

3 April 2017

Notification under Section 708AA(2)(f) of Corporations Act 2001 (Cth)

Wellard Limited (**Wellard** or **Company**, ASX:WLD) has today announced that it is undertaking:

- a placement of 25 million new shares (**Shares**) to sophisticated and institutional investors at \$0.24 per share to raise \$6 million (before costs) (**Placement**);
- a fully underwritten non-renounceable rights issue to raise approximately \$19.7 million (before costs) (**Entitlement Offer**); and
- the issue of US\$20 million in convertible notes (**Convertible Notes**) with a 6% coupon rate and a conversion price of US\$0.21 per Share to raise approximately \$26.3 million (before costs) (**Convertible Note Issue**).

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 4 existing shares in the Company held as at 7.00pm (Sydney time) on 11 April 2017 (**Record Date**) at an issue price of \$0.185 per New Share.

The Entitlement Offer is fully underwritten by Hong Kong Fulida International Trading Company Limited, Heytesbury Pty Ltd, Black Crane Capital Limited as investment manager and for and on behalf of the Black Crane Asia Opportunities Fund, TradeInvest Asset Management Company (BVI) Ltd and Ms Giovanna Boventi Faroni (each an **Underwriter**).

Further details regarding the Entitlement Offer, the Placement and the Convertible Note Issue are set out in the ASX announcement accompanying this notice.

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Act**) and states that this notice is given to ASX under paragraph 708AA(2)(f) of the Act.

Accordingly the Company confirms that:

1. the Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, the Company has complied with:
 - a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b) section 674 of the Act;
4. as at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Act which is required to be disclosed by the Company; and

5. the potential effect that the issue of New Shares will have on the control of Wellard, and the consequences of that effect, will depend on a number of factors, including investor demand for New Shares. However, given the structure of the Entitlement Offer as a fully underwritten pro rata issue, the potential effect that the issue of the New Shares will have on the control of Wellard is as follows:
- if all eligible shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no significant effect on the control of Wellard in comparison to shareholdings on the Record Date;
 - if some eligible shareholders do not take up their entitlements under the Entitlement Offer then the interests of those eligible shareholders will be diluted;
 - the proportional interests of shareholders with an address outside of Australia, New Zealand, Hong Kong, Singapore and Italy will be diluted because such shareholders are not entitled to participate in the Entitlement Offer; and
 - the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may increase the voting power of the investors who may be allocated New Shares via the shortfall offer and the voting power of the Underwriters, other than Ms Boventi.

The following tables show the number of Shares and approximate voting power of the Underwriters after completion of the Entitlement Offer and conversion of all Convertible Notes, assuming different levels of acceptances in the Entitlement Offer by eligible shareholders and that no eligible shareholders or other investors apply for additional Shares under the shortfall offer.

Entitlement Offer is fully subscribed (no shortfall)

Underwriter	Date of this notice		As at Record Date (ie, following Placement)		Entitlement Offer is fully subscribed (no shortfall)	
	Number of Shares ¹	Voting Power (%) ²	Number of Shares ¹	Voting Power (%) ²	Number of Shares ¹	Voting Power (%) ²
Fulida	69,940,999	17.49%	84,940,999	19.99%	106,176,249	16.95%
Heytesbury	37,925,741	9.48%	37,925,741	8.92%	47,407,177	7.57%
Black Crane	12,040,856	3.01%	12,040,856	2.83%	40,289,165	6.43%
TradeInvest	-	-	7,500,000	1.76%	76,041,667	12.14%
Giovanna Boventi (includes shares held by WGH Commodities, Land and Transport Pty Ltd (WGH CLT) which is an associate) ³	80,000,001	20.00%	80,000,001	18.82%	100,000,002	15.96%

Entitlement Offer is not fully subscribed (various levels of shortfall)

Underwriter	75% acceptance of non-Underwriter entitlements (including WGH CLT) and 100% acceptance of Underwriter entitlements*		50% acceptance of non-Underwriter entitlements (including WGH CLT) and 100% acceptance of Underwriter entitlements*		0% acceptance of non-Underwriter entitlements (including WGH CLT) and 100% acceptance of Underwriter entitlements*	
	Number of Shares ¹	Voting Power (%) ²	Number of Shares ¹	Voting Power (%) ²	Number of Shares ¹	Voting Power (%) ²
Fulida	113,739,910	18.16%	124,060,330	19.80%	145,187,656	23.17%
Heytesbury	49,928,397	7.97%	53,368,537	8.52%	60,410,979	9.64%
Black Crane	40,919,470	6.53%	41,779,505	6.67%	43,540,116	6.95%
TradeInvest	77,932,582	12.44%	80,512,687	12.85%	85,794,518	13.69%
Giovanna Boventi (includes Shares held by WGH CLT which is an associate)³	100,000,002	15.96%	95,405,407	15.23%	85,405,406	13.63%

*In calculating the potential outcomes above, Wellard has assumed that 0.9 million shares (approximately 0.22% of the total shares on issue at the date of this notice) are owned by ineligible shareholders. These shares will be subscribed for by the nominee and are therefore excluded from any shortfall that the Underwriters may be required to underwrite. The actual number of shares held by ineligible shareholders may vary at the Record Date.

Note 1: Represents the number of shares in which the Underwriter and its associates have a relevant interest (subject to rounding).

Note 2: Represents the voting power of the Underwriter and its associates as a percentage (%).

Note 3: Ms Boventi, the partner of the Company's CEO and Managing Director, is a related party of the Company. However, the issue of shares to Ms Boventi pursuant to the her underwriting agreement will not require shareholder approval pursuant to Listing Rule 10.11 as exception 2 of Listing Rule 10.12 will apply.

If eligible shareholders and investors (other than the Underwriters) take up shares under the shortfall offer, the proportion of New Shares that the Underwriters will hold will decrease by the proportion of shares taken up under the shortfall offer.

If one or more Underwriters have the right to terminate their underwriting agreement and elect to do so, the other Underwriters will have the option to assume the obligations of the terminating Underwriters which would result in them taking up additional shares under their underwriting agreements and potentially having a greater voting power than shown in the table above.

Signed for and on behalf of the board of Wellard Limited



Michael Silbert
Company Secretary