



Maria Clemente
Adviser, Listings Compliance (Sydney)
ASX Compliance

By email: listingscompliancesydney@asx.com.au

17 March 2020

Dear Maria,

Re: R3D2020.03.11L Half year accounts query-mc

R3D Global Limited (**R3D** or the **Company**) refers to your letter dated 11 March 2020 with respect to the Company's half year accounts for the half year ended 31 December 2019 (**Half Year Report**) (the **ASX Query**).

Specifically, the ASX Query notes that the Half Year Report recorded the following:

- A net loss of \$193,742 and net operating cash outflows of \$134,838
- Total liabilities of \$409,983, net current assets of \$2,521 and net assets of \$125,760
- Business income of \$154,738 generated during the reporting period

We provide the following responses to the queries set out in the ASX Query:

1. Does R3D consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please explain the basis for this conclusion.

Yes. In March 2017, shareholders approved a number of resolutions which set the Company on its current course of operations. The Company has continued on this course over three years since the meeting. The Company has further expanded its operations to include operations in Indonesia and looks to further expand in the Asia Pacific region and growing the business. There has been no reduction in the level of operations in that time and accordingly, the Company is of the view that as the level of operations over the past 3 years have not reduced, its operations are sufficient to warrant continued quotation of its securities on the ASX.

2. Does R3D consider that its financial condition of R3D is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.

Yes. Whilst there has been a reduction in net assets, business income has trebled over the previous corresponding period. There has also been a 15% reduction in net loss over the previous corresponding period.

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Further explanation is available in the response to the ASX Appendix 4C Query provided on 4 February 2020.

This included:

“R3D further notes that client acquisition and business development activities, particularly in the Asia Pacific region, continue to be successful. A particular example is R3D’s partnership with Crossroads Investments on media intelligence and analytics platform, MIDA, which has the potential to deliver significant revenues in the coming calendar year (ASX Announcement, 31 December 2019).”

The Company remains confident that the assessment in that response will be achieved and further satisfy the requirements of Listing Rule 12.2 with respect to its financial condition.

3. If the answer to questions 1 or 2 is “No”, please explain what steps R3D has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.1 and 12.2.

Not Applicable.

4. Please confirm that R3D is complying with the Listing Rules and, in particular, Listing Rule 3.1.

R3D is complying with Listing Rule 3.1 and there is no information that should be given to the ASX that has not already been released to the market.

5. Please confirm that R3D’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 R3D with delegated authority from the board to respond to ASX on disclosure matters.

This letter and the responses contained herein have been authorised jointly by the Chairman of the Board, Daniel Yeo, and the Chief Executive Officer, Florence Fang.

I trust that the above responses satisfy your queries. Please do not hesitate to contact me if you have any further queries.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Henry Kinstlinger', is written over a blue horizontal line.

Henry Kinstlinger
Company Secretary

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11 March 2020

Reference: 015365

Mr Henry Kinstlinger
Company Secretary
R3D Global Limited

By email: henryk@mrmcorporate.com

Dear Mr Kinstlinger

R3D Global Limited ('R3D')

ASX refers to:

- A. R3D's half year accounts for the half year ended 31 December 2019 lodged on ASX's Market Announcements Platform ('MAP') and released on 11 March 2020 ('Half Year Report') which recorded the following:
- A net loss of \$193,742 and net operating cash outflows of \$134,838
 - Total liabilities of \$409,983, net current assets of \$2,521 and net assets of \$125,760
 - Business income of \$154,738 generated during the reporting period.
- B. Note 1(b) to the Half Year Report which states:
- "The ability of the Group to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon the Group earning sufficient revenue and reducing its costs..."*
- C. R3D's Appendix 4C quarterly report for the period ended 31 December 2019 lodged on MAP and released on 30 January 2020 ('Appendix 4C') from which it is possible to conclude that, if R3D were to continue to expend cash at the rate indicated by the Appendix 4C, R3D may not have sufficient cash to continue funding its operations.
- D. Listing Rule 12.1 which states:
- "The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing."*
- E. Listing Rule 12.2 which states:
- "An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing."*

Request for Information

In light of the information and the application of the Listing Rules referred to above, please respond to each of the following questions:

1. Does R3D consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please explain the basis for this conclusion.

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2. Does R3D consider that its financial condition of R3D is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.
3. If the answer to questions 1 or 2 is “No”, please explain what steps R3D has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.1 and 12.2.
4. Please confirm that R3D is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that R3D’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 R3D with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

Please note that ASX reserves its right under Listing Rule 18.7A to release this letter and R3D’s response to the market. Accordingly, R3D’s response should address each question separately and be in a format suitable for release to the market.

Unless the information is required immediately under Listing Rule 3.1, a response is requested as soon as possible and, in any event by no later than **2:00 pm AEDT Tuesday, 17 March 2020**. Any response should be sent to me by return email. It should not be sent to the ASX Market Announcements Office.

Enquiries

If you have any queries regarding any of the above, please contact me.

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)