

Date : 20 August 2020

Dale Allen
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Sent by email : dale.allen@asx.com.au
Copy to : listingscomplianceperth@asx.com.au

Dear Mr Dale Allen

Response to ASX Aware Query

I refer to your letter dated 14 August 2020 (ASX Aware Letter) to Holista Colltech Limited (HCT or the Company). The Company response to each of your queries is as follows:-

1. Does HCT consider the iGalen Back Office Shutdown to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to question 1 is “no”, please advise the basis for that view.

Sales from iGalen from in 2019 were 7% of the Group’s turnover and this was not then and is not now considered material. Furthermore, iGalen advised that they would promptly replace the back-office service provider such that the impact on revenue would be mitigated. However, we understand that finding the right back office vendors and organizing the new payment gateway that took longer than was originally foreseen.

3. When did HCT first become aware of the iGalen Back Office Shutdown?

24 September 2019

4. If the answer to question 1 is “yes” and HCT first became aware of the iGalen Back Office Shutdown before the relevant date, did HCT make any announcement prior to the relevant date 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 HCT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HCT took to ensure that the information was released promptly and without delay.

Not applicable.

5. When did HCT first begin supplying iGalen with products for iGalen's multilevel network marketing operations?

The Company commenced supply at the beginning of 2017 with a formal agreement entered into in September 2017.

6. Please advise the material trade terms (including any payment and / or credit terms) between HCT and iGalen in circumstances where 'iGalen has a longstanding commitment to source all its network marketing products exclusively from HCT'.

Please refer to attach Supply Agreement Appendix 1. Pursuant to this agreement iGalen shall procure with issuing of their official Purchase Orders and HCT shall deliver the requested products accordingly (clause 2.1 & 2.2). iGalen has 14 days to inspect all products delivered and either accept them or return them (Clauses 3.1 and 4.1). iGalen must pay within 30 days as per item 3 of Schedule 1. HCT can only solely sell the products listed in the agreement to iGalen and not to any other person (clause 5.1.7) and iGalen cannot have any other suppliers other than HCT (clause 6.2).

7. Please provide to ASX a copy of the loan agreement between HCT and iGalen (not for release to the market).

Yes as attached Appendix 2.

8. Please provide a copy of any agreement between HCT and iGalen in relation to the provision of network marketing products (not for release to the market).

Please refer to attach Supply Agreement Appendix 1.

9. Please confirm that HCT is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Yes.

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

Yes.

Should you require any further information or clarification, please do not hesitate to contact the undersigned.

Yours sincerely for and on behalf
Holista Colltech Limited



Dr Rajen Manicka
CEO



14 August 2020

Reference: 22501

Mr Blair Michelson
Company Secretary
Holista Colltech Limited

By email: blair.m@holistaco.com

Dear Mr Michelson

Holista Colltech Limited('HCT'): Further Aware Query

ASX refers to the following:

- A. HCT's response to ASX's Aware letter of 11 August 2020 released on the ASX Market Announcements Platform ('MAP') today, 14 August 2020 which set out among other things the following:

"9. iGalen is owned 47% by Dr Rajen Manicka and 53% by Singapore e-Development Limited a public listed company on the Singapore Exchange that Mr Chan Heng Fai is CEO of and a major shareholder. Mr Chan Heng Fai is a Chairman of iGalen."

"10. iGalen International Inc ("iGalen") is a network marketing company based in San Diego, U.S.A. launched in February 2017. iGalen has built up network [sic] of distributors in North America, the Philippines, Malaysia and Singapore.

iGalen has a longstanding commitment to source all its network marketing products exclusively from HCT. iGalen has distributed two products and intends to launch an additional two products.

iGalen has been in a dispute with their outsourced service provider which resulted in the back office being shut down. This disruption resulted in delays in payments to HCT. iGalen has found a new service provider and its priority is to settle all outstanding liabilities to HCT once it resumes operations." ('iGalen Back Office Shutdown').

- B. 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.

- C. 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" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- D. 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.”*

- E. 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.”

Request for information

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

1. Does HCT consider the iGalen Back Office Shutdown 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 HCT first become aware of the iGalen Back Office Shutdown?
4. If the answer to question 1 is “yes” and HCT first became aware of the iGalen Back Office Shutdown before the relevant date, did HCT make any announcement prior to the relevant date 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 HCT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HCT took to ensure that the information was released promptly and without delay.
5. When did HCT first begin supplying iGalen with products for iGalen’s multilevel network marketing operations?
6. Please advise the material trade terms (including any payment and / or credit terms) between HCT and iGalen in circumstances where *‘iGalen has a longstanding commitment to source all its network marketing products exclusively from HCT’*.
7. Please provide to ASX a copy of the loan agreement between HCT and iGalen (not for release to the market).
8. Please provide a copy of any agreement between HCT and iGalen in relation to the provision of network marketing products (not for release to the market).
9. Please confirm that HCT is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that HCT’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 HCT 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 **1:00 PM AWST Thursday, 20 August 2020**. 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, HCT'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 and may require HCT to request a trading halt immediately.

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.

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 HCT'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 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 HCT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HCT'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 HCT'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 a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Dale Allen

Principal Adviser, Listings Compliance (Perth)