



Puja Patel
Adviser, Listings Compliance (Sydney)
ASX Limited

By email

Mainstream Group Holdings Limited (ASX: MAI)
ABN 48 112 252 114

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AUSTRALIA

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Email: info@mainstreamgroup.com
www.mainstreamgroup.com

Tuesday, 21 January 2020

Dear Ms Patel,

Response to Price Query

We refer to your letter dated 21 January 2020 with respect to the subject matter and respond to your queries in the same order as raised:

1. No, the Company is not aware of any information concerning it that has not been announced to the market which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. Other potential reasons for the recent price movement and trading activity in the Company's securities could include:
 - a. The Company has been made aware of the recent publication of favourable research in a subscription service newsletter.
 - b. The Company notes that it incurred approximately \$410,000 in abnormal acquisition transaction costs in 1H FY20. The discussions in relation to these transactions are no longer live. The Board is still assessing the impact of these one-off, non-core expenses and whether any revision to the Company's market guidance will be required.
4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. The above has been authorised and approved by the Board in accordance with the Company's published Continuous Disclosure Policy.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alicia Gill'.

Alicia Gill
Company Secretary
Mainstream Group Holdings Limited



21 January 2020

Reference: 12805

Ms Alicia Gill
Company Secretary
Mainstream Group Holdings Limited
Level 1
51-57 Pitt Street
Sydney NSW 2000

By email

Dear Ms Gill

Mainstream Group Holdings Limited ('MAI'): Price Query

We note the change in the price of MAI's securities from a low of 54.5 cents on Wednesday 15 January 2020 to an intra-day high of 69 cents today, Tuesday 21 January 2020.

We also note the significant increase in the volume of MAI's securities traded from Monday 20 January 2020 to today, Tuesday 21 January 2020.

Request for Information

In light of this, ASX asks MAI to respond separately to each of the following questions and requests for information:

1. Is MAI 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?
2. If the answer to question 1 is "yes".
 - (a) Is MAI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in MAI's securities would suggest to ASX that such information may have ceased to be confidential and therefore MAI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that MAI may have for the recent trading in its securities?
4. Please confirm that MAI is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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5. Please confirm that MAI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MAI 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 **1:45 PM AEDT today Tuesday, 21 January 2020**. If we do not have your response by then, ASX will likely suspend trading in MAI'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, MAI'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 ListingsComplianceSydney@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 Rules 3.1 and 3.1A

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 MAI'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 MAI'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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in MAI'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*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in MAI's securities under Listing Rule 17.3.

Enquiries

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

Kind regards

Puja Patel
Adviser, Listings Compliance (Sydney)

CC: Nick Happell & Martin Smith, MAI