

# Zoono Group Limited

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27 September 2017

Ms. Lux Wignesaran  
Principal Adviser, Listings Compliance (Sydney)  
ASX Compliance Pty Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Via Email: [Luxmy.wignesaran@asx.com.au](mailto:Luxmy.wignesaran@asx.com.au)

Dear Lux

## **ZOONO GROUP LIMITED ("Company"): AWARE QUERY**

We refer to the aware query issued by ASX on Tuesday, 26 September 2017 and confirm:

1. The Company signed the contract with Beijing Bei Guang Jia Purchase Trading Company Ltd., trading as RBCGO, at approximately 10.00am (NZST) in Auckland on Tuesday 26 September 2017 (7.00am Sydney time). Execution of the contract was the final step in contract negotiations which commenced in Auckland on 22 September 2017.
2. Yes, the Company is of the opinion that the information contained in the Announcement is information that a reasonable person would expect to have a material effect on the price or value of its securities.
3. N/A
4. Prior to the commencement of contract negotiations with RBCGO in Auckland on 22 September 2017, while the Company had met with RBCGO in China and had supplied samples of its products, the Company does not regard any activity it had undertaken in that respect to be information that a reasonable person would expect to have a material effect on the price or value of its securities (and, therefore, information which the Company must disclose to the market).

The Company regularly and actively carries on a broad range of business development activities. Its discussions with RBCGO prior to 22 September 2017 were simply one of many such customer discussion active at that time. Until such time as a potential customer commits to proceed with a sales contract (for example, by agreement to the product range it will buy, pricing and/or volume), the Company does not regard its discussions as 'price sensitive information' and, further, it is of the opinion that any announcement concerning any such discussions or potential customers (regardless of the nature or size of the potential customer) would be inappropriate, premature and potentially more likely to mislead than be informative to the market.

In the period between the commencement of contract discussions on 22 September 2017 and execution of the final contract on 26 September 2017 (i.e. when it may reasonably be argued that the existence of those contract discussions is information that a reasonable person would expect to have a material effect on the price or value of its securities), the Company did not make any announcement concerning its discussions with RBCGO or the



contract negotiations as such discussions related to an incomplete proposal or negotiation, the information was confidential and a reasonable person would not expect the information to be disclosed until the contract was executed (or the negotiations were no longer confidential).

Once the contract with RBCGO was executed on 26 September 2017, the Company promptly and without delay made an announcement to the market.

5. The Company is in full compliance with the Listing Rules and in particular Listing Rule 3.1.
6. The above responses have been authorised and approved in accordance with the Company's published continuous disclosure policy.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Elissa Hansen', with a long horizontal flourish extending to the right.

Elissa Hansen  
Company Secretary  
ZOONO GROUP LIMITED



26 September 2017

Ms Elissa Hansen  
Company Secretary  
Zono Group Limited  
Level 12, 225 George Street  
Sydney NSW 2000

By Email

Dear Ms Hansen,

**Zono Group Limited (the “Company”): Aware Query**

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

- A. The ASX price and volume query letter sent to the Company on Friday 15 September 2017 regarding a change in the price of the Company’s securities from a low of 21.5 cents on 8 September 2017 to an intra-day high of 30 cents on 15 September 2017, and an increase in the volume of securities traded in the preceding days (the “ASX Query Letter”).
- B. The Company’s response to the ASX Query Letter, released to the ASX Market Announcements Platform at 1.38pm AEST on 15 September 2017, which stated as follows:

*“The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.”*

*“The Company is not aware of any other explanation for the recent trading in its securities.”*

*“The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.”*

- C. The Company’s announcement entitled ‘ZONO GROUP SIGNS SIGNIFICANT DEAL FOR CHINA’, lodged on the ASX Market Announcements Platform and released at 9.30am AEST on Tuesday 26 September 2017, disclosing that the Company had signed a contract with Beijing Bei Guang Jia Purchase Trading Company Ltd to sell its antimicrobial products to Chinese consumers through home shopping TV, radio and online channels and via the Alibaba and TMall platforms (the “Announcement”).
- D. The change in the price of the Company’s securities from a close of 28 cents on Monday 25 September 2017 to a high of 35 cents at the time of writing, and the increase in the volume of securities traded, following release of the Announcement.
- E. 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.
- F. 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”*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

- G. 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 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;*
- *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. 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*. 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, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. When did the Company first become aware of the information in the Announcement?
2. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If the answer to question 2 is “yes” and the Company first became aware of the information before 26 September 2017, did the Company make any announcement prior to that date which disclosed the

information? 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 Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.

5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Company'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 the Company 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, 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 half an hour before the start of trading (i.e. before 9.30am AEST) on Friday 29 September 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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 Company'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. 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 the Company'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 the Company'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.

### **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 Company'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*.

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

Yours sincerely,

*[Sent electronically without signature]*

Lux Wigneswaran  
**Principal Adviser, Listings Compliance (Sydney)**