHA notes Bellamy's Australia Limited (**BAL**)'s announcement dated 16 September 2019 whereby BAL has entered into a Scheme Implementation Deed under which it is proposed that China Mengniu Dairy Company Limited will acquire 100% of the issued share capital of BAL via a scheme of arrangement, which if proceeds, will give BAL shareholders a total of \$13.25 cash per share, which in turn values BAL's equity at approximately \$1.5 billion (see BAL announcement dated 16 September 2019). WHA notes that this news has generated a considerable market interest for WHA and has created a positive impact in the sector overall. It should be noted that the 52-week high for WHA shares was \$1.175, which is still significantly higher than the current share price of WHA.
 - b. The Company notes a recent 'Notice of ceasing to be a substantial holder' form lodged by a particular institutional holder on 16 September 2019 (**Form 605**), which demonstrated a significant reduction in WHA's shareholding in August & September 2019, which put downward selling pressure on WHA share price during this period. It appeared to the Company that the selling activity has eased by way of lodgement of the Form 605.
 - c. As previously announced to the ASX on 2 September 2019, the Company is currently working through the finalisation of negotiations on a debt funding facility for its proposed acquisition of Blend & Pack (**Transaction**), which was approved by shareholders at the Extraordinary General Meeting on 31 July 2019. The Company will provide a further update to the market

once it's in a position to announce the full details of funding facility and final structure of the Transaction.

4. This is confirmed.

5. This is confirmed.

Please feel free to contact me if you would like to discuss these responses further.

Yours sincerely

Kobe Li
Non-Executive Director & Company Secretary



23 September 2019

Reference: ODIN07542

Mr Kobe Li
Company Secretary
Wattle Health Australia Limited

By email only

Dear Mr Li

Wattle Health Australia Limited ('WHA'): Price Query

We note the change in the price of WHA's securities from a low of \$0.57 to a high of \$0.74 at the time of writing.

We also note the significant increase in the volume of WHA's securities traded today.

Request for Information

In light of this, ASX asks WHA to respond separately to each of the following questions and requests for information:

1. Is WHA 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?

In responding to this question, please consider in particular whether WHA is aware of any information that its earnings for the 6 month period ending on 31 December 2019:

- (a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
 - (b) if WHA has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if WHA is not covered by analysts, its earnings for the prior corresponding period)?
2. If the answer to question 1 is "yes".
 - (a) Is WHA relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in WHA's securities would suggest to ASX that such information may have ceased to be confidential and therefore WHA may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that WHA may have for the recent trading in its securities?
4. Please confirm that WHA is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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5. Please confirm that WHA's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of WHA 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST today Tuesday, 24 September 2019**. If we do not have your response by then, ASX will likely suspend trading in WHA'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, WHA'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. 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

Listing Rule 3.1 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. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to WHA'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 WHA'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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in WHA'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*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in WHA's securities under Listing Rule 17.3.

Enquiries

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

Yours sincerely

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)