



International Limited ACN 110 184 355

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ASX Code: TV2

21 June 2017

Conversion of Tranche A Convertible Notes and Update

TV2U International Ltd (ASX: TV2) ("**TV2U**" or the "**Company**") is pleased to announce that pursuant to the Convertible Note Agreement ("**Agreement**") between TV2U and MEF I, L.P. ("**MEF**") announced to the market on 16 May 2016 that MEF has converted 33,864 of the 111,903 Tranche A Convertible Notes that were issued to MEF (as announced to the market on 15 June 2017) into 6,754,092 ordinary shares in the Company.

In connection with the conversion of the 33,864 Tranche A Convertible Notes, the Company has identified an error in its calculation of its available placement under ASX Listing Rule 7.1. An updated Appendix 3B is attached.

As a result of this miscalculation, depending on the relevant conversion price, the Company may not currently have sufficient available capacity under ASX listing rule 7.1 to convert all the remaining Tranche A Convertible Notes issued to MEF into ordinary shares if MEF seeks to have them converted into ordinary shares. The Company is in discussions with the ASX in relation to this matter.

Under the terms of the Agreement, if the Company does not have sufficient placement capacity under ASX listing rule 7.1 to issue the relevant conversion shares, the Company can refuse to convert them into ordinary shares. The Company will not convert any of the remaining Tranche A Convertible Notes into ordinary shares of the Company unless and until the Company can do so in accordance with the ASX listing rules and other laws.

The Company has already convened an extraordinary general meeting to be held on 6 July 2017 to seek various shareholder approvals that, if approved by shareholders and subject to any determined by ASX, would permit the Company to issue ordinary shares on conversion of all the remaining Tranche A Convertible Notes.

Investor Enquiries:

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About TV2U

TV2U is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming content to their customers. The service includes movies, television programs, karaoke content and games through an encrypted channel for enhanced copyright protection. TV2U also offers unique real-time viewership analytics to enable businesses to send highly targeted advertising to end-users to maximise their revenue streams. TV2U is changing the face of online entertainment and advertising.

GLOBAL OFFICE LOCATIONS
UNITED KINGDOM
MALAYSIA

HONG KONG
SYDNEY

INDONESIA
PERTH

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TV2U INTERNATIONAL LIMITED

ABN

73 110 184 355

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	6,754,092 fully paid ordinary shares
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully Paid Ordinary Shares

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	Nil – Issue on Conversion of 33,864 Convertible Notes.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	N/A
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	6,754,092 fully paid ordinary shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil

6f	Number of +securities issued under an exception in rule 7.2	Nil	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 - Nil LR 7.1A - 47,623,478	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	21 June 2017	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,111,749,852	Fully paid ordinary shares (ASX Code: TV2)
		332,183,012	Listed Options (\$0.04; 30 March 2019) (ASX Code: Tv2O)
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	396,428,573	Fully paid ordinary shares subject to 24 months escrow (ASX Code ESC3)
		31,687,500	Unlisted Options exercisable at \$0.03 each, expiring 31 December 2018) (ASX Code VENOPT)

<p>9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)</p>	<p>517,857,143</p>	<p>Class A Performance Shares will convert into FPOS on a one for one basis in the event that the earnings before interest and tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to \$5 million (in any rolling month period) within two years of settlement.</p> <p>Class B Performance Shares will convert into FPOS on a one for one basis in the event that the EBITDA is greater than or equal to \$10 million (in any rolling month period) within three years of settlement.</p> <p>Class C Performance Shares will convert into FPOS on a one for one basis in the event that the EBITDA is greater than or equal to \$15 million (in any rolling month period) within four years of settlement.</p> <p>Class D Performance Shares will convert into FPOS on a one for one basis in the event that the EBITDA is greater than or equal to \$20 million (in any rolling month period) within four years of settlement.</p>

	Number	+Class
9	78,039	Convertible Notes with a Face Value of US\$1.10 with a Maturity Date of 6 months after issue or 12 months after issue if confirmed at the EGM on 6 July 2017. Each Note will be convertible into ordinary shares in the Company, at the option of the Investor at the lower of 1.5 cents per share or at a price equal to 90% of the average of the four (4) lowest daily VWAPs over the ten (10) Trading Day period on which trading in shares occurred on ASX immediately prior to the election to convert.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

15	+Record date to determine entitlements	N/A
16	N/A	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A

29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(*tick one*)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	Number	+Class
		N/A	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

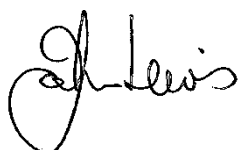
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company Secretary)

Date 21 June 2017

Print name: John Lewis

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,186,778,612
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,686,930 57,000,000
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,245,465,542

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	186,819,831
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>3,035,715 FPOS -28 June 2016</p> <p>43,000,000 FPOS – 26 October 2016</p> <p>130,000,000 FPOS – 23 December 2016</p> <p>3,000,000 FPOS – 14 June 2017</p> <p>6,754,092 FPOS – 21 June 2017</p> <p>1,030,024– that is the maximum number of FPOS that can be issued pursuant to the LR 7.1 placement capacity at 21 June 2017 on conversion of any of the remaining 78,039 Convertible Notes.</p>
“C”	186,819,831
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p>Note: number must be same as shown in Step 2</p>	186,819,831
<p>Subtract “C”</p> <p>Note: number must be same as shown in Step 3</p>	186,819,831
Total [“A” x 0.15] – “C”	<p>Nil</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,245,465,542
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	124,465,542
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	76,923,076
“E”	76,923,076
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	124,465,542
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	76,923,076
Total [“A” x 0.10] – “E”	47,623,478 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.