



7 November 2017

Ms Lux Wigneswaran  
Principal Adviser  
Listings Compliance (Sydney)  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000

**By email**

Dear Ms Wigneswaran

**World.Net Services Limited (the “Company”): Response to ASX Appendix 4C Query**

In reference to your letter dated 3 November 2017, regarding the Company’s ASX Appendix 4C for the quarter ended 30 September 2017, the Company responds to your queries as follows:

***1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?***

The Company does not expect that it will continue to have significant negative operating cash flows going forward.

The Company recently renewed its Sale and Service Agreement with PYO Travel Sdn Bhd (“PYO”). The fixed monthly fees payable by PYO to the Company under the new agreement would be sufficient to fund the Company’s current level of operations.

Furthermore, PYO recently launched a redesigned website, and has appointed a senior marketing manager to help drive sales for PYO. It is expected that this will translate into increased transactions revenue for the Company.

***2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?***

The Company has taken steps to explore options to revitalise its operations, all of which involve raising further cash to fund its future operations. The success of the Company’s efforts are dependent on many factors and uncertainties, and discussions with respect to all of these options are at a preliminary stage.

**World.Net Services Limited**  
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<http://www.world.net>  
ABN 77 072 392 673



Importantly, the Company's major shareholders have committed to continue meeting any future cash shortfalls, by way of interest free loans, if and when required.

**3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

The Company expects to be able to continue its operations and to meet its business objectives on the basis explained in (1) and (2) above.

The Company is now generating sufficient revenue to fund its current level of operations, and its major shareholders have committed to continue meeting any future cash shortfalls, by way of interest free loans, if and when required.

**4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.**

The Company confirms that it is in compliance with Listing Rule 3.1, and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

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

The Company's responses to the questions above have been authorised and approved in accordance with its continuous disclosure policy, and an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely

**Christopher Yong**  
Director / Company Secretary

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3 November 2017

Mr Christopher Yong  
Company Secretary  
World.Net Services Limited  
Suite 211A  
Level 2, 111 Harrington Street  
The Rocks NSW 2000

By Email

Dear Mr Yong

**World.Net Services Limited (the “Company”): Appendix 4C Query**

I refer to the Company’s Appendix 4C quarterly report for the period ended 30 September 2017 lodged with the ASX Market Announcements Platform and released on 31 October 2017 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$75,000;
- cash at the end of the quarter of \$0; and
- estimated cash outflows for the next quarter of \$120,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’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 Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

### **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 9.30am AEDT on Wednesday 8 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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 Company'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 Rule 3.1**

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 Company'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 Company'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 the Company'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]*

Lux Wigneswaran  
**Principal Adviser, Listings Compliance (Sydney)**