



**World Reach Limited**  
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7 July 2014

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The Manager  
Market Announcements Platform  
Australian Securities Exchange

Rights Issue Update and Conversion of Notes (Appendix 3B Form)

The Company advises the issue of new ordinary shares following the conversion of 38 Convertible Notes. A total of 6,624,997 shares were issued last Friday and today, under the terms of the Convertible Note Subscription Agreements, bringing the total number of ordinary shares now quoted on the ASX to 21,256,794.

These conversions include the conversion notices for 31 Convertible Notes referred to in the Company's announcement on 1 July 2014 concerning the Renounceable Rights Issue currently in progress. 23 of the notes referred to on 1 July 2014 were held by SGV1 Holdings Limited, an entity associated with Mr Carl Cheung Hung who is a director of World Reach Limited. SGV1's notes were converted into 3,833,333 ordinary shares. SGV1 now holds 18.03% of the Company's share capital. Mr Hung is also president of Season Group a valued trading partner of the Company. 8 notes held by the Managing Director, Mr Michael Capocchi, also referred to in last week's announcement, were converted into 1,333,333 ordinary shares. Mr Capocchi now holds 6.63% of the Company's share capital.

The other 7 notes involved in today's share issue were held by 5 unrelated noteholders and accounted for 1,458,331 ordinary shares.

The attached 3B Notice includes details of the above issue of securities and a summary of all securities currently issued by the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Payne".

Dennis Payne  
Company Secretary

# 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

Name of entity

**WORLD REACH LIMITED**

ABN

**39 010 568 804**

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   | Ordinary Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (1) 1,458,331 Ordinary Shares on conversion of convertible Notes<br><br>(2) 1,458,331 Ordinary Shares under pro-rata issue pursuant to the issue of shares issued on conversion of the above convertible notes |
| 3 | Principal terms of the +securities (eg, 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) | Ordinary Fully Paid Shares   |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.15 per Share</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(1) On conversion of 7 Convertible Notes through the issue of 1,458,331 Ordinary Shares.</p> <p>(2) The funds raised by the Company through a Renounceable Rights Issue will be applied, principally to pay down existing debt detailed in the Offer Document to be released on the ASX.</p>
<p>6a 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>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>28 November 2013</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>1,756,770</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>1,163,230</p>

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+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1,458,331 issued pursuant to the conversion of convertible notes approved by shareholders at a meeting of shareholders, on each of 7 May 2009 and 28 November 2013.							
6f	Number of securities issued under an exception in rule 7.2	<p>(1) 1,458,331 (on conversion of approved convertible securities)</p> <p>(2) 1,458,331 (additional shares issued pursuant to a pro-rata issue on the conversion of convertible notes)</p>							
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.	Not applicable							
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	Not applicable							
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	<p>7,950*</p> <p><i>*Before issue of the securities referred to in this Appendix 3B and appendix 3B dated 1 July 2014</i></p>							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<p>(1) 4 July 2014 (1,249,998 Ordinary Shares on conversion of Convertible Notes);</p> <p>(2) 7 July 2014 (208,333 Ordinary Shares on conversion of Convertible Notes);</p> <p>(3) 29 July 2014 (pursuant to pro-rata issue under an Offer Document dated 1 July 2014)</p>							
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">42,513,589</td> <td style="text-align: left;">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	42,513,589	Ordinary Shares	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Ordinary Shares</td> </tr> </tbody> </table>	+Class	Ordinary Shares
Number	+Class								
42,513,589	Ordinary Shares								
+Class									
Ordinary Shares									

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	29	Notes maturing on 1 July 2015 (part of Note issue #1).
	17	Notes maturing on 1 July 2015 (Note issue #2).
	3	Notes maturing on 31 January 2016 (Note issue #3).
	1,000,000	Options issued to Directors following shareholder approval.
	262,000	Options issued under the Employee Option Plan
	435,000	Options issued to Convertible Note Holders (of Note issue#1).
	178,572	Options issued to Convertible Note Holders (of Note issue#2).
	260,000	Options issued to Convertible Note Holders (of Note issue#3).
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

**Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Renounceable
13 Ratio in which the +securities will be offered	One (1) new share for every one (1) share held at the Record Date of 7 July 2014

+ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	Fully Paid Ordinary Shares
15	+Record date to determine entitlements	7 July 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	There will be no fractional entitlements
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	21 July 2014
20	Names of any underwriters	SGV1 Holdings Limited Ample Skill Limited
21	Amount of any underwriting fee or commission	\$24,000
22	Names of any brokers to the issue	Nil
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	10 July 2014

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- |    |   |   |
|----|---|---|
| 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 | 1 July 2014   |
| 28 | Date rights trading will begin (if applicable)  | 3 July 2014   |
| 29 | Date rights trading will end (if applicable)  | 14 July 2014  |
| 30 | How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?   | Contact your stockbroker and provide instructions to your stockbroker regarding the entitlement you wish to sell on the ASX   |
| 31 | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                    | Complete the personalised acceptance form accompanying the Offer Document by inserting the number of new shares you wish to take up and contact your stockbroker and provide instructions to your stockbroker regarding the entitlement you wish to sell on the ASX. Return the personalised acceptance form, together with payment, to the Company in accordance with the instructions on that form. |

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+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)? Contact the Company to obtain a standard renunciation form to be completed and returned to the Company.
- 33 <sup>+</sup>Issue Date 28 July 2014

### 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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>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 <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought

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39 Class of +securities for which  
 quotation is sought

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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- 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

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41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

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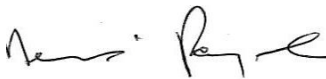
	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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+ See chapter 19 for defined terms.

**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 not available now, 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: 7 July 2014

Print name: Dennis Payne

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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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	11,711,797
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>(1) 6,624,997 (on conversion of approved convertible securities)</p> <p>(2) 21,256,794 (on a pro-rata issue)</p> <p>Nil</p> <p>Nil</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	39,593,588

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	5,939,038
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> 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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	1,756,770 placement shares on 28 February 2014 (as a portion of a 2,920,000 placement)
“C”	1,756,770
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	5,939,038
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	1,756,770
<b>Total [“A” x 0.15] – “C”</b>	4,182,268 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	39,593,588
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	3,959,359
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> 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"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <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></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	1,163,230 placement shares on 28 February 2014 (as a portion of a 2,920,000 placement)
<b>“E”</b>	1,163,230

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>3,959,359</p>
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>1,163,230</p>
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p style="text-align: center;">2,796,129</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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+ See chapter 19 for defined terms.