



12 February 2020

Mr Corey Lian
Adviser, Listings Compliance (Sydney)
Australian Securities Exchange
20 Bridge Street Sydney
NSW 2000

Dear Mr Lian

Aware Query

I refer to your letter dated 11 February 2020. The following information is provided in response to your request.

Background

Uscom disclosed in its appendix 4C released to the ASX on 23 January 2020 the following:

“A new direct distribution model was implemented by Uscom’s newly established wholly owned subsidiary, Uscom China, during the course of H1. However all new distributor contracts negotiated during the change over were contingent on issue of the USCOM 1A NMPA approval which was received on the 30th of December. This resulted in diminished sales for Q1 and Q2, and a complimentary rush of new sales in the first week of January (\$0.4m). Received orders and forecast sales for Q3 indicate significant impending sales.”

On 5 February 2020, the China National Health Commission released the 5th Edition of the National Protocol for the Detection and Management of Coronavirus. The Protocol recommended haemodynamic monitoring of severe and critically severe cases of Coronavirus.

On 5 February 2020, Uscom provided a response to the ASX Price Query of the same date. The ASX released Uscom’s response on the following day, 6 February 2020. At the time that Uscom responded to the ASX Price Query, it was not aware of the announcement made on the same day by the China National Health Commission referred to above.

Uscom’s response to the specific ASX queries are as follows:

1. No.
2. Uscom had previously announced on 23 January 2020 that it had a “...rush of new sales in the first week of January (\$0.4m). Received orders and forecast sales for Q3 indicate significant impending sales...”

The statement in Uscom’s announcement of 10 February 2020 disclosing a material increase in unit orders for the USCOM 1A device during the “first five weeks of 2020” was therefore not information which had not previously been disclosed to the ASX. The statement was confirming the information provided on 23 January 2020 in its appendix 4C that a “rush of sales” had occurred and that Uscom’s stated expectation that there were “significant impending sales” was validated.

3. Uscom was aware of the Information in point B as at 23 January 2020 and announced the Information on that date.

Uscom was aware of the Information in point C as at 10 February 2020 and announced the Information on that date. At the request of the ASX, further information was provided by Uscom which was announced on 11 February 2020.

4. Not applicable.
5. Uscom is complying with the listing rules and, in particular, listing rule 3.1.
6. The above responses have been approved by Assoc. Prof Rob Phillips who has delegated authority from the board to respond to ASX on disclosure matters.

Assoc. Prof Rob Phillips
Executive Chairman



11 February 2020

Reference: 13790

Mr Brett Crowley
Company Secretary
USCOM Ltd
Suite 10, Level 7, 10 Loftus Street
Sydney NSW 2000

By email:

Dear Mr Crowley

USCOM Ltd ('UCM'): Aware Query

ASX refers to the following:

- A. The Response to ASX Price Query lodged on MAP on 6 February 2020. The response provided to the ASX stated that UCM was not aware of any information concerning it, that had not been announced to the market which, if known by some, could explain the recent trading in its securities and the following statement:

"...[w]hile Uscom has a long-established presence in China, and is well positioned with regard to the Uscom 1A device and its use in hospitals in China, it cannot provide any further information as to the direct impact of coronavirus on sales of Uscom 1A at this time..."

- B. UCM's announcement titled 'Material increase in USCOM 1A orders in China' lodged on the ASX Market Announcements Platform ('MAP') on 10 February 2020 (the 'Announcement'), disclosing a material increase of unit orders for the USCOM 1A device during the "first five weeks of 2020".
- C. UCM's announcement titled 'Clarification-Material increase in USCOM 1A orders in China' lodged on MAP on 11 February 2020, which included the following statement:

"Unit orders for the first five weeks of 2020 are up 124% compared to the first full two months of 2019 from 17 to 38 (unaudited) and prior to the Government announcement"

(B and C together, is the 'Information')

- D. 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.
- E. 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."

- F. 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."*

- G. 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."

Request for Information

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

1. Does UCM 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. When did UCM first become aware of the Information? Please refer to the Response to ASX Price Query in your answer.
4. If the answer to question 1 is "yes" and UCM first became aware of the Information before the relevant date, did UCM 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 UCM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps UCM took to ensure that the information was released promptly and without delay.
5. Please confirm that UCM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that UCM'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 UCM 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 **9:30 AM AEDT Friday, 14 February 2020**.

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, UCM'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 and may require UCM to request a trading halt immediately.

If you wish to request 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 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*.

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 ListingsComplianceSydney@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 UCM’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 UCM’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.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in UCM’s securities under Listing Rule 17.3.

Enquiries

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

Kind regards

Corey Lian
Adviser, Listings Compliance (Sydney)