



Bubs Australia Limited  
ACN 060 094 742  
2-4/6 Tilley Lane, Frenchs Forest  
NSW 2086 Australia

1800 2827 2878 (1800 BUBS AUST)  
[info@bubsaustralia.com](mailto:info@bubsaustralia.com)

2 November 2017

Sandra Wutete  
Senior Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
By email: [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au); [sandra.wutete@asx.com.au](mailto:sandra.wutete@asx.com.au)

Dear Ms Wutete

### **Bubs Australia Limited – Response to ASX Aware Letter**

Bubs Australia Limited (ASX: BUB) (**Bubs** or the **Company**) refers to:

- your letter dated 31 October 2017;
- the Company's quarterly activities report and Appendix 4C that was lodged with ASX Market Announcements Platform (**MAP**) and released at 10:31am on Monday, 23 October 2017 (**Quarterly Report**); and
- the Company's announcement entitled "Bubs Launches on Chemist Warehouse Tmall Global" lodged with MAP and released at 11:55am on Monday, 23 October 2017 (**Announcement**).

Set out below is the response of the Company to each of the question in your letter dated 31 October 2017. All references to time in this letter are to the time in Sydney, New South Wales and are approximate.

1. ***Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?***

No.

2. ***When did the Company become aware of the information in the Announcement?***

The first purchase order for the Company products was placed by Chemist Warehouse China division on Friday, 29 September 2017. The products were first visible on the Chemist Warehouse Tmall Global website on Wednesday, 18 October, at which time test orders were processed.



Bubs Australia Limited  
ACN 060 094 742  
2-4/6 Tilley Lane, Frenchs Forest  
NSW 2086 Australia

1800 2827 2878 (1800 BUBS AUST)  
info@bubsaustralia.com

3. ***If the answer to question 1 is "yes" and the Company became aware of the information referred to in the Announcement prior to the release of the Quarterly Report at 10:31am on Monday, 23 October 2017, did the Company lodge any announcement with ASX Markets Announcement prior to this time which disclosed the 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 the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.***

Not applicable.

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

The agreement with Chemist Warehouse China division for the Company to supply certain Bubs products is one of a number of partnerships and agreements that have been entered into by the Company to grow brand awareness and sales. It was one of a number of supply or distribution agreements to which reference was made in the Quarterly Report on page 1 under the heading "A period of intense activity to advance business activity". Specifically, the Quarterly Report states [Bubs] "Launched new range of Bubs Organic Baby Cereals and Bubs Organic Teething Rusks with initial distribution already secured in Chemist Warehouse..." Other examples of supply agreements referred to in the Quarterly Report include those made relating to VIP.com and Kidswant. Thus, distribution of the products by Chemist Warehouse's China division referred to in the Announcement had been disclosed in the Quarterly Report. For completeness, the Company notes that it announced that it had commenced supplying Chemist Warehouse Retail Group its range of Bubs Organic Cereal and Bubs Advanced Plus Infant Formula on 20 February 2017.

In any case, in general the Company does not consider mere entry into a supply agreement which does not include a commitment to purchase products with a counterparty that does not have a track record of sales of Bubs' products, and which is consistent with the Company's strategy as previously disclosed to the market, to be information that a reasonable person would expect to have a material effect on the price or value of its securities. Nonetheless the Company considered it appropriate to release the Announcement containing the quote from Chemist Warehouse China Division's Chief Operating Officer, once her consent to its release had been obtained.



Bubs Australia Limited  
ACN 060 094 742  
2-4/6 Tilley Lane, Frenchs Forest  
NSW 2086 Australia

1800 2827 2878 (1800 BUBS AUST)  
info@bubsaustralia.com

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

Subject to the release of information regarding the proposed acquisition and capital raising (referred to in the Company's trading halt request of 1 November 2017) that the Company expects to be in a position to announce prior to the commencement of trading on Friday, 3 November 2017, we confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

Confirmed.

Yours faithfully

A handwritten signature in black ink, appearing to be "J. Stephenson".

Jay Stephenson  
Company Secretary



31 October 2017

Mr Jay Stephenson  
Company Secretary  
Bubs Australia Limited

By email

Dear Mr Stephenson

**Bubs Australia Limited (the “Entity”): ASX aware query**

ASX Limited (“ASX”) refers to the following:

1. The Entity’s quarterly activities report and Appendix 4C cashflow statement that was lodged with ASX Market Announcements Platform (“MAP”) and released at 10:31 am (AEDT) on Monday, 23 October 2017 (the “Quarterly Report”).
2. The Entity’s announcement entitled “Bubs Launches on Chemist Warehouse Tmall Global” lodged with MAP and released at 11:55 am (AEDT) on Monday, 23 October 2017 (the “Announcement”), advising that the Entity has launched its infant formula and a new range of organic baby cereals and teething rusks on Chemist Warehouse Tmall and Global e-commerce platform.
3. The recent change in the price of the Entity’s securities from a closing price of \$0.645 on Friday, 20 October 2017 to an intra-day high of \$0.84 on Monday, 23 October 2017 and a substantial increase in the volume traded over this period.
4. 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.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition 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”*.

6. 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.”*

7. 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.”*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information referred to in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. When did the Entity become aware of the information referred to in the Announcement? Please include details of the relevant time and circumstances of the Entity becoming aware of the information referred to in the Announcement.
3. If the answer to any part of question 1 is “yes” and the Entity became aware of the information referred to in the Announcement prior to the release of the Quarterly Report at 10:31 am on Monday, 23 October 2017, did the Entity lodge any announcement with ASX Market Announcements prior to this time which disclosed the information in the Announcement? 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 the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

4. If the answer to question 1 is “no”, please advise the basis for that view.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Entity’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 the Entity 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 **3:00 pm (WST) on Thursday, 2 November 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’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, the Entity’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 [sandra.wutete@asx.com.au](mailto:sandra.wutete@asx.com.au) and [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@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 Rule 3.1**

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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.



In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **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 the Entity'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]*

Sandra Wutete  
**Senior Adviser, ASX Listings Compliance (Perth)**