

6 April 2020

Mr Corey Lian
Adviser, Listings Compliance (Sydney)
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

RE: ASX Early release of information query

We refer to your letter of 3 April 2020 (Query Letter) to Cellmid Limited ("CDY" or the "Company") and adopting similar paragraph numbering as contained therein we respond as follows:

1. Having reached an advanced stage of negotiations with Australia Applications Pty Ltd, the agent for Guangzhou Wondfo Biotech Co Ltd to act as a supplier of the SARS-CoV-2 (COVID-19) rapid diagnostic tests in Australia, the Company elected to enter into a trading halt of its securities on Friday, 20 March 2020. Given the negotiations at this time were incomplete the Company could have relied upon the exception from disclosure under listing rule 3.1A, however given the sensitivity in relation to COVID-19 and mindful of its obligation to maintain an orderly and fair market the Company considered it prudent to enter into a trading halt while negotiations were completed.

When seeking the trading halt the Company advised its ASX Listing Officer of the proposed supply agreement.

The Agreement was finalised over the weekend of 21/22 March 2020 and in accordance with ongoing discussions with the ASX a copy of the proposed ASX Announcement to update the market (and to release the Company from the trading halt prior to market open on Tuesday, 24 March 2020) was provided to the ASX on Monday, 23 March 2020.

At that stage Cellmid was given no indication by the ASX that its announcement in relation to the supply of the Wondfo tests would not be released to the market on 24 March 2020.

The first tweet by Maria Halasz during Monday, 23 March 2020 was a personal one showing that she had taken a rapid test, no details in relation to a supply agreement were disclosed at that stage. In response to a comment on that tweet Ms Halasz advised that CDY was the licensed distributor of the tests. This response was sent at a time Ms Halasz believed the Company had complied with its disclosure obligations. The Company's shares were in a trading halt ensuring that there could be no trading on an uninformed basis, the supply agreement had been finalised and the announcement providing details of the

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agreement and to release the Company from the trading halt had been provided to the ASX.

2. As identified by the ASX in the Query Letter the Company has a Social Media Policy which, amongst other things, states that Restricted Persons (directors, contractors and employees of Cellmid Limited and the Company's subsidiaries) only disclose information that has already been released to the market.

Further, the Policy does not permit the release of any materials which would breach applicable laws which includes, amongst others, the ASX Listing Rules.

3. In the specific scenario identified in the Query Letter and explained in response 1. above it was not understood that the restrictions stated in the Social Media Policy and in ASX Listing Rule 15.7 remained applicable during a trading halt of the Company's securities (i.e. when there could be no impact upon the Company's share price nor could there be any trading on an uninformed basis).

In light of this misunderstanding the Company will take the opportunity to remind all Restricted Persons that the Company's Social Media Policy, in respect of information that has not been released by the ASX, is applicable even during an embargoed basis (as per the note to ASX Listing Rule 15.7).

4. The Company is, and always has been, mindful of its requirement to comply with its continuous disclosure obligations under both the ASX Listing Rules and Corporations Act. A fact emphasised by the steps taken during this specific scenario and highlighted in response 1.

In addition to the Social Media Policy the Company has a Continuous Disclosure Policy. Both policies are regularly reviewed to ensure they are up to date and effective. The policies are made available to all Restricted Persons who understand that compliance with the policies is a requirement.

5. The Company believes its existing arrangements to ensure compliance with its continuous disclosure obligations and Social Media Policy are adequate however as highlighted in response 3. it will take this opportunity to ensure that it is understood that these responsibilities remain even during an embargoed basis.
6. The responses noted above have been authorised and approved as per the Company's Continuous Disclosure Policy.

We trust this answers your queries.

Yours faithfully



Lee Tamplin
Company Secretary

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3 April 2020

Reference: 16112

Mr Lee Tamplin
Company Secretary
Cellmid Limited
Suite 204, Level 2
55 Clarence Street
Sydney NSW 2000

By email

Dear Mr Tamplin

Cellmid Limited ('CDY'): Early release of information query

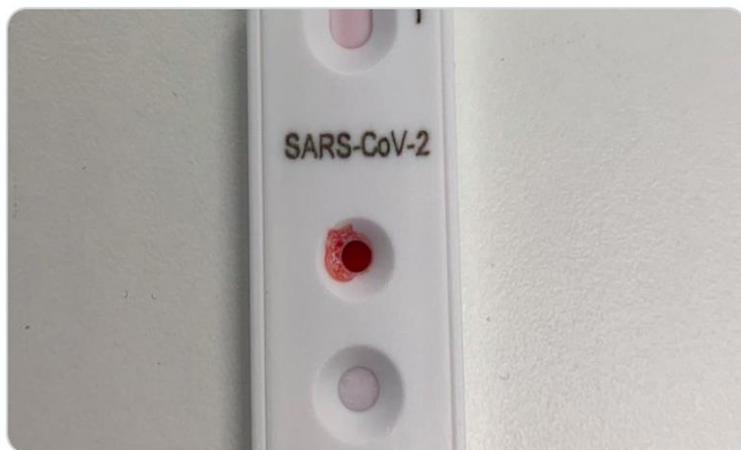
ASX refers to the following:

- A. CDY's announcement titled 'Cellmid Signs COVID-19 Rapid Diagnostic Supply Agreement' which was released on the ASX Market Announcements Platform on 27 March 2020 in which CDY disclosed that 'it has entered into a supply agreement for a COVID-19 rapid diagnostic test with an authorized distributor of the manufacturer, Guangzhou Wondfo Biotech Co Ltd., supplying Australia' (the 'Announcement').
- B. The posts made by Ms Maria Halasz, the Managing Director and CEO of CDY, on her Twitter and Instagram accounts on 23 March 2020 (the 'Posts'), which are reproduced below and were subsequently deleted from Twitter and Instagram:



Maria_Cellmid @mariahalasz · 21h

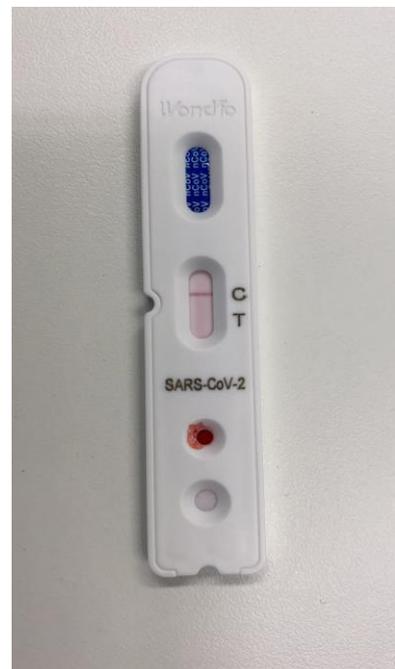
Important update [\\$CDY](#) shareholders. I'm negative! I know this because I was able to test myself with the first validated rapid diagnostic test for [#COVID-19](#). [@ASX_small_caps](#)



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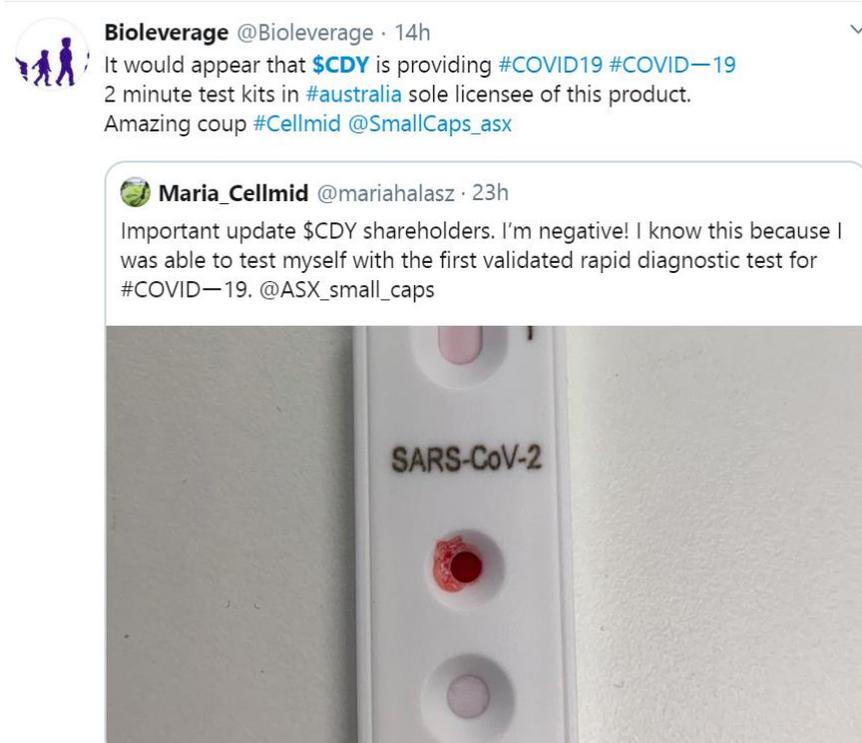


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- C. ASX notes that some Twitter and Instagram users subsequently reposted or shared the Posts on Twitter and the internet discussion forum HotCopper. An example is reproduced below:



- D. Listing rule 3.1 which states:
- 'Once an entity is or becomes aware of 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, the entity must immediately tell ASX that information.'*
- E. Listing rule 15.7 which states:
- 'An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgment that ASX has released information to the market.'*
- F. CDY's Social Media Policy available on its website at <https://cellmid.com.au/corporate-governance/social-media-policy/>, which includes the following statements:
- 'When using social media, Restricted Persons are expected to:*
4. *comply with relevant laws and regulations; ...*
 5. *only disclose information that has already been released to the market; ...*
- The following content is not permitted under any circumstances:*
1. *content that has not been released to the market; ...*
 10. *materials which would breach applicable laws (Corporations Act and regulations, ASX Listing and Operating Rules, defamation, privacy, consumer and competition law, fair use, copyright, trade marks); ...'*

Listing rule 15.7 requires that a listed entity not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to ASX and received an acknowledgement that ASX has released it to the market.

As the Posts appeared prior to the Announcement being released to ASX, it appears that CDY has breached listing rule 15.7.

Queries and Request for Information

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

1. Please explain how information in the Announcement appeared in the Posts.
2. What arrangements does CDY have in place to ensure compliance with listing rule 15.7?
3. If the current arrangements are inadequate or not being enforced, what additional steps does CDY intend to take to ensure compliance with listing rule 15.7?
4. What arrangements does CDY have in place to ensure compliance with its continuous disclosure obligations and its Social Media Policy?
5. If the current arrangements are inadequate or not being enforced, what additional steps does CDY intend to take to ensure compliance with its continuous disclosure obligations and Social Media Policy?
6. Please confirm that CDY's responses to the above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CDY 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 **9:00am AEST on Tuesday, 7 April 2020**.

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. 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 Rules 3.1 and 3.1A

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

Enquiries

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

Yours sincerely

Corey Lian
Adviser, Listings Compliance (Sydney)