



World Reach Limited
ABN 39010 568 804

5 / 8 Anzed Court, Mulgrave,
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1 July 2014

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The Manager

Company Announcements Office

Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

Renounceable Rights Issue

World Reach Limited (ASX Code: WRR) (**the Company**) is pleased to announce that it is offering all eligible shareholders the opportunity to participate in a partially underwritten renounceable one (1) for one (1) rights issue to raise up to \$2,969,769 (before costs of the Offer). Under the Offer the Company will issue up to 19,798,463 new Ordinary Shares, at an issue price of \$0.15 per share.

The Rights Issue is partially underwritten to a value of **\$2,400,000** by an existing shareholder of the Company, Ample Skill Limited, up to an underwritten amount of \$1,250,000 and an entity associated with the Company's director, Carl Cheung Hung, SGV1 Holdings Limited up to an underwritten amount of \$1,150,000. SGV1 Holdings Limited has provided to the Company a conversion notice to convert 23 convertible notes which it holds in the Company into 3,833,333 ordinary fully paid shares (at a conversion price of \$0.15 per share), resulting in a relevant interest, before the Offer, of 19.36%. The Company notes that, in addition to being associated with SGV1, Mr Hung is also the president and a director of Season Group. During the past three years the Company has subcontracted much of its manufacturing on an arm's length basis to Season Group and the Company welcomes the support of and the closer ties with this group of companies which offers future potential strategic advantages for the Company.

The principal application of funds raised by the Rights Issue will be to repay up to \$1,325,000 of existing convertible notes on or before their maturity on 1 July 2015, and to repay other debts, including an expensive shareholder loan, with any balance being made available for working capital. The Board believes completion of this Offer will result in a stable balance sheet that will help support the strategic direction of the Company.

This Offer provides Shareholders with the opportunity to acquire Shares in the Company at an attractive price at the time of this Offer and in quantities which would otherwise be difficult for existing Shareholders to obtain on market.

In addition to the conversion of convertible notes by SGV1 Holdings Limited, Mr Michael Capocchi, the Managing Director of the Company and the holder of 14 Convertible Notes has given the Company a conversion notice to convert 8 convertible notes at a 15 cent conversion price, into 1,333,333 Shares in the Company.

The Company notes that Mr Capocchi who has been involved in the Company's development for over 10 years, accepted an offer on 30 June 2014 to extend his employment contract to 30 June 2018, on the same terms, securing a key leadership position for the Company.

The record date for participating in the Offer will be 7:00 p.m. (AEST) on 7 July 2014.

An Offer Document will be mailed to all eligible shareholders together with a personalised Entitlement and Acceptance Form.

Timetable

Activity	Date
Announcement of Rights Issue	1 July 2014
Dispatch of notices to Shareholders informing of Rights Issue	2 July 2014
Ex Date	3 July 2014
Rights trading commences	3 July 2014
Record Date	7 July 2014
Offer Document and Entitlement and Acceptance Form Despatched and announcement that despatch completed	10 July 2014
Offer opens	10 July 2014
Rights Trading ends	14 July 2014
Securities Quoted on a deferred settlement basis	15 July 2014
Closing date for receipt of Entitlement and Acceptance Form	21 July 2014
ASX notified of under subscriptions	24 July 2014
Dispatch of New Shares transaction confirmation statement and Deferred Settlement Trading ends	28 July 2014

Subject to Listing Rules, the Directors note this timetable is indicative and reserve the right to amend this timetable without notice.

Enquiries

If you have any questions regarding this renounceable Rights Issue, please telephone the Company on +61 3 8561 4200 or email the Company at info@worldreach.com.au.

The Directors recommend this renounceable Rights Issue to you.

Yours sincerely



Dennis Payne
Company Secretary



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