

14 October 2016

Mr Ben Secrett  
ASX Listings Compliance  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH, WA, 6000

By Email: [tradinightsperth@asx.com.au](mailto:tradinightsperth@asx.com.au)

Dear Mr Secrett

**YONDER AND BEYOND GROUP LIMITED ASX AWARE LETTER**

I refer to your letter received by e-mail dated 11 October 2016. The response to your queries is as follows, references to 'YNB' and the 'Company' includes Yonder & Beyond Group Limited and its subsidiaries. References to \$ are Australian dollars unless otherwise Noted.

*Convertible Note*

1. With respect to statements disclosed by the Entity, as announced on 31 December 2015, the CEO Shashi Fernando entered into a draw down Convertible Note arrangement with the Company. The terms of this Convertible Note were:
  - 0% interest rate
  - Expiry 6 months from date of issue (31 December 2015)
  - Conversion price equal to next equity raise conducted by YNB, or should an equity raise not occur within next six months conversion price will be equal to a 20% discount to the 5 day Volume Weighted Average share price

The Company commenced drawing down against the Convertible Note immediately and ultimately drew up to \$473,313.68 under the Convertible Note.

On 7 April 2016, the Company converted the amount drawn down under the Convertible Note at \$0.08 (a premium to the share price at the time and the current share price) rather than the 20% discount to the 5 day volume weighted average share price. The Company released this information to the market on 7 April 2016.

The Company subsequently received approval from its shareholders for the issue of shares based on the amount drawn down to that point being \$473,313.68 at 8c or 5,916,421 shares. The shares were never issued. Given that the shares were not issued within 1 month of the date of shareholder approval, the Company plans to seek shareholder approval again to the issue of these shares.

The Company separately agreed with Shashi Fernando to vary the Convertible Note on 7 April 2016, the consequence of which was that the undrawn portion of the Convertible Note now could be advanced and converted at 8 cents per share with a convertible Note expiry of 30 June 2017. The effect of this

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amendment was to terminate the existing Convertible Note terms and replace those terms with new terms. However, as at this date no funds have been drawn down from this Convertible Note.

## 2. Explanation

2.1 While the old terms of the Note had been terminated, the Company varied the Convertible Note by extending the term of the Convertible Note to 30 June 2017 with an amendment to the Convertible Note dated 7 April 2016, so that the Company still had the option to draw down on the remaining balance of the \$1m, at 0% interest rate with a conversion at \$0.08. The Company has not drawn down on this Convertible Note and does not presently have any intention to do so.

2.2 The current terms of the Note are:

- 0% interest rate
- Expires 30 June 2017
- Conversion price of \$0.08

2.3 No, but the Company intends to issue shares in the future as described above.

## 3. With respect to the Note Extension

3.1 No

3.2 The Company's view is that the Note Extension is not price sensitive unless the Company commences drawing down under the Convertible Note. At present, the Company has no intention to do so.

3.3 7 April 2016

3.4 No. Refer to answer in question 3.2 above.

### *Director Loans*

## 4. With respect to the Note and borrowings of the Company

4.1 As per the Annual Report, and the amount approved by shareholders per the Results of General Meeting announcement dated 31 May 2016, \$473,314 has been drawn down from the \$1m convertible Note. The balance of \$204,962 is the balance of Director loans to the Company by John Bell (\$138,122) and amounts recorded as Director Loans for Jay Stephenson (\$65,514) and an expense payment payable to Shashi Fernando (\$1,327) as at 30 June. These amounts total \$678,276.

#### 4.2 Director loans at 30 June 2016

Loans to directors are detailed in section 11.9 of the Directors Report (Remuneration Report) of the 2016 Annual Report. This section disaggregates amounts owed to Directors, on a director by director basis. Mr Fernando's amount also includes trade payables, as disclosed in this section.

Accordingly, to reiterate the disclosure, amounts owed to directors at 30 June 2016 is as follows:

<i>Group Key Management Person</i>	2016 \$
Jay Stephenson	65,513
Shashi Fernando (including other payables)	656,278
John Bell	138,122
Mahmood Dhalla	-
Peter Sedeffow	-
	<u>859,913</u>

Mr Fernando's balance includes \$181,637 in trade payables (unpaid executive remuneration), and the approved Convertible Note draw down of \$473,314.

A breakdown of items disclosed as loans is as follows:

	30 June 2016
Shashi Fernando (amount approved by shareholders to convert to equity at \$0.08)	\$473,314
Shashi Fernando (expense payment)	\$1,327
John Bell	\$138,122
Jay Stephenson	<u>\$65,514</u>
Total	\$678,227

4.3 The terms of each loan is detailed in Note 17(c) to the Financial Statements contained in the 2016 Annual Report, as reaffirmed below "All Director-related loans are repayable at 31 December 2017, extended by mutual agreement. They are unsecured with 0% interest."

4.4 The question asks the Company to explain the difference between a cash flow, as reported in the Quarterly reports, and a movement in balance sheet (statement of financial position) line items. A cash flow movement will not necessarily match a balance sheet movement. The loan can increase due to various reason, some cash (ie payments on behalf of the business or into the bank account by directors), some non-cash (unpaid remuneration invoices). The Company has recognised in the loan unpaid fees invoiced by Mr Stephenson (non-cash) as well receipts of funds from borrowings (cash). Only the cash movements will appear in the Quarterly. To draw a comparison between a cash flow and a movement in liabilities is inappropriate at an accounting level. All director related remuneration and loans are detailed in the remuneration report. The Company has made disclosures as required.

4.5 The Company reclassified a director loan from current to non-current. The aggregate current and non-current amounts of Note 11 in the Preliminary Final Report and Note 17 in the 2016 Annual Report are identical.

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*Playmeet*

5.1 Yes

5.2 The Company acquired its interest in Playmeet by way of 4 equal instalments of \$50,000 each on 15 April 2015, 6 May 2015, 27 May 2015 and 26 August 2015, totalling USD\$200,000. Pursuant to the terms of the Company's agreement, this investment provides the Company with a shareholding of 1.2% of the issued capital of Playmeet LLC.

5.3 The Company has not disposed of its present interest in Playmeet. Under the terms of its agreement with Playmeet, it retains the right but not the obligation to increase its shareholding in Playmeet to 10% upon the payment of a further USD\$800,000.

5.4 Refer to answers above.

5.5 As detailed in the half yearly report, the Company had been seeking to restructure the investment and extinguish the liability. As part of the year-end reporting process the Company is required to review the carrying value of its assets. The Company formed a view that it would impair the investment in Playmeet to zero, despite continuing to hold a minor interest in Playmeet LLC, and remove the liability of the Company in relation to proposed future investment, as incurring a future expense was not certain. While as at 30 June 2016 the Company has decided to discontinue further investment in Playmeet and has therefore not recognise further liabilities in relation to the investment, should the Company change its view on Playmeet it may consider further investment.

5.6 The Company finalised this decision as part of the year end reporting process and it was disclosed in the Preliminary Financial Report. It is the Company's view that as it had disclosed in the half yearly report that it was looking to restructure and extinguish the investment liability and that it had committed no additional funds to the project, and that the final decision was not made until part of annual review process that it was not obliged to release information earlier than when disclosed as part of the Preliminary Financial Report.

*MySquar*

6.1 The Company agreed to sell its interest in MySquar on 17 August and received payment on 24 August 2016. Prior to this the Company held a minor interest in Mysquar.

6.2 The Company disposed of the shares to an unrelated party through a UK broker off market.

6.3 The Company disposed of the shares at GBP0.0235. The reason for the discount to the long term average, is the share price dropped significantly prior to the sale and that the shares had very low liquidity and finding a buyer proved to be difficult. The Company formed a view that it was the best price available for the entire parcel at the time.

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*Revenue figures*

7. Appendix 4C is a quarterly cash flow report. The Annual Report figures that have been quoted are from the Consolidated Statement of profit or loss and other comprehensive income (Profit and Loss"). Accounting standards require the Profit and Loss to be prepared on an accruals basis.

The question asks the Company to explain the difference between a cash flow, as reported in the Quarterly reports, and a Profit and Loss line item, revenue. A cash flow movement will not necessarily match an item of revenue, income, or expense. Revenue can be un-receipted and remain in debtors, therefore it is recorded as revenue and not a cash flow. Comparatively, a receipt of a debtor is a cash flow and will appear in the Quarterly (being a cash flow statement), but not necessarily as revenue as it may have been earned in a prior period. The Company reported cash received from customers in the Quarterly (a cash flow); and revenue to the Company in the Preliminary Final Report in the 2016 Annual Report. To draw a comparison between a cash flow receipt from customers and revenue is inappropriate at an accounting level. Furthermore, the comparison is further flawed by the standard accounting policy that receipts from customers (a cash flow) is inclusive of GST (or equivalent), whereas revenue is not (refer Note 1(e)(ii) to the Annual Report 2016).

In addition Revenue line item at page 18 in the Preliminary Final Report is \$3,477,011, before including share of associate profit/(loss) and other income. This makes "Total Group Revenue and other income" \$3,758,569. Note 27 page 56 of the Annual Report 2016 also shows "Total Group Revenue and other income" as \$3,758,569

The difference between revenue of \$3,460,220 as detailed in the Preliminary financial report and \$3,477,011 is \$16,791 of accrued interest not received required to be included as part of the finalisation of the Audit. This was considered immaterial in terms of warranting additional disclosure.

*Listing Rule 3.1*

8. The Company is in Compliance with the Listing Rules and, in particular, Listing Rule 3.1

Regards

[Sent electronically without signature]

Jay Stephenson  
Chairman

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11 October 2016

Mr Jay Stephenson  
Non-Executive Chairman and Company Secretary  
Yonder and Beyond Group Limited  
Suite 12, Level 1  
11 Ventnor Avenue  
WEST PERTH WA 6005

By email

Dear Mr Stephenson

**YONDER AND BEYOND GROUP LIMITED (“ENTITY”): ASX AWARE LETTER**

ASX Limited (“ASX”) refers to the following.

1. The Entity’s announcement entitled “Yonder & Beyond Acquires Stake in US Based Social Music Application Playmeet™” released on the ASX Market Announcements Platform (“Platform”) at 6:39am AWST on Wednesday, 1 April 2015 (“Playmeet Announcement”), which disclosed that the Entity had acquired an initial 10% stake in PlayMeet LLC (“PlayMeet Acquisition”), and contained the following statements.
  - 1.1. “Yonder & Beyond Group Limited (“Y&B” or “the Company”) (ASX: QRL), the global technology operational accelerator, is pleased to advise it has acquired an initial 10% stake in US-based social media application PlayMeet™.”
  - 1.2. “Under the terms of this agreement, PlayMeet LLC is being spun out into a new, standalone and independent entity of which Yonder & Beyond will acquire the 10% interest for an investment of USD\$1 million staged across two tranches of USD\$500,000. Yonder & Beyond has also entered into a Management and Administration Agreement with PlayMeet LLC to become PlayMeet’s management provider overseeing technology, product development and deployment, for USD\$25,000 per month.”
2. The Entity’s announcement entitled “Yonder and Beyond CEO reaffirms commitment to Company with \$1m investment” released on the Platform at 7:06am AWST on Thursday, 31 December 2015 (the “Note Issue Announcement”), which disclosed that the Entity’s CEO, Mr Shashi Fernando, had provided the entity with a \$1m draw down facility via a convertible note issued by the Entity (“Note”).

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3. The Entity's Appendix 4D and half year report for the financial period ended 31 December 2016 released on the Platform at 2:30pm AWST on Monday, 29 February 2016 ("Half Year Report"), which contained the following statements.
- 3.1. Page 7, Note 1(a)(ii): the Entity "is in discussions to restructure its investment in Playmeet with the intention of extinguishing its liability of \$1,043,000 which is currently due."
  - 3.2. Page 12, Note 13: Details a "Convertible note – director" current borrowing liability of \$136,730 (Note 13(a) – references the terms of the Note between the Entity and Mr Shashi Fernando) and a "Loans – directors" current borrowing liability of \$166,177 (Note 13(b) – references that this amount includes a \$138,002 secured loan provided by a company controlled by Mr Bell).
4. The Entity's announcement entitled "Yonder & Beyond Capital Raising, Conversion of Convertible Note" released on the Platform at 8:10am AWST on Thursday, 7 April 2016 ("Note Conversion Announcement"), which disclosed that the Note had been terminated following its conversion into shares in the issued capital of the Entity, and contained the following statement.
- 4.1. "As part of this Placement, the Company has terminated the remaining un-drawn portion of the \$1m convertible note with Chief Executive Officer, Shashi Fernando. Mr Fernando has agreed to convert the drawn down portion of the convertible note facility entered into in December 2015. As at termination date 4 April 2016, the Company had drawn down \$473,313.68 of this convertible note facility and the note has been converted to ordinary share capital at 8c per share, rather than at 20% discount to the 5 day VWAP market price as per the agreement, subject to relevant shareholder approval."
5. The Entity's quarterly review for the period 1 January 2016 to 31 March 2016 released on the Platform at 7:35am AWST on 2 May 2016 ("March Quarterly Review"), which contained the following statement on page 3.
- 5.1. "As part of this Placement, the Company has terminated the remaining un-drawn portion of the \$1m convertible note with Chief Executive Officer, Shashi Fernando. Mr Fernando has agreed to convert the drawn-down portion of the convertible note facility entered into in December 2015. As at termination date 4 April 2016, the Company had drawn down \$473,313.68 of this convertible note facility and the note has been converted to ordinary share capital at 8c per share, rather than at 20% discount to the 5 day VWAP market price as per the agreement, subject to relevant shareholder approval."
6. The Entity's Appendix 4E and preliminary final report for the financial year ended 30 June 2016 released on the Platform at 7:57am AWST Thursday, 1 September 2016 ("Preliminary Report"), which contained the following statements.
- 6.1. Page 7, Note 2(b)(item 2.6): "Yonder decided to discontinue its investment in Playmeet. This resulted in the extinguishment of the liability of \$1,077,280 for the proposed investment and an impairment of \$269,320."



6.2. Page 17, Note 11(b): Details a “Director-related loans” non-current borrowing liability of \$612,762.

7. The Entity’s annual report for the financial year ended 30 June 2016 released on the Platform at 5:47am AWST on Monday, 3 October 2016 (“Annual Report”), which contained the following statements.

*Convertible Note*

7.1. Page 5: “The company has a convertible note with the CEO which it can draw down while completing the capital raising process which it anticipates will be finalised in October. This will provide sufficient capital while the company completes partnership deals which it anticipates will bring positive cash flow to the Company.”

7.2. Page 22, Item 2 of Note 1(a)(ii): “the convertible note currently standing at \$473,314 associated with the CEO loan, and CFO Loans of \$138,122, plus the accruals of the CEO of salary of \$118,937 which has not been paid has also been agreed that they will not call the cash unless mutually agreed by board under an agreeable structure to either convert over time or cash over time.”

7.3. Page 22, Item 3 of Note 1(a)(ii): “furthermore the convertible note facility provided by the CEO was extended on 7 April 2016 to 30 June 2017 and there remains \$526,686 available for immediate draw down;” (“Note Extension”).

7.4. Page 47, Notes 17(b) and (d): Details a “Director-related loans” non-current borrowing liability of \$678,276, and states that “All director-related loans are repayable at 31 December 2017, extended by mutual agreement. They are unsecured with 0% interest.”

*Mysqar Limited investment*

7.5. Page 43, Note 11(a): Details “Shares in other companies – available for sale (at fair value)” with a book value of \$454,366.

7.6. Page 43, Note 11(a)(i): “The Group held 4,133,307 shares in MySquar Limited (MYSQ) at 30 June 2016. The fair value of these shares at 30 June 2016 was based on the LSX:AIM quoted market values. These shares are classified as Tier 1 financial assets. Subsequent to balance date, 4,133,307 shares in MySquar were sold, realising GBP97,132 (~ AUD170,413).”

7.7. Page 54, Note 25(a): “Subsequent to balance date, 4,133,307 shares in MySquar were sold, realising GBP97,132 (~ AUD170,413).”

*PlayMeet LLC investment*

7.8. Page 43, Note 11(b): Details a “Set-off of amounts due to investee companies liabilities” of \$(1,077,280) and an “Impairment of remaining balance” of \$(269,320).

7.9. Page 43, Note 11(b)(i): “The Group holds a 10% investment in an unlisted company based in the United States. As at 30 June the Group applied the balance of the amounts due to the

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investee company to the carrying value of the asset. As the investment is not listed, the Group undertook an impairment assessment of the remaining carrying value and has recognised an impairment of \$269,320 in respect to this investment.”

8. The following revenue figures reported by the Entity for the financial year ended 30 June 2016 (“Revenue Figures”).

Report	Amount
Appendix 4C released on the Platform at 7:55am on Monday, 1 August 2016 (“June Quarterly Review”)	<ul style="list-style-type: none"> <li>Page 1 of contained Appendix 4C: year to date receipts from customers of \$3,941,000</li> </ul>
Preliminary Report	<ul style="list-style-type: none"> <li>Page 1: consolidated revenue of \$3,460,220</li> <li>Page 14: total revenue of \$3,460,220 (with \$3,301,161 attributed to sales)</li> </ul>
Annual Report	<ul style="list-style-type: none"> <li>Page 1: total revenue for the group of \$3,477,011</li> <li>Page 18: consolidated revenue of \$3,477,011 (with \$3,301,161 attributed to sales – page 37)</li> <li>Page 56: revenue of \$3,458,661</li> </ul>

9. Listing Rule 3.1, which requires a listed entity to give ASX immediately 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.

10. The definition of “aware” in Chapter 19 of the Listing Rules. This definition 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.”*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

11. 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 requirements 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;*

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- *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."*

12. 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* "Listing Rule 3.1A.2 – the requirement for information to be confidential". 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."*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A.

#### *Convertible Note*

1. With respect to the statements disclosed by the Entity which are detailed above in paragraphs 4.1, 5.1, 7.1, 7.2 and 7.3, please explain the inconsistency between these statements ("Inconsistency"), being that the Entity:
  - terminated the Note (paragraphs 4.1 and 5.1); but
  - "has a convertible note with the CEO which it can draw down" (paragraph 7.1) and "the convertible note facility provided by the CEO was extended on 7 April 2016 to 30 June 2017" (paragraph 7.3).
2. Further to the explanation requested regarding the Inconsistency, please respond to the following.
  - 2.1. What is the current status of the Note? Was it terminated as announced in the Note Conversion Announcement or was it extended as detailed in the Annual Report?
  - 2.2. If the Note was extended, please detail the current terms of the Note. Please also provide ASX with a copy of the Note, and document/s evidencing the Note Extension and, if the terms of the Note have been amended, the current terms of the Note.



- 2.3. If the Note was extended, were any shares in the issued capital of the Entity (“Shares”) ever issued to Mr Shashi Fernando pursuant to the purported conversion of the Note as announced in the Note Conversion Announcement?

ASX notes that the Entity obtained shareholder approval to issue 5,916,421 Shares to Mr Shashi Fernando at its general meeting held on 31 May 2016 but that a review of Appendix 3Bs subsequently lodged on the Platform by the Entity does not detail any such issue of Shares, nor has an Appendix 3Y for such an issue been lodged by the Entity.

3. If the Note was extended, with reference to the Inconsistency and the Note Extension, please answer the following questions.
- 3.1. Does the Entity consider the Note Extension to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
- 3.2. If the answer to question 3.1 is “no”, please advise the basis for that view.
- 3.3. When did the Entity first become aware of the Note Extension?
- 3.4. If the Entity first became aware of the Note Extension before 3 October 2016 (the date the Annual Report was released on the Platform), did the Entity make any announcement prior to this date which disclosed the Note Extension? If so, please provide details. If not, please explain why the Note Extension was not announced to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

#### *Director Loans*

4. With respect to the Note and borrowings by the Entity from directors (detailed above in paragraphs 3.2, 6.2 and 7.4), please respond to the following.
- 4.1. Does the current form of the Note (following the Note Extension) account for all or part of the increase in the amount of director loans to the Entity from \$166,177 as reported in the Half Year Report (paragraph 3.2) to \$678,276 as reported in the Annual Report (paragraph 7.4)?
- 4.2. Please detail the constituent amounts of the total amount of borrowings from directors of \$678,276 (paragraph 7.4) which the Entity has borrowed from each director.
- 4.3. Please detail the terms of each loan from a director to the Entity, including whether any loan from a director to the Entity is convertible into shares in the Entity. If a loan from a director to the Entity is convertible into shares in the Entity, please advise whether ‘convertibility’ is subject to prior shareholder approval.
- 4.4. Please reconcile the increase in borrowings of \$435,916 from \$363,490 as reported on page 4 of the Half Year Report to \$799,406 as reported on page 19 of the Annual Report, with the



March Quarterly Review and the June Quarterly Review which together report \$407,000 of proceeds from borrowings and no repayment of borrowings.

- 4.5. Did the Entity borrow \$65,514 from a director/s between the release of the Preliminary Report on 1 September 2016 and the release of the Annual Report on 3 October 2016?

*PlayMeet*

5. With respect to the PlayMeet Acquisition and the statements disclosed by the Entity which are detailed above in paragraphs 1.1, 1.2, 3.1, 6.1, 7.8 and 7.9, please answer the following questions.

- 5.1. Did the Entity complete the acquisition of any stake in PlayMeet LLC?
- 5.2. If the answer to question 5.1 is “yes”, please provide details (including the size of the interest and date acquired) and advise details of the interest (if any) currently held in PlayMeet by the Entity.
- 5.3. If the answer to question 5.1 is “yes” and the Entity subsequently disposed of all or part of that interest, please provide details, including the size of the interest disposed of and the disposal price.
- 5.4. Did the Entity pay any of the consideration for the PlayMeet Acquisition, whether in full or pursuant to the required instalments? If “yes”, please provide details, including amount and date of payment/s.
- 5.5. When did the Entity decide to discontinue its investment in PlayMeet LLC as reported in the Preliminary Report (paragraph 6.1)?
- 5.6. If the Entity made its decision to discontinue its investment in PlayMeet LLC before 1 September 2016 (the date the Preliminary Report was released on the Platform), did the Entity make any announcement prior to this date which disclosed the discontinuation? 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 the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

*Mysquar*

6. With respect to the shares in MySquar Limited (“MySquar”) held and disposed of by the Entity and the statements disclosed by the Entity which are detailed above in paragraphs 7.5, 7.6 and 7.7, please respond to the following.
- 6.1. When did the Entity dispose of the shares it held in MySquar. Please detail the final date that the Entity held any shares in MySquar.
- 6.2. How did the Entity dispose of the shares it held in MySquar? If by way of an off-market disposal, please advise whether the buyer was a related party of the Entity, or an associate of a related party of the Entity.



- 6.3. Please advise the price, or range of prices at which the Entity disposed of the shares it held in MySquar.

ASX notes that the Entity carried the MySquar shares at a book value of \$454,366 (paragraph 7.5) based on “fair value” being the AIM quoted market value and realised ~\$170,413 from their disposal (paragraph 7.6), and that the average disposal price appears to be GBP0.0235 (paragraph 7.7) and that MySquar has not traded on AIM at a price less than GBP0.03375 over the past 12 months.

#### *Revenue Figures*

7. Please explain the reason for the differences in the Revenue Figures (paragraph 8) the Entity reported in its June Quarterly Report, Preliminary Report and Annual Report.

#### *Listing Rule 3.1*

8. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 4.00pm AWST on Friday, 14 October 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

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, the Entity’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.

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 at [tradinghaltsp Perth@asx.com.au](mailto:tradinghaltsp Perth@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.

#### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.



In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

**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 the Entity'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 may 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*.

Please contact me if you have any queries or concerns about the above.

Yours sincerely

*[sent electronically without signature]*

Ben Secrett  
**Senior Adviser, ASX Listings Compliance**