



# Wellard

ASX LISTINGS COMPLIANCE - PERTH  
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2 PAGES TOTAL

17 January 2025

## ASX Aware Letter 14 January 2025

Wellard Limited ("Wellard") (ASX:WLD) refers to the ASX's Aware letter ("Aware Letter") of 14 January 2025, and Wellard's ASX Announcement of 14 January 2025 ("Announcement").

Wellard provides the following responses to ASX's request for information in the Aware Letter:

### Q.1:

- 1.1 Yes.
- 1.2 Yes
- 1.3 Yes

### Q.2:

N/A.

### Q.3:

3.1 Wellard first become aware of the signing of a binding contract to sell its remaining livestock Vessel for US\$50.0 million in cash (approx. A\$81.2 million) at approx. 6.48pm (WST) on 10 January 2025, which was subsequent to a Wellard Board meeting of the same date held between 3.00pm and 3.45pm (WST), which meeting approved the price and terms of the Drover sale.

3.2 Wellard was aware at its Board meeting of 10 January 2025 that the sale of the Vessel represented the sale of WLD's main undertaking and is therefore subject to shareholder approval pursuant to Listing Rule 11.2.

Wellard submitted a confidential brief to ASX on 9 January 2025 to ASX which detailed this possibility, prior to the sale being finalised.

3.3 At the same Wellard Board meeting referenced in 3.1 above, Wellard's Board resolved, and therefore became aware, that if the sale of the Vessel is approved by shareholders, WLD intended to return all of the net sale proceeds of the Vessel to shareholders (approx. A\$ 15 cents per share) plus an additional capital return of any surplus cash on hand as at the date of completion.

These circumstances were also included in the confidential brief to ASX on 9 January 2025 to ASX, however at that time, the quantum of the return was not able to be decided as the price was not set and the sale was incomplete.

### Q.4

Wellard became aware of the information in Q.1 at the dates and times refers to the responses above.

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Prior to the release of the Announcement, Wellard was not obliged to release the information under Listing Rule 3.1, and relied on the disclosure carve-outs in Listing Rule 3.1A, because the transaction was confidential and incomplete. On 10 January 2025, the exception in Listing Rule 3.1A2 ceased to apply, and the Company requested a Trading Halt.

Wellard had previously made an announcement in its AGM Presentation of 22 November 2024 regarding its intention to proceed to explore options including the sale of the Drover, noting that shareholder approval would be required in such circumstances.

**Q.5**

In respect of the Vessel sale transaction, Wellard managed its Continuous Disclosure obligations and ASX compliance by way of its submission of a confidential brief to ASX under the requirements of Guidance Note 12, and by requesting a Trading Halt under Chapter 17.

Wellard considers it is in compliance with the Listing Rules, in particular LR 3.1.

**Q.6**

Wellard's responses in this letter are authorised and approved in accordance with its continuous disclosure policy and by the Executive Chairman, as authorised by the Board.

Yours faithfully,



Michael Silbert  
Company Secretary,  
**Wellard Limited**



14 January 2025

Reference: 105178

Mr Michael Silbert  
Company Secretary  
Wellard Limited

By email: m.silbert@wellard.com.au

Dear Mr Silbert

**Wellard Limited ('WLD'): ASX Aware Letter**

ASX refers to the following:

- A. The increase in the price of WLD's securities from \$0.06 at the close of trading on Wednesday, 08 January 2025 to an intra-day high of \$0.073 on Friday, 10 January 2025.
- B. The pause in trade announcement released on the ASX Market Announcements Platform ('MAP') at 11:01AM AEDT on 10 January 2025.
- C. WLD's request for a trading halt released on MAP at 11:21AM AEDT on Friday, 10 January 2025 pursuant to ASX Listing Rule 17.1 pending the release of an announcement regarding a potential asset sale.
- D. WLD's announcement titled "Wellard to sell M/V Ocean Drover for US\$50.0 million (A\$81.2 million) and return proceeds to shareholders" (the 'Announcement') released on MAP at 9:15AM AEDT on 14 January 2025 disclosing the following:
  - 1.1 WLD signed a binding contract to sell its remaining livestock vessel, the M/V Ocean Drover (the "Vessel"), for US\$50.0 million in cash (approx. A\$81.2 million).
  - 1.2 The sale of the Vessel represents the sale of WLD's main undertaking and is therefore subject to shareholder approval pursuant to Listing Rule 11.2.
  - 1.3 If the sale of the Vessel is approved by shareholders, WLD intends to return all of the net sale proceeds of the Vessel to shareholders (approx. A\$ 15 cents per share) plus an additional capital return of any surplus cash on hand as at the date of completion.
- E. The increase in the price of WLD's securities from \$0.073 immediately prior to the release of the Announcement to an intra-day high of \$0.155 following the release of the Announcement.
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- 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."*
- H. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

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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 5 situations 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.”*

J. The concept of “confidentiality” 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 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 is no longer a secret and it ceases to be confidential information for the purposes of this rule.”*

#### **Request for information**

Having regard to the above, ASX asks WLD to respond separately to each of the following questions:

1. Does WLD consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
  - 1.1 WLD signed a binding contract to sell its remaining livestock Vessel for US\$50.0 million in cash (approx. A\$81.2 million).
  - 1.2 The sale of the Vessel represents the sale of WLD’s main undertaking and is therefore subject to shareholder approval pursuant to Listing Rule 11.2.
  - 1.3 If the sale of the Vessel is approved by shareholders, WLD intends to return all of the net sale proceeds of the Vessel to shareholders (approx. A\$ 15 cents per share) plus an additional capital return of any surplus cash on hand as at the date of completion.

Please answer separately for each of the above.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view, specifically addressing the following matters:
  - 2.1 The Announcement being marked as ‘price sensitive’; and
  - 2.2 the price and volume movement in WLD’s securities post the release of the Announcement.

Please answer separately for each of the items in question 1 above.

3. When did WLD first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 3 above.

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4. If WLD first became aware of the information referred to in question 1 before the date of the Announcement, did WLD make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe WLD was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps WLD took to ensure that the information was released promptly and without delay.
5. Please confirm that WLD is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that WLD'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 WLD 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 **2:30 PM AWST Friday, 17 January 2025**.

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, WLD's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require WLD to request a trading halt immediately if trading in WLD's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us 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.

#### **Suspension**

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

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to WLD'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 WLD'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.

#### **Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

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ASX Compliance