



International Limited ACN 110 184 355

Corporate Head Office
Ground Floor, 22 Delhi Street
West Perth 6005
Western Australia 6160
ASX Code: TV2

ASX ANNOUNCEMENT

16 May 2016

Attn: Ben Secrett
Australian Securities Exchange
Level 40 Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Ben,

Re: TV2U International Limited (the 'Company'): 'ASX aware query'

We refer to your letter dated May 13, 2016 and respond to each of the following items below.

Capitalised terms used and not defined herein have the meaning ascribed to them in your letter.

- 1 Does the Entity consider the January Revenue Forecast to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, but only based on the incomplete information available at the time.

It is important to note that, as explained more fully in the responses below, the January Revenue Forecast was not a forecast of the Entity. The Entity did not give the January Revenue Forecast to the Australian Financial Review.

- 2 If the answer to question 1 is 'no', please advise the basis for that view

Not Applicable

- 3 Was the Entity aware of the January Revenue Forecast before it was published in the Article?

No.

- 4 When did the Entity first become aware of the January Revenue Forecast? In answering this question, please specify a date.

The Entity did not give the January Revenue Forecast to the Australian Financial Review.



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The Entity became aware of the statements made in the article published by the Australian Financial Review on 21 January 2016, including the January Revenue Forecast, shortly after the publication of the article on 21 January 2016. The article was not given to the Entity for comment prior to publication.

Confirmation of the January Revenue Forecast was not sought from the Entity prior to its publication by the Australian Financial Review. The Entity does not accept responsibility in any way for the January Revenue Forecast.

- 5 If the Entity first became aware of the January Revenue Forecast before it closed the offer of securities made to the public in its replacement prospectus dated 11 January 2016, did the Entity issue a supplementary prospectus disclosing the January Revenue Forecast? If not, please explain why the Entity did not issue a supplementary prospectus disclosing the January Revenue Forecast?

The Entity did not issue a supplementary prospectus disclosing the January Revenue Forecast.

As noted above, the January Revenue Forecast was not an announcement of, or disclosure by the Entity.

Having made enquiries of the officers of the Entity at the relevant time, the Entity understands that the Entity was of the view at all relevant times that, since TV2U was effectively a new business, it was not in a position to make forecasts about potential revenue or profit forecasts. This was clearly stated in the Entity's replacement prospectus dated 11 December 2015.

In order to provide a reasonable basis for a revenue forecast, further negotiations with its joint venture partner Sunfly on deployment, pricing points and strategy would need to be completed to reach agreement on those matters, and the period of these negotiations was likely to run to several months following the closing of the offer under the replacement prospectus.

As noted in our letter to you dated 13 May 2016, those matters were finalised and agreed between the Entity and Sunfly on 12 May 2016.

- 6 If the Entity first became aware of the January Revenue Forecast before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the January Revenue Forecast? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the January Revenue Forecast under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the January Revenue Forecast was released promptly and without delay.



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The Entity did not make any announcement prior to that date which disclosed the January Revenue Forecast.

The reasons for this are noted above.

The Entity remained of the view that , in order to provide a reasonable basis for a revenue forecast, further negotiations with Sunfly on deployment, pricing points and strategy would need to be completed and agreement reached on those matters.

As noted in our letter to you dated 13 May 2016, those matters were agreed with Sunfly on 12 May 2016 and work was carried out, on the basis of the agreed position, to prepare the draft Revenue Forecast overnight on 12 May 2016.

Once that work was finalised, the board of directors of the Entity considered and approved the Revenue Forecast as part of its approval of the Announcement which was released to the ASX at 8.55am on 13 May 2016.

- 7 Was the Entity, including but not limited to its officers and key management, the source of the January Revenue Forecast published in the Article?

None of the Entity, its officers or key management, nor anyone on its or their behalf, provided the January Revenue Forecast published in the Article.

- 8 Did the Entity's chief executive, Nick Fitzgerald, disclose information during the Interview from which the January Revenue Forecast could be derived? If so, please provide details of the information and advise whether or not such information was included in the Entity's replacement prospectus dated 11 January 2016.

Note that Nick Fitzgerald was not the Chief Executive of the Entity at the time of the interview with the Australian Financial Review or at the time of the publication of the Australian Financial Review (because the Entity's acquisition of TV2U had not been completed at that time).

Having made enquiries of Mr Fitzgerald, the Entity understands that at that interview, he discussed with the AFR journalist:



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- the time to market with TV2U's Karaoke app,
- the point of difference between TV2U and other apps in the market,
- integration with social media, and
- how TV2U's analytics capability is key to personalization of the service and targeted advertising,

but that no revenue numbers were discussed at that interview.

- 9 If the answer to question 7 is "no", is the Entity aware of the source of the January Revenue Forecast, or the basis from which the January Revenue Forecast was derived?

The Entity did not provide the January Revenue Forecast to the Australian Financial Review and, accordingly, the Entity cannot be certain on what basis the Australian Financial Review derived the January Revenue Forecast.

The Entity is aware that its public relations consultants did however provide the Australian Financial Review with certain publicly-available information (being the distribution partner's customer base and competitor pricing information and margins).

- 10 Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Entity confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.

For and on behalf of the Board

Sarah Smith
(Company Secretary)



13 May 2016

Sarah Smith
Company Secretary
TV2U International Limited
Ground Floor, 22 Delhi Street
WEST PERTH WA 6005

By email

Dear Ms Smith

TV2U International Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to ASX’s aware query letter to the Entity dated 13 May 2016 (“First Aware Query”) and the Entity’s response to the First Aware Query dated 13 May 2016 (“First Aware Response”) (both **enclosed** with this letter). Capitalised terms in this letter have the same meaning as in the First Aware Query.

The Entity’s First Aware Response is unsatisfactory.

The Entity’s First Aware Response does not address the fact that an online article, published by the *Australian Financial Review* on 21 January 2016 (<http://www.afr.com/technology/tv2u-to-launch-asian-karaoke-venture-with-sunfly-20160120-gm9om1>) (“Article”), based on an interview with the Entity’s chief executive (“Interview”), Nick Fitzgerald, included the following statement about revenue guidance similar in quantum to the Revenue Forecast.

“Australian over-the-top internet entertainment provider, TV2U, has partnered with Europe’s largest karaoke company, Sunfly, to launch a new joint venture targeting Asia.

The new company is yet to be named, but it is likely to generate \$8 million of revenue in the first 18 months, generating about \$2.6 million in profit for TV2U.” (the “January Revenue Forecast”)

Having regard to the First Aware Query and to the above, pursuant to Listing Rule 18.7, ASX requires the Entity to answer the following additional questions.

1. Does the Entity consider the January Revenue Forecast to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. Was the Entity aware of the January Revenue Forecast before it was published in the Article?
4. When did the Entity first become aware of the January Revenue Forecast? In answering this question, please specify a date.

5. If the Entity first became aware of the January Revenue Forecast before it closed the offer of securities made to the public in its replacement prospectus dated 11 January 2016, did the Entity issue a supplementary prospectus disclosing the January Revenue Forecast? If not, please explain why the Entity did not issue a supplementary prospectus disclosing the January Revenue Forecast?
6. If the Entity first became aware of the January Revenue Forecast before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the January Revenue Forecast? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the January Revenue Forecast under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the January Revenue Forecast was released promptly and without delay.
7. Was the Entity, including but not limited to its officers and key management, the source of the January Revenue Forecast published in the Article?
8. Did the Entity's chief executive, Nick Fitzgerald, disclose information during the Interview from which the January Revenue Forecast could be derived? If so, please provide details of the information and advise whether or not such information was included in the Entity's replacement prospectus dated 11 January 2016.
9. If the answer to question 7 is "no", is the Entity aware of the source of the January Revenue Forecast, or the basis from which the January Revenue Forecast was derived?
10. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

ASX would remind you that an officer or employee of a listed entity who gives, or authorises or permits the giving of, materially false or misleading information to ASX:

- knowingly, breaches section 1309(1) of the Corporations Act, which is a criminal offence punishable by a fine of up to 200 penalty units and/or imprisonment for up to 5 years; or
- without taking reasonable steps to ensure that the information was not false or misleading, breaches section 1309(2) of the Corporations Act, which is a criminal offence punishable by a fine of up to 100 penalty units and/or imprisonment for up to 2 years.

In light of the above, ASX suggests that you take legal advice before you respond to this letter.

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 4.00pm AWST on Monday, 16 May 2016.

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 Entity'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 at tradinghaltspert@asx.com.au. 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.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Ben Secrett

Senior Adviser, ASX Listings Compliance (Perth)



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Attn: Ben Secrett
Australian Securities Exchange
Level 40 Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Ben

Re: TV2U International Limited (the 'Company'): 'ASX aware query'

We refer to your letter dated May 13, 2016 and respond to each of the following items below.

Capitalised terms used and not defined herein have the meaning ascribed to them in your letter.

- 1 Does the Entity consider the Revenue Forecast to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes

- 2 If the answer to question 1 is 'no', please advise the basis for that view

Not Applicable

- 3 If the answer to question 1 is 'yes', when did the Entity first determine the Revenue Forecast? In answering this question, please specify a date.

The Revenue Forecast is based on certain pricing and volume metrics which were only agreed between the Company and Sunfly after close of trading on 12 May 2016. Following that agreement, work was carried out by the Company to develop a draft Revenue Forecast on the basis of those metrics. This work was finalised overnight on 12 May 2016. The board of directors of the Company considered and approved the Revenue Forecast as part of its approval of the Company Update announcement (Announcement) which was released to the ASX at 8:55am on 13 May 2016.

- 4 If the answer to question 1 is 'yes' and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to the date which disclosed the Revenue



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- 5 Forecast? If so please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the Revenue Forecast under Listing Rule 3.1 and 3.1A and what steps the Entity took to ensure that the Revenue Forecast under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Revenue Forecast was released promptly and without delay.

As noted above, the Company approved the Revenue Forecast as part of its approval of the Announcement which was released to the ASX at 8:55am on 13 May 2016, and which brought the Company out of trading halt.

- 6 Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.

For and on behalf of the Board

Sarah Smith
(Company Secretary)



13 May 2016

Sarah Smith
Company Secretary
TV2U International Limited
Ground Floor, 22 Delhi Street
WEST PERTH WA 6005

By email

Dear Ms Smith

TV2U International Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following.

1. The Entity’s replacement prospectus dated 11 December 2015 which includes the following statement on page 24.

“As TV2U is effectively a new business, it is not in a position to make forecasts about potential revenue or profit forecasts.”

2. An article published by the Australian Financial Review on 21 January 2016, based on an interview with TV2’s chief executive, Nick Fitzgerald, which stated, amongst other things, that the karaoke joint venture with Sunfly “is likely to generate \$8 million of revenue in the first 18 months, generating about \$2.6 million in profit for TV2U.”
3. The Entity’s announcement entitled “Company Update” released on the ASX Market Announcements Platform at 8.55 am AWST on Friday, 13 May 2016 (the “Announcement”), disclosing, amongst other things, the following revenue forecast in respect of the Entity’s karaoke app joint venture with Sunfly.

“The revenue potential to TV2U is estimated to be between US\$2 million and US\$3 million (A\$2.7 million and A\$4 million) over the next 18 months based on the minimum sales target and revenue sharing arrangement being achieved.” (the “Revenue Forecast”)

4. Listing Rule 3.1, which 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.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

7. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

8. Section 728 of the *Corporations Act 2001* (Cth) (“Corporations Act”) which restricts, amongst other things, a person from offering securities under a disclosure document if there is a misleading or deceptive statement in the disclosure document or if there is an omission from the disclosure document of certain material required by the Corporations Act to be included in the disclosure document.

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Revenue Forecast to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first determine the Revenue Forecast? In answering this question, please specify a date.

4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the Revenue Forecast? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the Revenue Forecast under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Revenue Forecast was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

ASX would remind you that an officer or employee of a listed entity who gives, or authorises or permits the giving of, materially false or misleading information to ASX:

- knowingly, breaches section 1309(1) of the Corporations Act, which is a criminal offence punishable by a fine of up to 200 penalty units and/or imprisonment for up to 5 years; or
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When and where to send your response

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If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance (Perth)