



Market Announcement

12 September 2019

Attached for the information of the market is ASX's query letter to Zyber Holdings Ltd (ASX:ZYB) dated 6 September 2019 and ZYB's response dated 12 September 2019.

ASX's enquiries into the matters dealt with in that correspondence are ongoing.



Executive Chairman
George Hatzipapas

Non-Executive Director
John Tomaras
Ted Tzovaras

Company Secretary
Henry Kinstlinger

12 September 2019

Penelope Reid
Adviser, Listings Compliance (Perth)

ListingsCompliancePerth@asx.com.au

Dear Penelope

We write in response to ASX Follow Up Query Letter dated 6 September 2019 (**Follow Up Query Letter**).

The Company responds seriatim to the Follow Up Query Letter as follows:

1) *Noting the 16 May Circular Resolution' referred to in paragraph D above:*

- a) *Please provide a copy of the minutes for the 6 March 2019 board meeting referenced in the 16 May Circular Resolution (not for release to market).***

Attached.

The minutes have not been ratified as two Company directors resigned on 9 March 2019 and 11 March respectively. Matters considered at the meeting that are material and have not yet been finalised, and significant to the forward operation of the Company, will be considered in due course by current board.

The current line of ASX enquiry and the review being undertaken by recently appointed director, Ted Tzovaras, may impact on the current board's position with respect to matters considered at the 6 March 2019 meeting.

- b) *Please explain why the Board's resolution on 6 March 2019 to set Mr Hatzipapas's remuneration for acting as chairman at \$60,000 per annum was not immediately announced to the market, in accordance with Listing Rule 3.16.4?***

The meeting was inquorate with respect to ratifying Mr Hatzipapas remuneration.

No consideration was given as to whether Mr Hatzipapas remuneration required further announcement as he was appointed Executive Chairman on 15 May 2018. An announcement would have been required at that time.

Upon investigation we note that the Audited Annual Financial Report for the Year Ended 30 June 2018 on page 6 states:

"Mr Hatzipapas was not paid any fee for services during the year ended 30 June 2018."

We further note that there have been a number of changes in the composition of the board of the Company and Company Secretaries.

The review being undertaken by recently appointed director, Ted Tzovaras, will be expanded to consider possible lapses in Listing Rule compliance.

- c) *Please explain why the Board's remuneration arrangements agreed for Mr Hatzipapas and the other ZYB directors in the 16 May Circular Resolution were not immediately announced to the market, in accordance with Listing Rule 3.16.4?***

With respect to the non-executive directors, Listing Rule 3.16.4 further provides (in part) that:

“An entity, however, is not required to disclose under this rule:

- non-executive director fees paid out of a pool of remuneration approved by security holders”

The Company relied upon this exemption.

With respect to the remuneration of Mr Hatzipapas, no investigation was undertaken whether his remuneration had been previously disclosed. It was assumed that any adjustment was in line with the “contract for services” referred to on the minutes of the 6 March meeting.

Upon review, the “contract for services” does not relate to Mr Hatzipapas remuneration as Executive Chairman and pre-dates his appointment as director.

The review being undertaken by recently appointed director, Ted Tzovaras, will be expanded to consider possible lapses in Listing Rule compliance.

- d) Why the agreement to issue shares to Mr Hatzipapas and the other ZYB directors evidenced by the 16 May Circular Resolution was not immediately announced at the time in accordance with Listing Rule 3.10.3.**

The agreement of the directors was one of principal only.

The Directors had not determined the number of securities to be issued, the principal terms of the securities to be issued or issue price for the shares and hence the material information required to be released under Listing Rule 3.10.3 was not available.

- e) Noting ZYB’s response to question 1(a) of the Second Query Letter:**

‘Mr Hatzipapas agreed to forego cash payment and support his remuneration being paid by shares (subject to shareholder approval) on the basis that the Company would provide him the loan’, please explain how that response can be accurate when the Loan was signed on 13 May 2019 and approved by the ZYB board in the 15 May Circular Resolution yet the agreement by Mr Hatzipapas to take shares rather than cash in payment of his remuneration was not recorded until the 16 May Resolution.

The offer of the Loan was **dated** on 13 May 2019.

It was **approved** by circular resolution on 24 May 2019, being the date, the last director signed the resolution.

The offer was **accepted** on 26 May 2019.

- f) If ZYB stands by its response to question 1(a) of the Second Query Letter, please explain why the Loan Agreement makes no reference to the Loan being made in consideration of Mr Hatzipapas agreeing to take shares rather than cash in payment of his remuneration.**

The response to question 1(a) of the second Query Letter should not be read to suggest conditionality, but rather as an element of confidential directors’ considerations in arriving at a consensus position.

The loan was not conditional on the issue of shares, hence was not included in the offer document.

- g) If ZYB stands by its response to question 1(a) of the Second Query Letter, please**

explain why the 16 May Circular resolution approving Mr Hatzipapas' remuneration makes no reference whatsoever to the Loan.

See answer to 1f).

- h) Please explain how the remuneration arrangements agreed for the ZYB non-executive directors in the 16 May Circular Resolution accords with clause 11.15 of ZYB's constitution, extracted at paragraph F above.**

The remuneration pool for non-executive directors is set at \$350,000.

Shareholders approved the maximum aggregate amount payable by the Company to non-executive Directors be set at \$350,000 per annum at the Annual General Meeting held on 26 November 2010, with the results published on the same date.

Also see Paragraph 10.6 at page 49 and Paragraph 12.7 at page 71 of the Prospectus dated 30 November 2015.

- 2) Noting ZYB's response to the question 'Please explain how Mr Hatzipapas was able to grant security over 45,000,000 shares in ZYB given he has only disclosed a holding of 5,000,000 shares' (question 1(d) of the Second Query Letter):**

'The securities are not held by Mr Hatzipapas'

please advise:

- a) Who provided the ZYB shares as security for the Loan to Mr Hatzipapas?**

GAKS Investment Holdings Pty Ltd.

GAKS Investment Holdings Pty Ltd is a company controlled by Argiroula Hatzipapas, Mr Hatzipapas's partner, where Argiroula Hatzipapas, is sole director and company secretary.

- b) Noting the definition of "associate" in Listing Rule 19.12 (extracted at point M above), is this person referred to in a) above an associate of Mr Hatzipapas?**

No.

- c) If the person referred to in a) above is an associate of Mr Hatzipapas, why was their holding not disclosed in an Appendix 3X or 3Y and in a substantial holder notice from Mr Hatzipapas?**

Not Applicable.

- d) If the person referred to in a) above is not an associate of Mr Hatzipapas, please explain why they agreed to charge their securities to secure the Loan.**

GAKS Investment Holdings Pty Ltd holds 129,905,345 or a 19.96% interest in the Company.

It would appear clearly it is in their interest to support the Company and its management.

- 3) Noting ZYB's Appendix 4C quarterly report for the period ended 30 June 2019 released on MAP on 31 July 2019 (the 'Appendix 4C'), which states:**

'During the quarter a loan of \$550,000 was offered to director George Hatzipapas under the provisions of Section 210 of the Corporations Act 2001.'

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. The loan is secured through a PPSR charge over securities to a value of \$630,000.’ [emphasis added]

and ZYB’s response to question 1(e) of the Second Query Letter, which states:

‘Lodgement of the PPSR is yet to be completed.’ [emphasis added]

a) Please reconcile the above response to the statement in the Appendix 4C.

The words “to be” were omitted prior to the word “secured”. This has been rectified in the Preliminary Final Report for the Year Ended 30 June 2019.

b) Please provide a copy of the documents creating or evidencing the PPSR charge (as requested in ASX’s Second Query Letter).

Lodgment of the PPSR is yet to be completed.

GAKS Investment Holdings Pty Ltd is in the process of splitting their holdings to create a distinct holding to provide as security.

The Company is however considering whether alternate security needs be provided as the Company may not be able to take an interest in shares in itself.

4) ASX’s First Query Letter asked, at point 8.3, for a copy of any advice ZYB received regarding the Loan being in compliance with section 210 of the Corporations Act. ZYB’s response was:

‘An eminent legal practitioner is a director of the Company. No independent advice was sought.’

ASX’s Second Query Letter noted the above response and asked, at question 2(a), ‘Did this director specifically provide legal advice to the board in relation to the Loan?’. ZYB’s response was:

‘No’.

ASX’s Second Query Letter asked, at question 2(e), how the Board came to the view that the Loan was appropriate for a listed entity and complied with sections 180, 181, 182 and 208 of the Corporations Act. ZYB’s response was:

‘The rationale of each director signing the circular resolution is unknown’.

This exchange is but one example of the responses from ZYB that ASX considers to have been obfuscatory and unacceptable for a listed entity.

ASX asks again how did the Board come to the view that the Loan to Mr Hatzipapas was appropriate for a listed entity and complied with sections 180, 181, 182 and 208 of the Corporations Act? In answering this question, please comment specifically on the non-recourse nature of the Loan and the other terms of the Loan.

The nature of a circulated resolution is such that directors do not meet in a formal setting. Each director considers the merits of the resolution being put and has no requirement to state their rationale for their decision.

Accordingly, it is not possible to comment on the state of one’s mind in these circumstances.

Article 13.25 of the Company’s Constitution provides:

“Written resolution by Directors

13.25 A resolution in writing signed by all Directors for the time being or their respective alternate Directors (except those Directors (or their alternates) who expressly indicate their abstention in writing to the Company and those who would not be permitted by virtue of Section 195 of the Corporations Act to vote were the resolution to be put to a meeting of the Directors) shall be as valid and effectual as if it had been passed at a Directors' meeting duly convened and held. Any such resolution may consist of several documents in like form but each document must contain a statement that the Directors are in favour of the resolution and the wording of the resolution and the statement of the Directors must be identical, each document signed by one or more Directors. A telex, telegram, facsimile transmission or other document produced by mechanical means and bearing the signature of the Director, printed mechanically and with his authority, shall be deemed to be a document in writing signed by the Director”

The Constitution provides that a director can formally abstain. No Director abstained with respect to the resolution.

It is worthy to note that the first director signed on 16 May 2019 and the last director signed on 24 May 2019. This would suggest that due consideration was made.

Since a circular resolution is only valid if **all** directors in office at the time sign it (other than directors excluded pursuant to section 195 of the Corporations Act), it must be a unanimous decision and not a majority decision.

We note that contrary to the assertion in the question, the loan is not “non-recourse” where the Company has no recourse against the borrower, it is “limited recourse” where the loan is secured by shares to the value \$630,000.

Further disclosure of the terms of the loan are reported in Paragraph B of the Follow Up Query Letter.

- 5) ***Noting the statement in the Loan Agreement that the Loan was for ‘Personal Assistance’, was the loan in any way connected with the legal proceedings referred to in the AFR Article?***

No.

- 6) ***ASX understands that the appeal by Mr Hatzipapas against the bankruptcy proceedings commenced by Mr Justin Puddick and Mr John Puddick referenced in the AFR Article was dismissed earlier this week by the Federal Court (see***

<https://www.comcourts.gov.au/file/Federal/P/SYG1577/2019/3861318/event/29973892/document/1455277>

Is this correct and, if so, what impact will this have on ZYB’s ability to recover the Loan?

None. The matter is still before the Courts.

- 7) ***Please confirm that ZYB is complying with Listing Rule 3.1.***

Yes.

- 8) ***Please confirm that ZYB’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 ZYB with delegated authority from the board to respond***

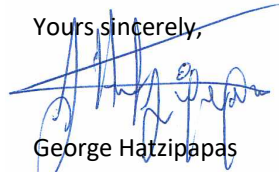
to ASX on disclosure matters.

Yes.

As previously advised, the board has considered the queries raised by the ASX and has commenced a general review of the matters raised. The review is being undertaken by newly appointed director Ted Tzovaras who will make appropriate recommendations to the board going forward.

The review is ongoing.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "George Hatzipapas".

George Hatzipapas
Executive Chairman



6 September 2019

Reference: ODIN05141

Mr Henry Kinstlinger
Company Secretary
Zyber Holdings Limited
17 Lacey Street
PERTH WA 6000

By email: henryk@dmaltd.com.au

Dear Mr Kinstlinger

Zyber Holdings Ltd ('ZYB'): Query Letter

ASX Limited ('ASX') refers to the following:

- A. ASX's query letter of 9 August 2019 ('First Query Letter') and ZYB's response of 12 August 2019 ('First Query Response'), which were released together on ASX Market Announcements Platform ('MAP') on 13 August 2019. This letter replaces ASX's letter to ZYB dated 29 August 2019.
- B. The letter agreement ('Loan Agreement') dated 13 May 2019 in relation the loan ('Loan') made by ZYB to Mr George Hatzipapas ('Borrower'), the Executive Chairman of ZYB, a copy of which was provided to ASX with the First Query Response but not released to the market.

ASX notes that:

- i) The Loan is a limited recourse loan secured by a lien over 45,000,000 shares in ZYB.
 - ii) It would be an event of default under the Loan if the Borrower became insolvent or the Borrower ceased to be employed or engaged by ZYB.
 - iii) ASX has formed the view that ZYB should have disclosed all of the key terms of the Loan (including but not limited to i) and ii) above) when it was approved by the ZYB board in May 2019, and also in item 7.3 of ZYB's Appendix 4C released on MAP on 31 August 2019.
 - iv) The terms of the Loan appear to be quite beneficial to the Borrower.
- C. The circular resolution of the directors of ZYB dated 15 May 2019 approving the Loan ('15 May Circular Resolution'), a copy of which was provided to ASX with the First Query Response but not released to the market.
- D. The circular resolution of the directors of ZYB dated 16 May 2019 approving the remuneration arrangements for its directors ('16 May Circular Resolution'), a copy of which was provided to ASX with the Second Query Response but not released to the market.

ASX has formed the view that the following information in the 16 May Circular Resolution should have previously been released to the market by ZYB under the listing rules:

- i) On 6 March 2019, the Chairman's remuneration was set at \$60,000 per annum effective 1 November 2018.
- ii) On 16 May 2019, the gross annual remuneration for Mr George Hatzipapas was fixed at \$90,000.
- iii) Mr Hatzipapas' total gross remuneration was \$150,000 per annum (i.e. the total of i) and ii) above) from 16 May 2019.

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- iv) Mr Hatzipapas' total gross remuneration will be payable in ZYB shares, subject to shareholder approval. However, if shareholders do not approve issue of shares, the accrued total gross remuneration at the date of the shareholder meeting will be paid in cash.
- v) The gross annual remuneration for the non-executive directors (\$25,000 per annum for each non-executive director) will be payable in ZYB shares, subject to shareholder approval.
- vi) The gross annual remuneration for the company secretary (\$60,000 per annum) will be payable in ZYB shares, subject to shareholder approval.
- E. ASX's query letter dated 16 August 2019 ('Second Query Letter') and ZYB's response dated 20 August 2019, received by ASX on 27 August 2019 ('Second Query Response'), which were released together on MAP on 28 August 2019.
- F. ZYB's constitution, released on MAP on 25 February 2016, which includes the following provision:
- '11.15 The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to Members in the notice convening the meeting. No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission on or a percentage of operating revenue, and no Executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue.'*
- G. The article headed 'Zyber loans executive director \$550k, has \$33k in the bank' that appeared in Rear Window in the Australian Financial Review on 12 August 2019 ('AFR Article'), which reported:
- 'In April, suspended IT company Zyber had \$818,000 in the bank, of which it spent \$235,000 in the following three months on operating costs. Meaning the \$550,000 six-month loan to Hatzipapas, charged at 3 per cent per annum, left it, on June 30, with just \$33,000 in cash.*
- Hatzipapas, meanwhile, recently lost (though is appealing) a case brought by Zyber shareholder Justin Puddick and his father John in the NSW Supreme Court. The Puddicks have initiated bankruptcy proceedings against him.*
- According to the April judgment, Puddick met Hatzipapas on sharemarket forum Hot Copper in 2017. The two began corresponding privately, and a few months later, Hatzipapas approached Justin and John Puddick offering to facilitate an investment in a pre-IPO fundraising round of a third company.*
- Both Puddicks were game. But when this pre-IPO investment round didn't occur, both wanted their money back, saying it had been expressly handed over for that purpose. Hatzipapas disagreed, telling the court he'd been given authorisation to invest it generally on their behalf. He didn't convince. The court ordered the money returned.'*
- H. 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.
- I. Listing Rule 3.10.3, which requires an entity to immediately tell ASX of:
- 'A proposed issue of securities. If the issue is a pro rata issue the entity must complete Appendix 3B and give it to ASX at the same time. If the issue is not a pro rata issue the entity must give ASX the following information when it announces the proposed issue.'*

- *Class of securities to be issued.*
- *Number of securities to be issued (if known) or maximum number which may be issued.*
- *Principal terms of the securities to be issued.*
- *Issue price or consideration.*
- *Purpose of the issue.*
- *Whether the entity will seek security holder approval in relation to the proposed issue of securities.*
- *Whether the issue will be to a class of security holders.*

The entity must immediately tell ASX if there is a change to any of the information after it has been given to ASX.'

J. Listing Rule 3.16.1 which requires an entity to immediately tell ASX of:

'A change of chairperson, director, chief executive officer (or equivalent), or company secretary.'

K. Listing Rule 3.16.4 which requires an entity to immediately tell ASX of:

'The material terms of any employment, service or consultancy agreement it or a child entity enters into with:

- *its chief executive officer (or equivalent);*
- *any of its directors; or*
- *any other person or entity who is a related party of its chief executive officer or any of its directors,*

and of any material variation to such an agreement.'

L. Listing Rule 3.19A.1, which requires an entity to tell ASX of:

'The notifiable interests of a director of the entity ... at the following times.

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.'

M. Listing Rule 3.19A.2, which requires an entity to tell ASX of:

A change to a notifiable interest of a director of the entity ... including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

N. The definition of 'associate' in Listing Rule 19.12 which provides (relevantly):

'save as set out below, a person (the second person) is an associate of another person (the primary person) in relation to a listed entity if, and only if, one or more of the following paragraphs applies:

(a) the second person is:

- (i) an entity the primary person controls; or
- (ii) an entity that controls the primary person; or
- (iii) an entity that is controlled by an entity that controls the primary person;
- (b) the second person is a person with whom the primary person has, or proposes to enter into, a relevant agreement for the purpose of controlling or influencing the composition of the listed entity's board or the conduct of the listed entity's affairs;
- (c) the second person is a person with whom the primary person is acting, or proposing to act, in concert in relation to the listed entity's affairs. ...

A related party of a natural person is to be taken to be an associate of the natural person unless the contrary is established. ...

- O. Item 7.3 of the Appendix 4C (Payments to related entities of the entity and their associates) requires an entity to 'Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2'.

At the outset, ASX would note that it considers ZYB's responses to the First Query Letter and Second Query Letter to have been obfuscatory and unacceptable for a listed entity. Further, those responses evidence multiple breaches by ZYB of the Listing Rules, which ASX takes most seriously.

Questions and Request for Information

Pursuant to Listing Rule 18.7, and in light of the matters set out above, ASX requires ZYB to answer the following questions and provide the following information in a form suitable for release to the market:

1. Noting the 16 May Circular Resolution referred to in paragraph D above:
 - a) Please provide a copy of the minutes for the 6 March 2019 board meeting referenced in the 16 May Circular Resolution (not for release to market).
 - b) Please explain why the Board's resolution on 6 March 2019 to set Mr Hatzipapas's remuneration for acting as chairman at \$60,000 per annum was not immediately announced to the market, in accordance with Listing Rule 3.16.4?
 - c) Please explain why the Board's remuneration arrangements agreed for Mr Hatzipapas and the other ZYB directors in the 16 May Circular Resolution were not immediately announced to the market, in accordance with Listing Rule 3.16.4?
 - d) Please explain why the agreement to issue shares to Mr Hatzipapas and the other ZYB directors evidenced by the 16 May Circular Resolution was not immediately announced at the time in accordance with Listing Rule 3.10.3.
 - e) Noting ZYB's response to question 1(a) of the Second Query Letter:

'Mr Hatzipapas agreed to forego cash payment and support his remuneration being paid by shares (subject to shareholder approval) on the basis that the Company would provide him the loan',

please explain how that response can be accurate when the Loan was signed on 13 May 2019 and approved by the ZYB board in the 15 May Circular Resolution yet the agreement by Mr Hatzipapas to take shares rather than cash in payment of his remuneration was not recorded until the 16 May Resolution.

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- f) If ZYB stands by its response to question 1(a) of the Second Query Letter, please explain why the Loan Agreement makes no reference to the Loan being made in consideration of Mr Hatzipapas agreeing to take shares rather than cash in payment of his remuneration.
- g) If ZYB stands by its response to question 1(a) of the Second Query Letter, please explain why the 16 May Circular resolution approving Mr Hatzipapas' remuneration makes no reference whatsoever to the Loan.
- h) Please explain how the remuneration arrangements agreed for the ZYB non-executive directors in the 16 May Circular Resolution accords with clause 11.15 of ZYB's constitution, extracted at paragraph F above.
2. Noting ZYB's response to the question 'Please explain how Mr Hatzipapas was able to grant security over 45,000,000 shares in ZYB given he has only disclosed a holding of 5,000,000 shares' (question 1(d) of the Second Query Letter):

'The securities are not held by Mr Hatzipapas'

please advise:

- a) Who provided the ZYB shares as security for the Loan to Mr Hatzipapas?
- b) Noting the definition of "associate" in Listing Rule 19.12 (extracted at point N above), is this person referred to in a) above an associate of Mr Hatzipapas?
- c) If the person referred to in a) above is an associate of Mr Hatzipapas, why was their holding not disclosed in an Appendix 3X or 3Y and in a substantial holder notice from Mr Hatzipapas?
- d) If the person referred to in a) above is not an associate of Mr Hatzipapas, please explain why they agreed to charge their securities to secure the Loan.
3. Noting ZYB's Appendix 4C quarterly report for the period ended 30 June 2019 released on MAP on 31 July 2019 (the 'Appendix 4C'), which states:

'During the quarter a loan of \$550,000 was offered to director George Hatzipapas under the provisions of Section 210 of the Corporations Act 2001.

*The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. **The loan is secured through a PPSR charge over securities to a value of \$630,000.**'*
[emphasis added]

and ZYB's response to question 1(e) of the Second Query Letter, which states:

*'**Lodgement of the PPSR is yet to be completed.**'* [emphasis added]

- a) Please reconcile the above response to the statement in the Appendix 4C.
- b) Please provide a copy of the documents creating or evidencing the PPSR charge (as requested in ASX's Second Query Letter).
4. ASX's First Query Letter asked, at point 8.3, for a copy of any advice ZYB received regarding the Loan being in compliance with section 210 of the Corporations Act. ZYB's response was:

'An eminent legal practitioner is a director of the Company. No independent advice was sought.'

ASX's Second Query Letter noted the above response and asked, at question 2(a), 'Did this director specifically provide legal advice to the board in relation to the Loan?'. ZYB's response was:

'No'.

ASX's Second Query Letter asked, at question 2(e), how the Board came to the view that the Loan was appropriate for a listed entity and complied with sections 180, 181, 182 and 208 of the Corporations Act. ZYB's response was:

'The rational [sic] of each director signing the circular resolution is unknown'.

This exchange is but one example of the responses from ZYB that ASX considers to have been obfuscatory and unacceptable for a listed entity.

ASX asks again how did the Board come to the view that the Loan to Mr Hatzipapas was appropriate for a listed entity and complied with sections 180, 181, 182 and 208 of the Corporations Act? In answering this question, please comment specifically on the non-recourse nature of the Loan and the other terms of the Loan.

5. Noting the statement in the Loan Agreement that the Loan was for 'Personal Assistance', was the loan in any way connected with the legal proceedings referred to in the AFR Article?
6. ASX understands that the appeal by Mr Hatzipapas against the bankruptcy proceedings commenced by Mr Justin Puddick and Mr John Puddick referenced in the AFR Article was dismissed earlier this week by the Federal Court (see

<https://www.comcourts.gov.au/file/Federal/P/SYG1577/2019/3861318/event/29973892/document/1455277>).

Is this correct and, if so, what impact will this have on ZYB's ability to recover the Loan?

7. Please confirm that ZYB is complying with Listing Rule 3.1.
8. Please confirm that ZYB'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 ZYB 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 **7:30 AM AWST on Friday, 13 September 2019**.

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 ListingsCompliancePerth@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 Rule 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 ZYB'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 ZYB'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.

Enquiries

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

Yours sincerely

Elizabeth Harris
Manager, Listings Compliance (Perth)