

# Neurotech

3 October 2017

Ms Dawn James  
Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152 – 158 St Georges Terrace  
Perth WA 6000

Dear Ms James

## Neurotech International Limited – ASX aware query

Neurotech International Ltd (“**Neurotech**” or the “**Company**”) refers to your aware query letter dated 28 September 2017 in respect of the Company’s announcement entitled “Outstanding preliminary results from US clinical study”, which was lodged with ASX on Tuesday 26 September 2017 at 10:44pm AEST, and then released to the market at 9.22am AEST on Wednesday, 27 September 2017 (the “**Announcement**”), and provides the following responses:

1. **Does the Entity consider the information in the Announcement, or part thereof (“the Information”), to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

2. **If the answer to question 1 is “no”, please advise the basis for that view.**

Not applicable.

3. **If the answer to question 1 is “yes”, when did the Entity first become aware of the Information?**

At 10.55pm (AEST) on Saturday, 23 September 2017 Neurotech was presented with two quoted paragraphs set out in the Announcement, portions of which are paraphrased elsewhere in the Announcement. The quote from Dr Hankir contains what the Company believes is the material new information.

Neurotech was aware that the preliminary findings were expected to be presented at the 6<sup>th</sup> Cambridge International Conference on Mental Health (the “**Conference**”) in September 2017 (as first announced on 29 May 2017).

At the Conference, Professor Frederick R Carrick (“**Professor Carrick**”), delivered a brief oral presentation after close of trading on Friday, 22 September 2017, between 6.00pm and 6.20pm (AEST) (“**Presentation**”). A Non-Executive Director of Neurotech was present at the Conference and attended the Presentation. Neurotech was not aware of the preliminary findings prior to the Presentation.

The Presentation comprised methodology, and technical and scientific information, and was delivered in oral form only, with no written material made available to attendees of the Presentation. The information delivered at the Presentation is not understood to contain new price sensitive material on its own.

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## Neurotech International Ltd

ABN 73 610 205 402  
Level 14, 191 St Georges Terrace  
Perth, Western Australia 6060  
[www.neurotechinternational.com](http://www.neurotechinternational.com)

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Given the complexity of the Presentation, the Non-Executive Director of Neurotech who was in attendance requested from Professor Carrick, who is not associated with Neurotech, a written summary of the Presentation in a form which could be announced to the market.

In response, Professor Carrick provided, in writing, the two quoted paragraphs set out in the Announcement, including the commentary from Dr Hankir, portions of which are paraphrased elsewhere in the Announcement. These paragraphs were provided to Neurotech at 10.55pm (AEST) on Saturday, 23 September 2017. This is when Neurotech first became aware of the Information.

No other information regarding the results of the clinical study has been provided to Neurotech.

4. **If the answer to question 1 is “yes” and the Entity first became aware of the Information, or part thereof, before the relevant date, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.**

Neurotech announced on 14 September 2017 that it was expected that the preliminary results of the Clinical Trial would be presented at the Conference. Neurotech did not make any other announcement prior to the relevant date (ie. prior to Wednesday, 27 September 2017) which disclosed the Information.

The Information was not released to the market at an earlier time because the relevant date was the earliest time at which Neurotech was in a position to be able to release the Information.

***When Neurotech became aware of the Information***

As set out above, Neurotech first became aware of the Information at 10.55pm (AEST) on Saturday, 23 September 2017.

***When Neurotech considers it was obliged to announce the Information***

Given the materiality of the Information, Neurotech considers that it was obliged by Listing Rules 3.1 and 3.1A to announce the Information prior to the market in NTI securities resuming following receipt of the information at 10.55pm (AEST) on Saturday, 23 September 2017.

***Why Neurotech required additional time to make the Announcement***

As set out above, the Information was only provided to Neurotech in form in which it could be announced, comprising the two quoted paragraphs set out in the Announcement, at 10.55pm (AEST) on Saturday, 23 September 2017.

After receipt of the Information, Neurotech required time to prepare the Announcement. The amount of time Neurotech required to prepare the Announcement was increased due to the following matters:

1. Neurotech’s Non-Executive Director, Dr Adrian Attard Trevisan, whose consultation regarding the content of the Announcement was required, was located in the UK, which is in a significantly different time zone to Australia; and
2. Neurotech was required to liaise further with Professor Carrick to ensure that the Announcement as a whole accurately reflected the results of the clinical trial and was not misleading or deceptive in any respect.

To provide the requisite time to prepare the Announcement, and manage its continuous disclosure obligations, Neurotech sent a request to ASX on Sunday 24 September 2017 requesting that it be placed in trading halt commencing pre-open on Monday, 25 September 2017.

Neurotech took reasonable steps to provide ASX with notice of its request to be placed into trading halt. These attempts included separate emails to Anjuli Sinniah and James Rowe ([tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au) copied in each instance) on Sunday, 24 September 2017, telephone attendance on ASX (Sydney) at 5.00am WST on Monday, 25 September 2017, and finally telephone

attendance with Ben Secrett at ASX (Perth) at 7.00am WST on Monday, 25 September 2017, shortly after which Neurotech's request to be placed in trading halt was processed.

Commencing at the time of receipt of the Information and ending on lodgement of the Announcement with ASX on Wednesday, 27 September 2017, Neurotech attended to preparation of the Announcement. The Announcement was lodged with ASX at the earliest possible time after it had been finalised.

**5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1**

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

The Company confirms that its responses to the questions above have been authorised and approved by its board.

Please do not hesitate to contact me on (08) 9321 5922 if you have any further questions.

Yours sincerely



Fleur Hudson  
Company Secretary  
Neurotech International Limited

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28 September 2017

Ms Fleur Hudson  
Company Secretary  
Neurotech International Limited  
Level 14, 191 St George's Terrace  
Perth WA 6060

By email:

Dear Ms Hudson

**Neurotech International Limited ("NTI"): aware query**

ASX Limited ("ASX") refers to the following:

- A. NTI's request for a trading halt effective from pre-open Monday 25 September 2017.
- B. NTI's announcement entitled "Outstanding preliminary results from US clinical study" lodged on the ASX Market Announcements Platform and released at 09:22am AEST on 27 September 2017 to lift the trading halt (the "Announcement"), disclosing the preliminary findings for its Mente Autism device in the Child Autism Study being conducted by US based Carrick Institute (the "Information").
- C. The following statement in paragraph 2 of the Announcement:

*"The findings to date were presented to delegates from around the world by Professor Frederick R Carrick at the 6th Cambridge International Conference on Mental Health, held between 20-22 September 2017 at Clare College, Cambridge, UK."*
- D. The change in NTI's share price from a closing price of \$0.165 on 22 September 2017 to an opening price of \$0.365 on 27 September 2017 (representing an increase of 112.12%) and a corresponding increase in volumes traded on the same day.
- E. Listing Rule 3.1, which 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.
- F. 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"*.

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- G. 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.”*

- H. 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.”*

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

1. Does NTI 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. If the answer to question 1 is “yes”, when did NTI first become aware of the Information? In answering this question please state the time and date NTI first became aware of the Information.
4. If the answer to question 1 is “yes”, and NTI first became aware of the Information before the relevant date, did NTI make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe NTI was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps NTI took to ensure that the Information was released promptly and without delay.
5. Please confirm that NTI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that NTI'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 NTI 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, 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 4:30 pm AWST on 3 October 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in NTI'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, NTI'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 [tradinghaltsp Perth@asx.com.au](mailto:tradinghaltsp Perth@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 NTI'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 NTI'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 NTI'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*.

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

Yours sincerely

*[Sent electronically without signature]*

Dawn James  
Adviser, Listings Compliance  
P: 08 9224 0012  
E: Dawn.James@asx.com.au

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