



10 May 2017

Elvis Onyura
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Mr Onyura

Appendix 4C - AHAlife Holdings Ltd

Thank you for your letter of 4 May 2017.

In relation to this matter generally regarding the cash flow of AHAlife Holdings Ltd (**AHL.ASX**) as a result of the latest Appendix 4C, please be advised that the section you are referring to (section 9 of the Appendix 4C) does not ask the user to provide the amount of 'cash receipts from customers' or any cash inflows, only cash **outflows**.

The USD\$1,399k in question is therefore only the gross outflows forecast for the Company in Quarter 4. The Company expects it will receive between USD\$800k-USD\$1m (dependent on promotions and market conditions) of customer receipts during the quarter and therefore is expecting to show net cash outflow of approximately USD\$499k, to close quarter 4 with approximately USD\$900k cash on hand. This forecast is based on current trading and may vary according to market conditions.

In relation to the specific queries you have raised, adopting your paragraph numbering, as contained in your letter of 4 May 2017 we respond as follows:

1. Yes, but not to the extent you have surmised due to our responses above.
2. Yes, the Company has engaged an independent corporate advisor and the Board will review all options relating to funding the business if and when external funding is required.
3. Yes it does, based on the fact the Company has had net cash outflows for the quarter of approximately USD\$1,125k and is forecasting net cash outflows (subject to trading conditions) for the next quarter of USD\$499k.
4. The Company is in compliance with Listing Rule 3.1 and for the reasons stated above does not believe any further disclosure is required in order to ensure compliance with the Listing Rules of the Australian Securities Exchange.
5. The Board has unanimously approved the undersigned to respond to ASX.



In addition, and in relation to future cash expenditure the Company has recently undergone a number of structural changes, including the departure of its CEO & President, whose roles were filled by existing team members, thereby reducing operating costs substantially. Furthermore, the business has initiated a number of other significant changes which will reduce its operating costs and provide the company with sufficient cash headroom (these changes include; sub-leasing its current office space, rationalising IT hosting costs, and more than halving its contract engineering team).

Please feel free to contact me directly if you have any further questions.

Yours faithfully

AHALife Holdings Limited

A handwritten signature in black ink, appearing to read 'Andrew Whitten', is written over a white background.

Andrew Whitten
Company Secretary



4 May 2017

Mr Andrew Whitten
Company Secretary
Ahalife Holdings Limited
c/- Whittens & McKeough
Level 29
201 Elizabeth Street
Sydney NSW 2000

By Email

Dear Mr Whitten,

Ahalife Holdings Limited (the “Company”): Appendix 4C Query

I refer to the Company’s Appendix 4C quarterly report for the period ended 31 March 2017 lodged with ASX Market Announcements Platform and released on 27 April 2017 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of US \$1,125,000;
- cash at the end of the quarter of US \$1,404,000; and
- estimated cash outflows for the next quarter of US \$1,399,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’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 the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

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 9.30am AEST on 10 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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 Company'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 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.

In responding to this letter, you should have regard to the Company'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 the Company'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 the Company's securities under Listing Rule 17.1.

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 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]

Elvis Onyura

Senior Adviser (Listings Compliance (Sydney))