



ENERGY WORLD CORPORATION LTD.

9A Seaforth Crescent,
Seaforth NSW 2092, Australia.

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Lachlan Morley
Adviser, Listings Compliance
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

4 July 2024

ListingsComplianceSydney@asx.com.au

CC: lachlan.morley@asx.com.au

Dear Mr Morley,

Energy World Corporation Ltd - ASX Query

Energy World Corporation Limited ACN 009 124 994 (**EWC** or the **Company**) refers to ASX's query letter dated 2 July 2024 and provides responses to the specific queries set out in that letter.

Capitalised terms used in this letter have the same meaning given in ASX's query letter and the Orders unless otherwise defined.

Queries

1. ***ASX notes that relying on the 'breach of a law to disclose the information' carve-out provided by Listing Rule 3.1A.1 requires the relevant information to remain confidential. However, the First and Second Judgements were each made publicly available on or around 12 March and 12 April 2024 respectively. Please explain the relevance of the confidentiality restrictions cited by EWC and reproduced at paragraph A.i. to EWC's Listing Rule 3.1 obligations.***
 - (a) The Company refers to the announcement lodged on ASX on 3 July 2024 (**Announcement**), whereby the Company announced the entering into a settlement deed with Hankuk Carbon Co Limited (**Hankuk**) with respect to the Orders (**Settlement Deed**). The Settlement Deed provides for a settlement amount to be paid over a deferred payment period. The Company has paid an initial amount representing approximately one third of the total amount owed to Hankuk (USD 3 million) and has established a payment plan for the outstanding amounts (including interests and other fees) to be paid to Hankuk by November 2024.
 - (b) The Company's concerns regarding confidentiality were primarily related to the ongoing negotiations with Hankuk (and the Settlement Deed as announced on 3 July 2023) that have been taking place prior, during and after the Orders were made. Now that the negotiations have been finalised and a settlement deed has been executed, the Company has provided a further update with respect to these matters.
2. ***Noting that EWC has relied on its ongoing discussions with Hankuk as part of its basis that disclosure of the Orders was not required under Listing Rule 3.1, please confirm whether EWC has a reasonable basis to assume that the impact of the Orders on EWC will be materially different as a result of the ongoing discussions.***

The impact of the final settlement amount on the Company was only known once the Settlement Deed was negotiated and signed. Until that time, EWC could not confirm whether the impact of the Orders

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would have been materially different as a result of the Settlement Deed, or even whether a settlement agreement would have been reached. One of the main impacts of the settlement arrangements with Hankuk is the deferred payment of the settlement amount (rather than requiring a single upfront payment).

3. ***When did EWC first become aware of the information referred to in question 1 above If the answer to question 2 is “yes”:***

- 3.1 ***please explain the reasonable basis in detail;***

As previously mentioned, the negotiations have been ongoing, with the terms of the settlement evolving significantly. The Company was unable to determine the exact terms or impact of such negotiations.

- 3.2 ***please explain when EWC expects these discussions to conclude; and***

The Company entered into the Settlement Deed, see the Announcement.

- 3.3 ***please identify when EWC expects to be able to update the market as to the progress or outcome of those discussions***

We refer to the Announcement.

4. ***If the answer to question 2 is “no”, please explain the relevance of these discussions to EWC’s assessment of materiality for the purposes of Listing Rule 3.1, and how this supports EWC’s view that the Orders are not material to EWC.***

N/A.

5. ***Noting EWC’s representations that ‘more than 50%’ of the Orders were budgeted for by EWC, and therefore not material for the purposes of Listing Rule 3.1, please explain the basis for EWC’s apparent view that the unbudgeted balance of the Orders will not have a material effect on the profits and/or losses of EWC.***

As you are aware, the Orders also related to warehousing costs, pre-award and post award interest on damages on the Undelivered Goods of approximately US\$4 million. The real financial impact which was the purpose of the Company’s ongoing negotiations with Hankuk was unknown. Given the Company’s total current liabilities of approximately US\$845 million under various agreements, as per its latest annual report for the year ended 30 June 2023, the US\$4 million is not considered material as it represents less than 0.5% of the Company’s total liabilities.

6. ***Noting EWC’s representations that major shareholders have committed to financially support EWC, and as a result EWC does not consider the Orders to be material, please confirm whether this means EWC will have to raise further capital to satisfy the Orders.***

No further capital raising is required. The Company entered into a loan facility of AUD 20 million with its major shareholder Energy World International, see the Announcement.

7. ***If the answer to question 6 is “yes”, please explain how this is not material for the purposes of Listing Rule 3.1.***

N/A

8. ***Please confirm that EWC’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 EWC with delegated authority from the board to respond to ASX on disclosure matters.***

The responses have been approved by the Board of EWC.

If you have any queries, please do not hesitate to contact us.

Yours sincerely

For and on behalf of

Energy World Corporation Ltd.

A handwritten signature in blue ink, appearing to read 'BAU' or 'BAU' with a stylized flourish.

Brian Allen

Executive Director



2 July 2024

Reference: 94842

Mr Graham Elliot
Executive Director and Company Secretary
Energy World Corporation Ltd
9A Seaforth Crescent
SEAFORTH NSW 2092

By email

Dear Mr Elliot

Energy World Corporation Ltd ('EWC'): ASX Aware Letter

ASX refers to the following:

- A. EWC's response dated 25 June 2024 (the '**EWC Response**') to ASX's aware letter dated 19 June 2024 (the '**ASX Letter**') published on the ASX Market Announcements Platform ('**MAP**') on 25 June 2024. Capitalised terms in this letter have the same meaning as those defined in the ASX Letter and EWC Response, unless specified otherwise. The EWC Response stated (relevantly):
- i. *"Under the Hong Kong Arbitration Ordinance, an award made in arbitral proceedings cannot be disclosed or published. However, generally awards from Hong Kong are recognised and enforceable as if they were a judgment of an Australian court, however, the IAA does not formerly impose the same obligations around confidentiality."*
 - ii. EWC did not consider the Orders made on 12 March 2024 to have a material effect on the price or value of its securities as:
 - the Orders were stayed until the Return Date (12 April 2024);
 - EWC remains in discussions with Hankuk;
 - EWC had already budgeted 'more than 50%', being US\$5,163,283.05, of the amount ordered under the Orders;
 - EWC's major shareholders have committed to financially support EWC in any circumstances; and
 - that the financial impact of the Orders on EWC is therefore minimal.
 - iii. EWC became aware of the Orders on 12 March 2024.
- B. *Hankuk Carbon Co, Ltd v Energy World Corporation Ltd* [2024] FCA 232 (12 March 2024) ('**Orders and First Judgment**') of Stewart J;
- C. *Hankuk Carbon Co, Ltd v Energy World Corporation Ltd (No 2)* [2024] FCA 366 (12 April 2024) ('**Second Judgment**');
- D. 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.
- E. 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.”

- F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“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.”

- H. 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 EWC to respond separately to each of the following questions:

1. ASX notes that relying on the ‘breach of a law to disclose the information’ carve-out provided by Listing Rule 3.1A.1 requires the relevant information to remain confidential. However, the First and Second Judgements were each made publicly available on or around 12 March and 12 April 2024 respectively. Please explain the relevance of the confidentiality restrictions cited by EWC and reproduced at paragraph A.i. to EWC’s Listing Rule 3.1 obligations.
2. Noting that EWC has relied on its ongoing discussions with Hankuk as part of its basis that disclosure of the Orders was not required under Listing Rule 3.1, please confirm whether EWC has a reasonable basis to assume that the impact of the Orders on EWC will be materially different as a result of the ongoing discussions.
3. If the answer to question 2 is “yes”:
 - 3.1 please explain the reasonable basis in detail;

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- 3.2 please explain when EWC expects these discussions to conclude; and
 - 3.3 please identify when EWC expects to be able to update the market as to the progress or outcome of those discussions.
 4. If the answer to question 2 is “no”, please explain the relevance of these discussions to EWC’s assessment of materiality for the purposes of Listing Rule 3.1, and how this supports EWC’s view that the Orders are not material to EWC.
 5. Noting EWC’s representations that ‘more than 50%’ of the Orders were budgeted for by EWC, and therefore not material for the purposes of Listing Rule 3.1, please explain the basis for EWC’s apparent view that the unbudgeted balance of the Orders will not have a material effect on the profits and/or losses of EWC.
 6. Noting EWC’s representations that major shareholders have committed to financially support EWC, and as a result EWC does not consider the Orders to be material, please confirm whether this means EWC will have to raise further capital to satisfy the Orders.
 7. If the answer to question 6 is “yes”, please explain how this is not material for the purposes of Listing Rule 3.1.
 8. Please confirm that EWC’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 EWC 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 **9:00 AM AEST Friday, 5 July 2024**.

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, EWC’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 EWC to request a trading halt immediately if trading in EWC’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@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 EWC’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EWC’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 EWC’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.

Kind regards

ASX Compliance