

ANGEL

SEAFOOD

20 May 2019

Ms Anjuli Sinniah
Senior Advisor
Listings Compliance (Perth)
ASX Limited

By email: ListingsCompliancePerth@asx.com.au

Dear Ms Sinniah

Response to Appendix 4C Query

In reference to your letter to Angel Seafood Holdings Limited ('AS1' or 'the Company') dated 16 May 2019, with questions in relation to the Appendix 4C for the period ended 31 March 2019 (the 'Appendix 4C'); we respond as follows to each of the questions.

1. *Does AS1 expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

AS1 does not expect it will continue to have negative operating cash flows. The company had negative operating cash flows for the period ended 31 March 2019 as a result of expected lower sales for the quarter due to the natural cycle of oysters as stated in the *Q3 FY2019 Activities Update* dated 15 April 2019, accompanying the Appendix 4C.

The company is expecting to have positive operating cash flows going forward.

2. *Has AS1 taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

AS1 will generate cash from oyster sales following the recommencement of the sales season in early April 2019 as stated in the *Q3 FY2019 Activities Update* dated 15 April 2019, accompanying the Appendix 4C.

In addition to cash generated from sales, AS1 has access to funds under a Loan facility with National Australia Bank for \$4m (the facility). Available (undrawn) funds under this facility were \$1m as at 31 March 2019. (Refer Appendix 4C dated 15 April 2019, Section 8).

3. *Does AS1 expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

AS1 expects to be able to continue its operations and meet its business objectives on the basis of cash on hand, cash generated from operations and access to funds under available debt facilities as noted in responses to questions 1 and 2 above.

4. *Please confirm that AS1 is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.*

AS1 confirms that it is in compliance with Listing Rule 3.1 and there is no information that should be given to ASX in accordance with that rule that has not already been released to the market.

5. *Please confirm that AS1'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 AS1 with delegated authority from the board to respond to ASX on disclosure matters.*

AS1 confirms that the responses above have been authorised and approved by the Board of the Company.

Yours sincerely



Christine Manuel
Company Secretary



16 May 2019

Ms Christine Manuel
Company Secretary

By email:

Dear Ms Manuel

Angel Seafood Limited ('AS1'): Appendix 4C Query

ASX refers to AS1's Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX Market Announcements Platform and released on 15 April 2019 (the 'Appendix 4C').

ASX notes that AS1 has reported:

- negative net operating cash flows for the quarter of \$282,000;
- cash at the end of the quarter of \$141,000; and
- estimated cash outflows for the next quarter of \$1,650,000.

It is possible to conclude, based on the information in the Appendix 4C, that if AS1 were to continue to expend cash at the rate indicated by the Appendix 4C, AS1 may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks AS1 to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does AS1 expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AS1 taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AS1 expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AS1 is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that AS1'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 AS1 with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that AS1 considers may be relevant to ASX forming an opinion on whether AS1 is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

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 AM AWST Tuesday, 21 May 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in AS1'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, AS1'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 ListingsCompliancePerth@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 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 AS1'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 AS1'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 AS1's securities under Listing Rule 17.1. If you wish to request 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*.

Enquiries

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

Regards

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)