



17 July 2019

Attention Cheng Tang
Principal Adviser, Listings Compliance (Melbourne)
525 Collins Street
Melbourne VIC 3000

Dear Cheng,

RE: PRICE QUERY

Memphasys Limited (ASX: MEM) ("Memphasys" or "the Company") acknowledges and responds to your letter of 17th July 2019 following a change in the price of MEM's securities from a low of \$0.053 to an intra-day high of \$0.064 today; and the significant increase in the volume of MEM's securities traded today.

Pursuant to ASX listing rule 18.7, the Company responds to each question raised by ASX Melbourne:

1. *Is MEM 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 Board and management of MEM are not aware of any information that it has not announced to the market, which if known by some in the market, could explain the recent trading in its securities.

The Company has not issued earnings guidance to the market as the Company remains in development phase of its FELIX device. On 9th July 2019, the Company announced that it has appointed W&S Plastics to manufacture and assemble Felix disposable cartridges for KOL assessment, the regulatory approval process and first 12-18 months of commercial sales, and a \$4.2 million placement to fund the Company into first commercial sales (subject to receipt of regulatory approvals) of the Felix device in Q2 2020.

2. As the response to Question 1 is 'No', no response is required for Question 2.
3. *If the answer to questions 1 in 'no', is there any other explanation that MEM may have for the recent trading in its securities?*

The Board and management of MEM are not aware of any information that it has not announced to the market, which if known by some in the market, could explain the recent trading in its securities.

4. *Please confirm that MEM is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Memphasys confirms that it is complying with the ASX listing rules and in particular listing rule 3.1.

5. *Please confirm that MEM'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 MEM with delegated authority from the board to respond to ASX on disclosure matters*

Memphasys confirms that the responses given above have been authorised and prepared under its continuous disclosure policy by an officer of the company with delegated authority from the board to respond to ASX on disclosure matters.

For further information please contact:

Andrew Metcalfe
Company Secretary
Memphasys Limited
+61 3 9867 7199



17 July 2019

Reference: ODIN04188

Mr Andrew Metcalf
Company Secretary
Memphasys Limited

By email only

Dear Mr Metcalf

Memphasys Limited ('MEM'): Price Query

We note the change in the price of MEM's securities from a low of \$0.053 to an intra-day high of \$0.064 today. We also note the significant increase in the volume of MEM's securities traded today.

Request for Information

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

1. Is MEM 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?

In responding to this question, please consider in particular whether MEM is aware of any information that its earnings for the 12 month period ending on 30 June 2019:

- (a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
 - (b) if MEM has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if MEM is not covered by analysts, its earnings for the prior corresponding period)?
2. If the answer to question 1 is "yes".
 - (a) Is MEM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in MEM's securities would suggest to ASX that such information may have ceased to be confidential and therefore MEM 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 MEM may have for the recent trading in its securities?
4. Please confirm that MEM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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5. Please confirm that MEM'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 MEM 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 **9:30 AM AEST Thursday, 18 July 2019**. If we do not have your response by then, ASX will likely suspend trading in MEM'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, MEM'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 ListingsComplianceMelbourne@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 MEM'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 MEM'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 MEM'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 MEM's securities under Listing Rule 17.3.

Enquiries

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

Yours sincerely

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)