



**Authorised  
Investment Fund Ltd.**

Level 9, 406 Collins Street, Melbourne  
Victoria, Australia 3000  
[www.authorisedinvestment.com.au](http://www.authorisedinvestment.com.au)  
T: +61 3 9600 3242  
E: [clin@authorisedinvestment.com.au](mailto:clin@authorisedinvestment.com.au)

20 April 2018

Mr Dean Litis  
Principal Adviser, Listings Compliance (Melbourne)  
ASX Compliance Pty Limited  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

By email: [dean.litis@asx.com.au](mailto:dean.litis@asx.com.au)

Dear Sir,

**RE: Authorised Investment Fund Ltd – Price Query**

We refer to your letter dated 18 April 2018 and respond to your questions as follows (using your numbering and questions in bold):

1. ***Does AIY consider the information contained in the Announcement 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.***

N/A

3. ***If the answer to question 1 is “yes”, when did AIY first become aware of the information?***

AIY commenced confidential negotiations with Asian Integrated Media Limited (AIM) on 13 April 2018 regarding the transaction the subject of the Announcement. However, and as disclosed in the Announcement, it was not until 13 April 2018 that AIY and AIM reached final agreement and signed the agreement for the transaction. Until that date, there was no certainty the transaction would proceed.

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

AIY did not make any announcements prior to the Announcement regarding the AIM transaction as it considered the exceptions to ASX Listing Rule 3.1 applied whilst it was undertaking confidential negotiations and due diligence on the potential transaction. At the time that negotiations and due diligence had not been completed, commercial terms had not been agreed and there was no guarantee that the potential transaction would proceed. Accordingly, the potential transaction was confidential, non-binding, incomplete and not capable of disclosure to the market at the time.

AIY believes it was obliged to release the information under Listing Rules 3.1 and 3.1A immediately after the agreement was signed by both parties. AIY notes ASX Guidance Note 8 where it indicates that 'immediately' does not mean 'instantaneously' but rather 'promptly and without delay'. The signed term sheet was emailed from Hong Kong as soon as I received this I conferred with our company secretary Cathy Lin and she prepared the lodgement document. My recollection is that this took less than one hour for the lodgement to be sent to the ASX. AIY considers that when it first attempted to lodge its announcement on 13 April 2018, it acted promptly and did not defer, postpone or put off the announcement to a later time.

As indicated in the response to Question 3, the agreement for the transaction was signed by both parties on 13 April 2018. On that date and at approximately 5:45pm AEST, AIY attempted to lodge an announcement regarding the transaction with the ASX. However the ASX advised AIY at approximately



**Authorised  
Investment Fund Ltd.**

Level 9, 406 Collins Street, Melbourne  
Victoria, Australia 3000  
[www.authorisedinvestment.com.au](http://www.authorisedinvestment.com.au)  
T: +61 3 9600 3242  
E: [clin@authorisedinvestment.com.au](mailto:clin@authorisedinvestment.com.au)

6:00pm AEST that the announcement was not to be released that night due to a need for further clarification.

AIY subsequently lodged a revised announcement on the morning of 16 April 2018, however AIY was advised by the ASX that it again did not accept the announcement as lodged.

During the course of the morning of 16 April, AIY confirmed from ASX the matters that ASX required for the announcement. After members of AIY's board and its legal advisors considered the revised announcement, AIY subsequently released the Announcement in the form requested by ASX.

5. ***In light of the increase in price of AIY securities (as described in paragraph B above), please explain why AIY did not request a trading halt in its securities until such time that it could release the Announcement?***

From 10 April 2018 until 13 April 2018 negotiations and due diligence for the AIM transaction had not been completed, commercial terms had not been agreed and there was no guarantee that the potential transaction would proceed. AIY was not aware that any confidential information regarding the transaction had leaked ahead of the execution of the agreement. After AIY sought to announce the executed agreement promptly and without delay, the market had already closed and would not re-open until 10:00am 16 April 2018.

Between when AIY sought to first announce on 13 April 2018 and before market opening on 16 April 2018, AIY held the view that its revised announcement would be validly made at around 9:30am and in any event before the market opened at 10:00am, and thus it did not consider a trading halt was required. AIY had no reason to expect the ASX would refuse to publish the revised announcement.

Finally, AIY did not consider a trading halt was necessary because it felt it could make the changes required promptly and without delay and make the announcement. This was evidenced by AIY being suspended for a total of only 46 minutes, with the suspension being lifted once AIY made the Announcement at 12:34pm AEST.

6. ***Please confirm that AIY is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.***

AIY is in compliance with Listing Rule 3.1.

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

Yes.

Yours faithfully

Cathy W. Lin  
Company Secretary

18 April 2018

**Ms Cathy Lin**  
**Company Secretary**  
**Authorised Investment Fund Limited**  
Level 9, 406 Collins Street  
Melbourne VIC 3000

By email to [mailto: cathywhlin@gmail.com](mailto:cathywhlin@gmail.com)

**Re: Authorised Investment Fund Limited ("AIY"): Aware Query**

Dear Ms Lin

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

- A. AIY's announcement entitled "AIY & AIM Media Release on 16<sup>th</sup> April 2018" lodged on the ASX Market Announcements Platform and released at 12:34pm on 16 April 2018 (the "Announcement"), disclosing that AIY had entered into an exclusive agreement with Asian Integrated Media Limited ("AIM") whereby AIY will acquire a 25% interest in AIM with an option to increase its holding by a further 5% to 30% at any time over the next 3 years.
- B. The increase in the AIY share price from a closing price of 5.8 cents on 10 April 2018 to a high of 10.0 cents on 16 April 2018 before trading in AIY was suspended by ASX pending the release of the Announcement.
- C. 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.
- D. 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"*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- E. 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 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.”

F. 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*. 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.”*

G. Section 3.3 of Guidance Note 16 *Trading Halts* which states that:

*“An entity should consider requesting a trading halt whenever it is necessary to manage its continuous disclosure obligations under Listing Rules 3.1-3.1B. This can arise, for example, where a listed entity has become aware of information that a reasonable person would expect to have a material effect on the price or value of its securities but it is not in a position to make an announcement about the information to the market promptly and without delay.”*

H. Section 4.6 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* which states that a trading halt may be necessary where:

*“there are indications that the information may have leaked ahead of the announcement and it is having, or (where the market is not trading) is likely when the market resumes trading to have, a material effect on the market price or traded volumes of the entity’s securities...and...where the market is trading, the entity is not in a position to give an announcement to ASX straight away; or where the market is not trading, the entity will not be in a position to give an announcement to ASX before trading next resumes.”*

Having regard to the above, ASX asks AIY respond separately to each of the following questions and requests for information:

1. Does AIY consider the information contained in the Announcement 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 AIY first become aware of the information?
4. If the answer to question 1 is “yes” and AIY first became aware of the information before the relevant date, did AIY make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AIY was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AIY took to ensure that the information was released promptly and without delay.
5. In light of the increase in price of AIY securities (as described in paragraph B above), please explain why AIY did not request a trading halt in its securities until such time that it could release the Announcement?
6. Please confirm that AIY is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that AIY’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 AIY 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 half an hour before the start of trading (ie before 9.30 a.m. AEST) on Monday

23 April 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AIY'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, AIY'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 [dean.litis@asx.com.au](mailto:dean.litis@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**

In responding to this letter, you should have regard to AIY'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 AIY'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, you should discuss with us whether it is appropriate to request a trading halt in AIY'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.

Kind regards

[Sent electronically, without signature]

---

**Dean Litis**  
Principal Adviser  
+61 3 9617 8625  
[dean.litis@asx.com.au](mailto:dean.litis@asx.com.au)