

22 December 2017

Mr John Johannsen
Senior Adviser
Listings Compliance
ASX

By email: John.Johannson@asx.com.au

Dear Sir,

Price query – Simonds Group Limited (SIO)

We refer to your letter of today and advise as follows:

1. SIO is not 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 including with regard to earnings;
2. n/a
3. We are not aware of any other explanation for the trading in our securities;
4. We confirm we are in compliance with the Listing Rules;
5. The above responses have been approved by officers of SIO with delegated authority to respond on ASX matters.

Yours sincerely



Elizabeth Hourigan
Company Secretary and General Counsel
Simonds Group

Simonds Group Limited

Mailing address: Locked Bag 4002
South Melbourne VIC 3205

Level 1, 570 St Kilda Road
Melbourne VIC 3004

ABN 54 143 841 801 / ASX Code: SIO



22 December 2017

Ms Elizabeth Hourigan
General Counsel and Company Secretary
Simonds Group Limited
Level 1, 570 St Kilda Road
Melbourne VIC 3004

By email: elizabeth.hourigan@simonds.com.au

Dear Ms Hourigan

Simonds Group Limited ("SIO"): price query

We note the change in the price of SIO's securities from a low of \$0.295 on 20 December 2017 to an intra high of \$0.375 today at the time of writing.

We also note the significant increase in the volume of SIO's securities traded today.

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

1. Is SIO 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 SIO is aware of any information that its earnings for the 6 month period ending on 31 December 2017:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if SIO 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 SIO is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is "yes":

- a) Is SIO relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in SIO's securities would suggest to ASX that such information may have ceased to be confidential and therefore SIO 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 SIO may have for the recent trading in its securities?
4. Please confirm that SIO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that SIO’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 SIO 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, 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 5pm AEDT on 22 December 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SIO’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, SIO’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. 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 SIO’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 SIO’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 SIO’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]

John Johansson
Senior Adviser, Listings Compliance (Melbourne)