

# ASX/Media Release



Issued: 23 August 2021

**Hulon Aquaculture Group Limited (ASX: HUL) (“Company”, “Hulon”)**

## LETTER TO SHAREHOLDERS

Dear Hulon shareholder,

### **Update on JBS cash proposal at \$3.85 per Hulon share**

I am writing to you, as Chairman and as a shareholder in Hulon, in light of continued media coverage regarding our business and the salmon industry more widely.

First, I want to update you on the announcement made on 6 August 2021 that Hulon had entered into definitive agreements with JBS to acquire 100 per cent of Hulon shares for \$3.85 cash per share.

Your directors consider that the \$3.85 cash price offers compelling value as it represents a 61 per cent premium to the undisturbed closing price on 26 February 2021, when the strategic review to consider corporate level transactions was announced.

Since then, Tattarang Agrifood, a company owned by West Australian mining magnate Andrew Forrest, has acquired an 18.5 per cent stake in Hulon and indicated it might not support the JBS proposal. Further, Dr Forrest has questioned aspects of the animal husbandry practices of JBS and environmental standards of Hulon and the salmon industry in Tasmania.

It is important to note that the JBS proposal is the culmination of a rigorous strategic review process that was designed to identify the most compelling value proposition for all Hulon shareholders. In the early phase of the review process, Tattarang expressed interest in Hulon and submitted a non-binding and conditional indicative offer for the business. Tattarang was invited to participate further in the strategic review process (on the same customary terms as other process participants) and submit a final and binding offer but declined to do so. In any event, JBS’s \$3.85 cash per share offer is materially higher than Tattarang’s non-binding and conditional indicative offer.

Your directors will continue to act in the interests of Hulon shareholders. We are focused on providing our shareholders, particularly retail shareholders, with the opportunity to secure proper value for all their Hulon shares. We will not be distracted by external noise that does not provide Hulon shareholders with that opportunity.

As a shareholder you would be aware that at all times during our 35-year history, Hulon has been uncompromising in its commitment to the highest standards of animal husbandry, biosecurity, environmental management, and sustainable farming practices. Hulon remains the only seafood producer in Australia to achieve RSPCA Approved Farming certification and firmly believes its sustainable salmon farming practices can be benchmarked against the best standards in the world.

In the event of a transaction proceeding, a new owner of Hulon would be required to adhere to the same rigorous environmental and animal welfare standards that apply today.

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In its commitments to animal welfare and sustainability, JBS has pledged to build on the legacy we have built at Huon. Please see the enclosed statement released by JBS.

You do not need to take any action in relation to these developments at this time. Your directors are preparing a comprehensive shareholder booklet which will include a report from an independent expert for your consideration and for voting on the JBS proposal. It is expected that this material will be available in approximately four weeks.

Any proposal that Huon receives from third parties before then would be considered on its merits from a shareholder value perspective.

We are committed to keeping you updated as we progress the JBS proposal.

Yours sincerely,



Neil Kearney  
Chairman

**ENDS**

For further information, contact:

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## Statement attributable to Brent Eastwood, CEO JBS Australia

JBS unequivocally supports the concept of no pain, no fear and upholds the highest standards of animal welfare in this country.

Our JBS Animal Welfare policy calls out our commitment to the 'Five Freedoms'.

We uphold our high standards of animal welfare through industry leading policy relating to responsible care for animals under our control, regular internal and external audits, extensive CCTV monitoring, training for livestock handlers, and livestock transport checks.

JBS Australia fully complies with Australian Animal Welfare Standards and is certified under the AusMeat - Industry Animal Welfare Certification Program (AAWCS) for livestock processing facilities.

Our production facilities are independently audited by the Federal Government, AusMeat and key customers to guarantee compliance with established animal welfare programs and standards.

We strive for continuous improvement in our welfare efforts through new processes, technologies and the implementation of standards that meet and often exceed regulatory requirements.

JBS has zero-tolerance for animal abuse from our own employees and third parties in our transport supply-chain, processing plants or feedlots.

As we have said previously, JBS will apply its uncompromising commitment to animal welfare and sustainability at Huon to build on the legacy of the Bender family in Tasmania.

Understandably, Tasmania has some of the most stringent environmental licence and regulatory standards in the world to protect its pristine waterways and we are committed to meeting and exceeding those standards and rigorously applying our continuous improvement approach.

-ENDS-

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