



26 November 2019

Cheng Tang

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## **CANN GROUP LIMITED RESPONSE TO PRICE QUERY DATED 25 NOVEMBER 2019**

Cann Group Limited (ASX Code: CAN, "Cann" or the "Company") provides this response in relation to the ASX's letter dated 25 November 2019 regarding the change in the price of the Company's securities from an intraday of \$0.73 to a low of \$0.43 and the increase in the volume of trading of securities.

In response to the questions detailed in the ASX's letter the Company advises as follows:

1. The Company 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 trading in its securities as specified above and in the Price Query letter.

The Company has not issued any earnings guidance, nor is it aware of any analyst coverage, either of which would come as a surprise to the market for the specified period.

2. Not applicable.
3. The Company is not aware of any other explanation for the recent trading in its securities.
4. The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. These responses to the ASX's queries have been authorised and approved in accordance with its published continuous disclosure policy.

**Richard Baker**

Company Secretary / CFO

Cann Group Limited



25 November 2019

Reference: ODIN11041

Mr Richard Baker  
Company Secretary and CFO  
Cann Group Limited

*By email only*

Dear Mr Baker

### **Cann Group Limited ('CAN'): Price Query**

We note the change in the price of CAN's securities from a high of \$0.73 to an intraday low of \$0.43 today.

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

### **Request for Information**

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

1. Is CAN 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 CAN is aware of any information that its earnings for the 6 month period ending on 31 December 2019:

- (a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
  - (b) if CAN 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 CAN is not covered by analysts, its earnings for the prior corresponding period)?]
2. If the answer to question 1 is "yes".
  - (a) Is CAN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CAN's securities would suggest to ASX that such information may have ceased to be confidential and therefore CAN 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 CAN may have for the recent trading in its securities?
4. Please confirm that CAN is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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5. Please confirm that CAN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CAN 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 on Tuesday, 26 November 2019**. If we do not have your response by then, ASX will likely suspend trading in CAN'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, CAN'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 [ListingsComplianceMelbourne@asx.com.au](mailto:ListingsComplianceMelbourne@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**

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 CAN'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 CAN'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 CAN'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*.

### **Suspension**

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

**Enquiries**

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

Yours sincerely

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**Cheng Tang**

Senior Adviser, Listings Compliance (Melbourne)