



25 August 2020

Mr Jon Chow
ASX Listings Compliance
Australian Securities Exchange
Rialto Tower
525 Collins Street
MELBOURNE VIC 3000

RESPONSE TO ASX PRICE QUERY

Dear Mr Chow,

Funtastic Limited ACN 063 886 199 (ASX:FUN) (**Funtastic**, or the **Company**) refers your letter dated 25 August 2020 and respond as follows:

1. *Is FUN 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?*

Yes.

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

- (a) *Is FUN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in FUN's securities would suggest to ASX that such information may have ceased to be confidential and therefore FUN 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.*

Yes. Funtastic is in early stage discussions in relation to a potential acquisition (**Potential Transaction**).

The sale agreement for the Potential Transaction remains subject to negotiation and accordingly is insufficiently definite to warrant disclosure at this stage.

In addition, we believe that all information in relation to the Potential Transaction remains confidential (all parties with knowledge of the Potential Transaction are aware of their confidentiality obligations) and we are not aware that any information has ceased to be confidential.

We believe that a reasonable person would not expect Funtastic to announce the Potential Transaction because details of the Potential Transaction are yet to be finalised and discussions are still at an early stage. Any disclosure at this premature stage would be more likely to confuse rather than inform the market.

- (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).*

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No, for the reasons explained above, an announcement with details of the Potential Transaction cannot be made immediately.

- (c) *If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?*

Our reasons for not being able to announce details of the Potential Transaction immediately are set out above. We do not expect to finalise a sale agreement and associated capital raising until mid-September 2020 at the earliest, if at all.

3. *If the answer to question 1 is "no", is there any other explanation that FUN may have for the recent trading in its securities?*

N/A

4. *Please confirm that FUN is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Yes, as far as we are aware, the Potential Transaction remains confidential.

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

FUN's responses to the above questions have been authorised and approved by its Board of Directors.

Please do not hesitate to contact me if you have any questions or would like to discuss this response further.

Yours sincerely,



Howard Abbey
Company Secretary
Funtastic Limited



25 August 2020

Mr Howard Abbey
Company Secretary
Funtastic Limited
Suite 2.01, 315 Ferntree Gully Road
Mount Waverley 3149 VIC

By email: howard.abbey@funtastic.com.au

Dear Mr Abbey

Funtastic Limited ('FUN'): Price - Query

ASX refers to the following:

- A. The change in the price of FUN's securities from a low of \$0.028 on 20 August 2020 to an intra-day high of \$0.061 today.
- B. The significant increase in the volume of FUN's securities traded today.

Request for information

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

1. Is FUN 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?
2. If the answer to question 1 is "yes".
 - (a) Is FUN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in FUN's securities would suggest to ASX that such information may have ceased to be confidential and therefore FUN 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 FUN may have for the recent trading in its securities?
4. Please confirm that FUN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that FUN'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 FUN 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 **3.30 PM AEST Tuesday, 25 August 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

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within the exceptions mentioned in Listing Rule 3.1A, FUN'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 FUN to request a trading halt immediately.

Your response should be sent to me by e-mail at 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.

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 FUN'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 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

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

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FUN'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 FUN'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.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Jon Chow
Adviser, Listings Compliance (Melbourne)