

SPECIALTY FASHION | GROUP

To: Kimberley Brown
Principal Advisor, Listings Compliance (Sydney)

Email: Kimberley.brown@asx.com.au

20 June 2018

We refer to your letter dated 20 June 2018 regarding the recent price and volume changes in the Company's securities since 13 June 2018. In response to your questions, we reply as follows:

1. No
 - a. No. The Company is not aware of any information that has not been announced to the market.
 - b. N/A
2. N/A
3. All announcements have been made to the market. An article appeared in The Australian on the 18 June speculating on a takeover of the City Chic business. This may be contributing to the share price and volume movement. We are not aware of any merit to this article. In addition, our CEO, CFO, and future CEO have had investor briefings yesterday and today discussing the investor presentation released to the ASX on 14 May 2018.
4. Confirmed
5. Confirmed

If you have any queries please do not hesitate to contact the Company.

Yours sincerely,



Claudine Tarabay
(Company Secretary)

ENDS

Investor enquiries
Tim Fawaz
Chief Financial Officer

For personal use only

For personal use only

+61(2) 8303 5601



20 June 2018

Ms Claudine Tarabay
Company Secretary/Legal and Financial Business Manager
151-163 Wyndham Street
Alexandria
NSW 2015

By email: Claudine.Tarabay@sfg.co

Dear Ms Tarabay

Specialty Fashion Group (the “Entity”): price query

We note the change in the price of the Entity’s securities from a low of \$0.75 on 13 June 2018 to a high of \$1.065 today.

We also note the significant increase in the volume of Entity’s securities traded in the past few days.

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

1. Is the Entity 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 the Entity is aware of any information that its earnings for the 12 month period ending on 30 June 2018:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if the Entity 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 the Entity is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is “yes”:

- a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity 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?

20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square NSW 1215

Customer service 13 12 79
asx.com.au

-
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
 4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 5. Please confirm that the Entity’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 the Entity 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 half an hour before the start of trading (ie before 1.30 pm AEST) on 20 June 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’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, the Entity’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. 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 the Entity’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 the Entity’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 the Entity’s securities under Listing Rule 17.1.

If you wish to request 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*.

For personal use only

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

Kind regards

[Sent electronically without signature]

Kimberley Brown

Principal Adviser, Listings Compliance (Sydney)