



8th December 2015

Anjuli Sinniah
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ASX Compliance Pty Ltd
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By email: anjuli.sinniah@asx.com.au

Dear Anjuli,

ASX aware query

Thank you for your letter of 7th December 2015 with Respect to the Trading Halt requested on 7th December 2015.

We provide the following response to your numbered questions.

1. Does the Entity 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. If the answer to question 1 is “yes”, when did the Entity first become aware of the Information?

On Thursday 3 December 2015, after close of market, the Entity (Applabs Technologies Limited (ALA)) and The Search Party Pty Ltd (TSP) had a meeting to discuss their potential interest in each other's assets. Resulting from that conversation, during Friday 4 December 2015 and over the course of the following weekend (being 5 – 6 December 2015), the parties and their advisors were involved in the negotiations of a draft No Shop/No Talk agreement (**NSNT Agreement**).

On Sunday 6 December 2015 at 5:56pm (WST) ALA recirculated a draft NSNT Agreement with its further comments and requested amendments for review and consideration by the Board of TSP. The NSNT Agreement was incomplete at this stage.



On Monday 7 December at 6:30am (WST) ALA received an email from TSP attaching a revised version of the NSNT Agreement (with ALA's previous amendments accepted) executed by TSP only.

ALA had not yet had the opportunity to review and consider the terms of the NSNT Agreement signed by TSP. Accordingly, ALA considered the Information (and the terms of the NSNT Agreement) to be incomplete, confidential and reasonably not expected to be disclosed to the market. An email was immediately circulated to all ALA Directors calling for a Board meeting to be held as soon as possible (the earliest available time being 9:00am (WST)) to review the final terms (provided by TSP) and to determine whether ALA would execute the NSNT Agreement.

Before 8:30am (WST) ALA became aware of an increase in its share price (although no material change in volume from previous trading days). The ALA Board, not knowing of any other reason for the increase in share price, considered it prudent to place the Company's securities in a trading halt in case the Information had lost confidentiality. At 8:33am (WST) ALA's Company Secretary contacted the ASX by telephone and requested that trading in the securities be immediately halted. Following which a written trading halt request was provided by ALA and released to the market.

At 9:18am (WST) the ALA Board Meeting commenced to consider the final terms of the NSNT Agreement executed by TSP. The Board passed a resolution to accept the terms of the NSNT Agreement and it was executed by the ALA board during this meeting. At this point, ALA considered the Information (being the NSNT Agreement between ALA and TSP) to be complete and required to be announced.

Following the Board Meeting, ALA, TSP and their respective advisors prepared and circulated an appropriate draft announcement which was finalised and lodged with the ASX and subsequently released to the market at 12:35pm (WST).

4. If the answer to question 1 is "yes" and the Entity first became aware of the Information before the release of the Announcement, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.

As detailed in ALA's response to question 3 above, ALA made the announcement to the ASX, which was released at 12:35pm (WST), on the 7 December 2015 once it determined the NSNT Agreement to be completed. ALA did not release the Information at an earlier time because it believed that it could reasonably rely on the carve outs under Listing Rule 3.1A.

At the time of requesting the trading halt ALA still believed that it could rely on the carve outs. However, out of an abundance of caution, and in case confidentiality had been breached, ALA decided to immediately halt trading in its securities.

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ALA considers that the Information, being the terms of the NSNT Agreement, were incomplete, confidential between the parties and that a reasonable person would not expect the information to be disclosed until the ALA Board had the opportunity to consider the final terms provided (and signed) by TSP at the ALA Board Meeting (9:18 am (WST) on Monday 7 December 2015).

5. Please confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1?

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

Please let me know if I can be of any further assistance.

Yours Sincerely

Anna MacKintosh
Company Secretary



7 December 2015

Ms Anna MacKintosh
Company Secretary
Applabs Technologies Limited
Suite 5, Level 1,
12-20 Railway Road
SUBIACO WA 6008

By email: anna@applabs.com.au

Dear Ms MacKintosh

Applabs Technologies Limited (the "Entity"): ASX aware query

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

1. The Entity's share price movement from \$0.10 on 3 December 2015 to \$0.165 on 7 December 2015 prior to the release of the announcement described in paragraph 3 below.
2. The Entity's announcement entitled "Trading Halt" lodged with ASX Market Announcements Platform and released at 12:01pm on Monday 7 December 2015 ("Trading Halt Announcement").
3. The Entity's announcement entitled "'No Shop/No Talk' Agreement with Global Digital Recruitment Marketplace The Search Party Pty Ltd" lodged with ASX Market Announcements Platform and released at 3.35pm on Monday 7 December 2015 (the "Announcement"), disclosing the Entity has signed a 30 days "No Shop/No Talk" agreement with The Search Party Pty Ltd to allow the parties to complete due diligence enquires to ascertain whether an agreement for the acquisition of The Search Party Pty Ltd can be agreed and a negotiation of a formal agreement ("Information").
4. Listing Rule 3.1, which 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.
5. The definition of "aware" in Chapter 19 of the Listing Rules. This definition 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."

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.



6. 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 requirements 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*

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.”

5. 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* “Listing Rule 3.1A.2 – the requirement for information to be confidential”. 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.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity 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. If the answer to question 1 is “yes”, when did the Entity first become aware of the Information.
4. If the answer to question 1 is “yes” and the Entity first became aware of the Information before the release of the Announcement, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the



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

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 12.00 p.m. WST on 8 December 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity'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, the Entity'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 anjuli.sinniah@asx.com.au and tradinghaltspert@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

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.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity'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*.

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

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah

Adviser, Listings Compliance (Perth)