



10 May 2018

Mr Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)

Dear Mr Onyura,

Ante Real Estate Trust (the "Trust") Appendix 4C Query response

We refer to your query letter dated 8 May 2018 ("**Letter**"), and the Trust's Appendix 4C lodged and released to ASX on 30 April 2018 for the quarter ended 31 March 2018 ("**Q3 FY18**").

In response to the questions in your letter, and in accordance with Listing Rule 18.7A, we provide the following responses and confirmations.

- 1) Does the Trust expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Response:

- (a) The Trust expects to have negative operating cash flows in the short term, but notes the following in relation to the quantum of the net negative operating cash flows for the 31 March 2018 quarter (being \$290,000) and the impact this may have on the future quarters.
- i. The net negative operating cash flows amount of \$290,000 for Q3 FY18 included non-recurring, one-off operating outflows (payments and accruals) totaling approximately \$195,000. These one-off operating outflows are unlikely to occur in future quarters.
 - ii. The net negative operating cash flows amount of \$290,000 does not include a full quarter of revenue received from the new property acquisition announced to ASX on 12 February 2018. During Q3 FY18, the Trust only received one month's revenue from this property.
 - iii. The estimated cash outflows of \$315,000 for the next quarter (Q4 FY18) does not include any cash inflows and therefore this figure will not be expected to be the net operating cash flow position at 30 June 2018.

Taking the above into account, the Trust expects the quantum of the net negative operating cash flows for Q4 FY18 to be lower than for Q3 FY18.

- 2) Has the Trust taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe they will be successful?

Response:

- (a) The Trust refers to the ASX announcement made on 12 February 2018 in relation to a new property acquisition made in accordance with the investment strategy set out in the notice of meeting for the EGM held on 8 January 2018. The Trust expects this acquisition to have a net positive cash flow impact on the Trust. The Trust continues to assess further investment opportunities in accordance with its investment strategy.



- (b) The Trust also notes disclosures in the ASX announcement made on 12 February 2018, and disclosure included in the Half Year Report to 31 December 2017, announced on 1 March 2018, where the Trust announced its intention to conduct a full underwritten renounceable entitlement offer to ordinary unitholders to repay a non-bank subordinated loan/bridge financing facility, which will reduce the Trust's gearing/interest expense, provide working capital and have a net positive cash flow impact on the Trust.
 - (c) The Trust is currently finalising the documentation for the fully underwritten entitlement offer and will make an appropriate announcement in due course.
 - (d) The Trust anticipates that based on the current status of the documentation, the fully underwritten entitlement offer will be announced to ASX in the short term. The Trust will make the appropriate ASX disclosures and announcements at the appropriate time.
- 3) Does the Trust expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Response: Based on the responses in question 2 above, the Trust expects to be able to continue its operations and to meet its business objectives in the short term.

- 4) Please confirm that the Trust is in compliance with listing rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

Confirmation: The Trust confirms that it is in compliance with Listing Rule 3.1.

- 5) Please confirm that the Trust'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 Trust with delegated authority from the board to respond to ASX on disclosure matters.

Confirmation: The Trust's responses above have been authorised and provided by an officer of the Trust with delegated authority from the board to respond to ASX on disclosure matters.

There is no other information that the Trust considers may be relevant to ASX forming an opinion on whether the Trust is in compliance with Listing Rule 12.2.

Should you have any further questions or require further information please contact the Responsible Entity:

Andrew Saunders,
Executive Chairman
Quattro RE Limited
+61 2 9222 8100 or asaunders@quattroam.com.au



8 May 2018

Mr Andrew Saunders
Executive Chairman & Company Secretary
Ante Real Estate Trust
Level 9
117 Macquarie Street
Sydney NSW 2000

By email

Dear Mr Saunders

Ante Real Estate Trust (the “Trust”): Appendix 4C Query

I refer to the Trust’s Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the “Appendix 4C”).

ASX notes that the Trust has reported:

- negative net operating cash flows for the quarter of \$290,000;
- cash at the end of the quarter of \$469,000; and
- estimated cash outflows for the next quarter of \$315,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Trust were to continue to expend cash at the rate indicated by the Appendix 4C, the Trust may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Trust to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Trust expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Trust taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Trust expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Trust is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Trust’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 Trust with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Trust considers may be relevant to ASX forming an opinion on whether the Trust is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

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 9:30am AEST on Friday 11 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Trust'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 Trust'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 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.

In responding to this letter, you should have regard to the Trust'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 Trust'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 Trust's securities under Listing Rule 17.1.

If you wish to request 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 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.

Kind regards

[Sent electronically without signature]

Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)