

2 July 2024

ASX Compliance

By email: ListingsCompliancePerth@asx.com.au

Dear Compliance Team

Vonex Limited (ASX:VN8) - Response to ASX Aware Letter

We refer to your letter dated 27 June 2024 and provide the following answers to the questions raised in the letter.

- 1. Does VN8 consider that it entering into a Scheme Implementation Deed with MaxTel, pursuant to which MaxoTel proposes to acquire 100% of the issued capital of VN8 for 3.75 cents per VN8 share 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 any part of question 1 is "no", please advise the basis for that view.**

Not applicable

- 3. When did VN8 first become aware of the information referred to in question 1 above?**

Vonex was aware throughout its negotiations with Maxo and other parties that entering into a Scheme Implementation Deed (SID) would have a material effect on the price and value of its securities.

However, the non-binding offers received from Maxo and another party were contingent upon securing debt financing of such scale (relative to the size of the businesses) that the Vonex Board determined there was material uncertainty as to whether debt funding would be approved for either party. In addition, it was unclear whether any approval would be on terms that would allow Vonex's Board to recommend a transaction to shareholders.

Negotiations with the other party that submitted a non-binding indicative offer ceased on 15 May 2024. That party's debt financing still had not been approved at that time and there was significant uncertainty as to whether it would be approved.

The uncertainty regarding MaxoTel's financing remained until it received a financing commitment letter from its bank on 25 June 2024.

Upon receipt of that letter, the SID was finalised and signed, and an announcement was immediately made on the ASX.

- 4. If VN8 first became aware of the information referred to in question 1 before the date of the Announcement, did VN8 make any announcement prior to that date which disclosed the information? If not, please explain why the**

information was not released to the market at an earlier time, commenting specifically on when you believe VN8 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

Until 25 June 2024, there remained significant uncertainty as to whether MaxoTel would be approved for the debt financing required to fund its non-binding offer and on terms that would allow it to enter into a SID that Vonex's Board could recommend to shareholders. Other terms of the SID also continued to be subject to continued negotiation.

Accordingly, the proposals before the Company remained incomplete and uncertain and continued to be covered by confidentiality agreements, which had not, to the knowledge of Vonex, been breached. In those circumstances, the Company was of the view that a reasonable person would not expect the partial, non-binding and incomplete information to be disclosed. The Company's view on this point appears to be supported by ASX Guidance Note 8 (including section 5.4 (and, particularly, footnote 156) and Example A of Annexure A).

Hence, the description of the status of the non-binding indicative offers received (including from MaxoTel) remained as described in the Company's announcement made on 28 May 2024 (repeated below) up until the receipt of MaxoTel's financing commitment letter on 25 June 2024:

".. While these are not yet opportunities that have progressed to a point where the Board could recommend to Shareholders, we will continue to work to determine if any transaction can be reached that would be of benefit to Shareholders. Of course, there can be no guarantee that any such transaction will eventuate."

- 5. When did MaxoTel or any entity associated with MaxoTel first commence discussions with VN8 in regard to the proposed Scheme of Arrangement between VN8 and MaxoTel? In answering this question, please provide a specific date and time.**

Vonex received its first non-binding indicative offer from MaxoTel on 22 September 2023. Vonex's Board rejected that offer because MaxoTel could not satisfy Vonex that it had reasonable prospects of being able to fund the offer.

- 6. Was MaxoTel or any entity associated with MaxoTel one of the parties with which VN8 had entered into a non-binding indicative offer referred to in VN8's Price Query Response?**

Yes. MaxoTel submitted a further non-binding indicative offer on 15 May 2024 although there remained substantial uncertainty regarding its financing.

- 7. If the answer to question 6 is 'yes', please advise the date the non-binding indicative offer was agreed between VN8 and the relevant party.**

The offer was received on 15 May 2024. It was not (of course) an agreed proposal, simply a non-binding, indicative and confidential offer.

- 8. If the answer to question 6 is 'yes', having regard to the Significant Price and Volume Increase, please explain the basis upon which VN8 formed the view that the non-binding indicative offer with MaxoTel or an entity associated with MaxoTel did not require disclosure at an earlier time, commenting specifically on when you believe VN8 was obliged to release that information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay?**

In addition to the parties agreeing the terms of a SID, MaxoTel's offer was contingent upon it receiving approval for a new significantly sized debt facility from its bank. The size of the required debt facility (relative to MaxoTel's size) and some of the conditions indicated by its bank, created substantial uncertainty as to whether its offer would lead to a SID that Vonex's Board could recommend.

Considering the level of uncertainty that remained until 25 June 2024, Vonex's Board continued to determine that the proposal remained incomplete and uncertain. At the time of the ASX price query, there was no reason to believe that confidentiality around the proposal under discussion had been lost. Indeed, given the lack of ongoing price and volume increases following the ASX price query, it seems more likely that the alternative possible explanation raised in the Company's letter was the cause of that movement (shareholders reacting to a news article at the time).

Therefore, the Company continued to determine it was not obliged to release any further information about the non-binding offer at that time.

Vonex disclosed it had entered into a SID with MaxoTel on 25 of June 2024 within a matter of minutes of it having signed the SID (around 10 minutes from receipt of the final signed document, to the document being merged into an ASX Announcement and lodged on the platform). Signing of the SID occurred concurrently with Vonex receiving and being satisfied with the certainty and terms provided by Maxotel's financing commitment letter.

- 9. If the answer to question 6 is 'no', but VN8 and MaxoTel (or an entity associated with MaxoTel) had commenced discussions with regard to the proposed scheme of arrangement prior to VN8 receiving the Price Query, please explain the basis upon which VN8 formed the view that the discussions with MaxoTel or an entity associated with MaxoTel did not require disclosure at an earlier time, commenting specifically on when you believe VN8 was obliged to release that information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay. In answering this question, please comment specifically on the Significant Price and Volume Increase.**

Vonex does not have any additional knowledge as to what led to the significant price and volume increase between 22 May 2024 and 28 May 2024. However:

- a. The increase in Vonex's share price during that period came off a 52-week low of \$0.010 in the days preceding the period in question. Vonex's share price had traded as high as \$0.030 on 2 January 2024 and it continued to trade at around \$0.020 throughout January and February 2024.
- b. On 28 May 2024, the day the share price traded at a high of \$0.026, it closed at \$0.023 and in the subsequent period before the SID was announced (between 29 May 2024 and 25 June 2024), the share price closed at between \$0.016 and \$0.023.
- c. Vonex's shares tend to be thinly traded so a reasonably modest increase in demand can materially increase the share price.

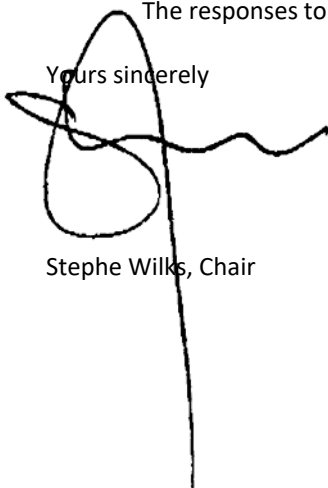
- 10. Please confirm that VN8 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Vonex confirms it is in compliance with the Listing Rules including Listing Rule 3.1

- 11. Please confirm that VN8'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 VN8 with delegated authority from the board to respond to ASX on disclosure matters.**

The responses to the questions above have been authorised by Vonex's Board.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephe Wilks', written over a vertical line that extends downwards from the signature area.

Stephe Wilks, Chair



27 June 2024

Reference: 96148

Mr Mike Stabb
Company Secretary
Vonex Limited
Level 8, 99 St Georges Terrace
PERTH WA 6000

By email: mike@hiddenpersuaders.com

Dear Mr Stabb

Vonex Limited ('VN8'): ASX Aware Letter

ASX refers to the following:

- A. The change in price of VN8's securities from a closing price of \$0.011 on 22 May 2024 to an intraday high of \$0.026 on 28 May 2024, which represents a 136% increase in price over those trading days, together with the significant increase in volume of securities traded over the same period ('Significant Price and Volume Increase').
- B. ASX's price query letter dated 28 May 2024 ('Price Query') and VN8's response to the Price Query dated 28 May 2024, released together on the ASX Market Announcement Platform ('MAP') at 2:21PM AWST on 28 May 2024, in which VN8 responded to each question as follows (ASX's queries in bold below):

(1) Is VN8 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 specific reason for the recent share trading.

We are aware that a Simply Wall Street article was published at the end of last week which may have influenced some investors.

In addition, as we advised the market in November 2023, the Company continues to undertake a process to identify whether a corporate transaction might be in the best interests of shareholders. This process was in response to having received a number of unsolicited approaches from parties interested in merging or acquiring Vonex.

Again, as also advised in the Chair's address to the Company's AGM, the process, undertaken with the assistance of the Company's corporate advisers, Latimer Partners, has resulted in a couple of non-binding indicative offers for a potential transaction. While these are not yet opportunities that have progressed to a point where the Board could recommend to Shareholders, we will continue to work to determine if any transaction can be reached that would be of benefit to Shareholders. Of course, there can be no guarantee that any such transaction will eventuate

(2) If the answer to question 1 is "yes".

(a) Is VN8 relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in VN8's securities would suggest to ASX that such information may have ceased to be confidential and therefore VN8 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?

Not applicable

(3) If the answer to question 1 is “no”, is there any other explanation that VN8 may have for the recent trading in its securities

Please refer to our response in 1 above.

(4) Please confirm that VN8 is complying with the Listing Rules and, in particular, Listing Rule 3.1

VN8 confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1

(5) Please confirm that VN8’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 VN8 with delegated authority from the board to respond to ASX on disclosure matters.

VN8 confirms that the responses to the questions above have been authorised and approved under its published continuous disclosure policy and by VN8’s Board of Directors.

- C. VN8’s announcement titled “Vonex enters Scheme of Arrangement with MaxoTel” (the ‘Announcement’) released on the ASX Market Announcements Platform at 11:20 AM AWST on 25 June 2024 disclosing the following:
- 1.1 VN8 and MaxoTelecommunications Pty Ltd (‘MaxoTel’) had entered into a Scheme Implementation Deed pursuant to which MaxoTel proposes to acquire 100% of the issued capital of VN8 for 3.75 cents per share.
- D. The change in the price of VN8’s securities from \$0.017 immediately prior to the release of the Announcement to a high of \$0.035 following the release of the Announcement.
- E. 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.
- 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.”

- G. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“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 5 situations 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."*

- I. The concept of "confidentiality" 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 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 is no longer a secret and it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks VN8 to respond separately to each of the following questions:

1. Does VN8 consider that it entering into a Scheme Implementation Deed with MaxoTel, pursuant to which MaxoTel proposes to acquire 100% of the issued capital of VN8 for 3.75 cents per VN8 share 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 any part of question 1 is "no", please advise the basis for that view.
3. When did VN8 first become aware of the information referred to in question 1 above?
4. If VN8 first became aware of the information referred to in question 1 before the date of the Announcement, did VN8 make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe VN8 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. When did MaxoTel or any entity associated with MaxoTel first commence discussions with VN8 in regard to the proposed Scheme of Arrangement between VN8 and MaxoTel? In answering this question, please provide a specific date and time.
6. Was MaxoTel or any entity associated with MaxoTel one of the parties with which VN8 had entered into a non-binding indicative offer referred to in VN8's Price Query Response?
7. If the answer to question 6 is 'yes', please advise the date the non-binding indicative offer was agreed between VN8 and the relevant party.
8. If the answer to question 6 is 'yes', having regard to the Significant Price and Volume Increase, please explain the basis upon which VN8 formed the view that the non-binding indicative offer with MaxoTel or an entity associated with MaxoTel did not require disclosure at an earlier time, commenting specifically on

when you believe VN8 was obliged to release that information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay?

9. If the answer to question 6 is 'no', but VN8 and MaxoTel (or an entity associated with MaxoTel) had commenced discussions with regard to the proposed scheme of arrangement prior to VN8 receiving the Price Query, please explain the basis upon which VN8 formed the view that the discussions with MaxoTel or an entity associated with MaxoTel did not require disclosure at an earlier time, commenting specifically on when you believe VN8 was obliged to release that information under Listing Rules 3.1 and 3.1A and what steps VN8 took to ensure that the information was released promptly and without delay. In answering this question, please comment specifically on the Significant Price and Volume Increase.
10. Please confirm that VN8 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
11. Please confirm that VN8'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 VN8 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 **4 PM AWST Tuesday, 2 July 2024**.

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, VN8's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require VN8 to request a trading halt immediately if trading in VN8's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us 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 VN8's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VN8'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 VN8'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 all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance