



**funtastic**  
LIMITED

October 5, 2011

Kobe Li  
Advisor, Listings (Melbourne)  
ASX Compliance Pty Ltd  
GPO Box 1784  
Melbourne VIC 3001

Dear Kobe,

Thank you for your letter of October 3, 2011 regarding the delayed lodgement of:

1. Appendix 3X lodged on September 28, 2011 for Ms Linda Norquay; and
2. Appendix 3Z lodged on September 28, 2011 for Mr James Flintoft

On September 2, 2011 the company correctly lodged an announcement with the ASX advising of the resignation of Mr Flintoft and the appointment of Ms Norquay. At the time the relevant supplementary notices (3X and 3Z) in respect of initial and final director's interests were not lodged due to a clerical oversight. The omission was subsequently identified and rectified.

The company has a process to ensure that any changes in director's interests are advised promptly to ensure the relevant notices can be lodged, additionally the company has a standing agenda item at each Board Meeting to confirm any changes in director's interests. As explained, this issue did not stem from any omission or delay in providing information on behalf of a director, consequently I am satisfied that the arrangements in place with directors to ensure that the company is able to meet its disclosure obligations are adequate.

However, in light of the oversight which led to the delay in this instance, the company has implemented an additional control based around a checklist which is required to be completed in the event of certain key transactions/events, including director appointments and resignations.

Yours sincerely

**James Cody**  
Company Secretary



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3 October 2011

Mr James Cody  
Company Secretary  
Funtastic Limited

By Email

Dear James,

**Funtastic Limited (the "Company")**

We refer to the following;

1. The Appendix 3X lodged by the Company with ASX on 28 September 2011 for Ms Linda Norquay;
2. The Appendix 3Z lodged by the Company with ASX on 28 September 2011 for Mr James Flintoft.
3. Listing rules 3.19A.1 and 3.19A.3 which require an entity to tell ASX the following:
  - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
    - *On the date that the entity is admitted to the official list.*
    - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
  - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
4. Listing rule 3.19B which states as follows.

*An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19A. The entity must enforce the arrangements with the director.*
5. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.



The Appendix 3X indicates that Ms Norquay was appointed as a director on 2 September 2011 and the Appendix 3Z indicates that Mr Flintoft ceased to be a director on 2 September 2011. It appears that the Notices should have been lodged with ASX by 9 September 2011. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendices were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at [zheng.li@asx.com.au](mailto:zheng.li@asx.com.au) or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (**ie before 9.30 a.m. A.E.D.T.) on Thursday, 6 October 2011.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Kobe Li  
**Adviser, Listings (Melbourne)**