

**IOUPAY LIMITED (ASX: IOU)**

(ACN 091 192 871)

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**17 February 2021**

**Maria Clemente  
Adviser  
Listings Compliance (Sydney)  
ASX Compliance Pty Ltd  
20 Bridge Street  
Sydney NSW 2000**

Dear Maria,

**Regarding IOUpay Limited ('IOU'): Aware – Query**

We refer to your letter dated 16 February 2021 which requests responses to questions raised regarding the disclosure in the trading halt request dated 16 February 2021 that IOU is considering capital raising initiatives and opportunities (the 'Information') and the purpose of the trading halt is to allow IOU time to consider same.

- 1. Does IOU consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable.

- 3. When did IOU first become aware of the Information?**

To set out the relevant chronology, IOU notes that it received a letter from the ASX titled "Price – Query" on 15 February 2021, to which the Company responded by way of letter on the same day, with that response being released to market by the ASX at 1.03 pm that day (the 'Price Query Response').

Later in the afternoon of 15 February 2021, after the release to market of the Price Query Response, IOU received an unsolicited proposal to conduct a capital raising. This proposal was not considered by the Board until an emergency meeting of the Board was convened in the late afternoon of 15 February 2021, after market close. The time of the meeting was as soon as practicable at short notice given the relative locations and time zones of some Board members. At this meeting, the Board agreed to accept the proposal to conduct a capital raising and finalise the terms on which it would seek do so over that evening and prior to commencement of trade 16 February 2021. Accordingly, it was not until after market close on 15 February 2021 that IOU had become aware that it was 'considering capital raising initiatives and opportunities' to the extent that would require disclosure to the ASX under Listing Rule 3.1.

For the avoidance of doubt, IOU confirms that at both the time at which IOU sent the Price Query Response to the ASX and at the time of its release to market by the ASX, IOU was

not in possession of any information which would warrant disclosure under Listing Rule 3.1 with respect to any capital raising initiatives and opportunities.

- 4. If the answer to question 1 is “yes” and IOU first became aware of the Information before the relevant date, did IOU make any announcement prior to the relevant 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 IOU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IOU took to ensure that the information was released promptly and without delay.**

Referring to the Company’s response to query 3 above, the Company confirms that the unsolicited proposal had not been reviewed, nor any terms of a capital raising agreed, until prior to the commencement of trade 16 February 2021.

Given that the unsolicited proposal was incomplete to the extent that no capital raising terms had been agreed by the Company, nor any negotiations even commenced with relevant parties and further that the proposal was confidential to the extent that it was only communicated to the Company by the relevant party, the Company is of the view that no requirement to disclose this information under Listing Rule 3.1 existed until the board meeting held in the evening of 15 February 2021.

It was only in this meeting that the Board considered the unsolicited proposal, drafted and reviewed the terms of a proposed capital raising, and formally resolved to consider a capital raising on those terms which then needed to be later confirmed with the relevant party.

In this meeting, the Board also resolved to direct the Company Secretary to request a trading halt prior to market open on the next trading day, being 16 February 2021. The Company Secretary made such request to the ASX following this resolution at the next available opportunity prior to market open on 16 February 2021, and accordingly the ASX granted IOU a trading halt from that day. The trading halt request appropriately disclosed that the Company was considering ‘capital raising initiatives and opportunities’ and required the trading halt to ensure compliance with Listing Rule 3.1 whilst such activities were being finalised.

There was accordingly no trading of the Company’s securities on market following the Company resolving to consider the capital raising initiatives, and in the Company’s view, no breach of Listing Rule 3.1 by the Company at any time.

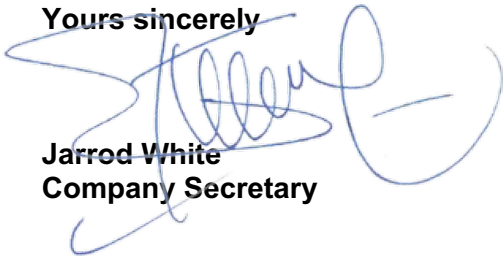
- 5. Please confirm that IOU is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

IOU confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

7. Please confirm that IOU'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 IOU with delegated authority from the board to respond to ASX on disclosure matters.

The above responses to the queries raised by the ASX have been authorised and unanimously approved by the Board of Directors of IOU.

Yours sincerely



Jarrod White  
Company Secretary

**About IOUpay (ASX:IOU):**

IOUpay Limited (ASX:IOU) provides fintech and digital commerce software solutions and services that enable its institutional customers to securely authenticate end-user customers and process banking, purchase and payment transactions.

The Company's core technology platform enables large customer communities to connect to end user customers using any mobile device and integrate mobile technology throughout their existing business and customer product offerings. The Company's business divisions consist of Mobile Banking, Digital Payments and Digital Services which service the top 20 banks in Malaysia and large telco's and corporates in Malaysia & Indonesia. IOUpay also works with telecommunication network providers to provided mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.



16 February 2021

Reference: 30940

Mr Jarrod White  
Company Secretary  
IOUpay Limited

By email: jarrod@taccountants.com.au

Dear Mr White

**IOUpay Limited ('IOU'): General – Aware Query**

ASX refers to the following:

- A. IOU's request for a trading halt pursuant to Listing Rule 17.1 on 16 February 2021, disclosing that IOU is considering capital raising initiatives and opportunities ('Information') and the purpose of the trading halt is to allow IOU time to consider same. ASX granted the trading halt at 9:13 AM on 16 February 2021.
- B. The change in the price of IOU's securities from a low of \$0.22 at the close of trading on 9 February 2021 to an intraday high of \$0.85 on 15 February 2021.
- C. IOU's response to ASX's Price Query letter released on the ASX Market Announcements Platform ('MAP') at 1:03 PM on 15 February 2021, disclosing that IOU was not aware of any information concerning it that had not been announced to the market which if known, could be an explanation for recent trading in the securities of IOU.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- E. 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."*

- F. 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*

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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."*

- G. 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."*

### **Request for information**

Having regard to the above, ASX asks IOU to respond separately to each of the following questions and requests for information:

1. Does IOU consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did IOU first become aware of the Information?
4. If the answer to question 1 is "yes" and IOU first became aware of the Information before the relevant date, did IOU make any announcement prior to the relevant 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 IOU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IOU took to ensure that the information was released promptly and without delay.
5. Please confirm that IOU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that IOU'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 IOU 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 **3:30 PM AEDT Thursday, 18 February 2021**. 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, IOU'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 and may require IOU to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto: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.

### **Suspension**

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

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to IOU'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 IOU'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.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Maria Clemente**  
Adviser, Listings Compliance (Sydney)