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ASX Release

3 March 2016

GRANT OF WAIVER FROM ASX

To facilitate the acquisition of Xped Holdings Ltd (Xped) announced on 26 October 2015, Raya Group Limited (ASX: RYG) applied for certain waivers and confirmations from the Australian Securities Exchange (ASX) as outlined in its Prospectus lodged on 18 January 2016. Raya Group is pleased to announce that ASX has granted the following waivers and confirmations, being waivers from ASX Listing rules 1.1 condition 11 and 2.1 condition 2 and confirmation of the terms of performance shares for the purposes of ASX Listing Rule 6.1.

The ASX's formal decision reads as follows:

"DECISION

1. "Based solely on the information provided, in connection with the proposed acquisition by Raya Group Limited (the "Company") of all of the issued share capital of Xped Holdings Ltd ("Xped") ("Acquisition"), the proposed issue of 320,000,000 fully paid ordinary shares in the capital of the Company ("Shares") under a public offer to raise \$8,000,000 ("Public Offer"), the proposed issue of up to 150,000,000 performance shares ("Performance Shares") as part consideration for the Acquisition to JK Group Australia Pty Ltd as trustee for the JK Family Trust and Atlanticx Technologies Pty Ltd as trustee for the Atlanticx Trust as contemplated by the heads of agreement ("Performance Shares"), the proposed issue of 15,000,000 shares in consideration for services provided by various parties ("Advisor Shares") and the issue of 30,000,000 options to EAS Advisors LLC ("EAS") as partial remuneration for services, ASX Limited ("ASX") does the following.

1.1. Grants a waiver from listing rule 1.1 condition 11 to the extent necessary to permit the exercise price of four tranches each consisting of 7,500,000 options with exercise prices of \$0.07, \$0.09, \$0.11 and \$0.13, respectively, proposed to be issued to EAS as

partial remuneration for the provision of services rendered by EAS to the Company ("EAS Options"), not to be at least \$0.20 on the following conditions.

1.1.1. The exercise prices of the four tranches of EAS Options are not less than \$0.07, \$0.09, \$0.11 and \$0.13, respectively.

1.1.2. The terms and conditions of the EAS Options are clearly disclosed in the notice of meeting of shareholders of the Company which will consider the approval required under listing rule 11.1.2 in respect of the Acquisition ("Notice") and in the prospectus to be issued in respect of the Public Offer ("Prospectus").

1.1.3. The Company's shareholders approve the exercise prices of the EAS Options in conjunction with the approvals to be obtained under listing rule 11.1.2 in respect of the Acquisition.

1.1.4. The terms of this waiver are immediately disclosed to the market.

1.2. Grants a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the issue price of the 320,000,000 fully paid ordinary shares proposed to be issued pursuant to a Prospectus for a capital raising to be undertaken in conjunction with the Acquisition not to be at least \$0.20 per share, on the following conditions.

1.2.1. The issue price of the securities to be issued under the Public Offer is \$0.025 per share.

1.2.2. Shareholders approve the issue price of the securities issued under the Public Offer as part of the approvals obtained under listing rule 11.1.2 in respect of the Acquisition.

1.2.3. The terms of this waiver are immediately disclosed to the market.

1.3. Confirms that the terms of the 150,000,000 Performance Shares that the Company proposes to issue are appropriate and equitable for the purposes of listing rule 6.1, subject to the following conditions.

1.3.1. The Company obtains shareholder approval for the issue of the Performance Shares and the notice of meeting seeking shareholder approval includes sufficient information about the terms and conditions of the Performance Shares including, if applicable, approval for the issue of the Performance Shares which are to be held by a related party pursuant to Chapter 2E of the Corporations Act 2001 (Cth).

1.3.2. The Performance Shares are not quoted.

1.3.3. The Performance Shares are not transferable.

1.3.4. The Performance Shares do not have voting rights, subject to those required by law.

1.3.5. The Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.

1.3.6. The Performance Shares do not carry an entitlement to a dividend.

1.3.7. The Performance Shares do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.

1.3.8. Each Performance Share is converted into one Share on achievement of the relevant performance milestone.

1.3.9. If the performance milestone for the A class Performance Shares is not satisfied by the end date of 18 months from the Company's re-admission date, all Performance Shares in that class will be convert into one share.

1.3.10. If the performance milestone for the B class Performance Shares is not satisfied by the end date of 24 months from the Company's re-admission date, all Performance Shares in that class will be convert into one share.

1.3.11. If the performance milestone for the C class Performance Shares is not satisfied by the end date of 30 months from the Company's re-admission date, all Performance Shares in that class will be convert into one share.

1.3.12. The Company makes an announcement upon the conversion of any of the Performance Shares.

1.3.13. The terms and conditions of the Performance Shares, including without limitation the relevant performance milestones that have to be satisfied before each class of Performance Shares is converted into Shares, are not to be changed without the prior approval of ASX and the Company's shareholders.

1.3.14. Upon conversion of the Performance Shares into Shares, the Company will apply to the ASX for quotation of those Shares within the requisite time period.

1.3.15. The Company discloses the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled.

(a) The number of Performance Shares on issue during the relevant period.

(b) A summary of the terms and conditions of the Performance Shares, including without limitation the number of Shares into which they are convertible and the relevant performance milestones.

(c) Whether any of the Performance Shares were converted or cancelled during that period.

(d) Whether any performance milestones were met during the period.

1.3.16. The Company discloses the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue.

(a) The number of Performance Shares on issue at the time of lodgement of the Appendix 3B.

(b) The conversion ratio of the Performance Shares into Shares upon achievement of a relevant performance milestone.

1.3.17. The terms of this waiver are immediately disclosed to the market.

Luke Arthur
Company Secretary