

## ASX ANNOUNCEMENT

11 December 2012

The Manager  
Companies Announcement Platform  
Australian Stock Exchange Limited

### **RENOUNCEABLE RIGHTS ISSUE - 2013 (“Rights Issue”)**

Reference is made to Inventis Limited (“Inventis” or “Company”) (ASX Code: IVT) announcement on 7 August 2012 and the update as provided in the Chairman’s Address to the Shareholders on 28 November 2012.

The Company has now resolved the issues surrounding the proposed Non-Renounceable Rights Issue with ASIC as follows:

1. The Company has now converted the issue to a Renounceable Rights Issue;
2. The Company has reduced the proposed share price for the Rights Issue to be \$0.008 per share; and
3. A nominee has been appointed to sell the rights of the foreign shareholders and that nominee has been approved by ASIC.

We are therefore pleased to announce the release of a 1 for 1 Renounceable Rights Issue 2013 (“Rights Issue”). Under the Rights Issue, existing eligible shareholders of the Company will be offered 1 new share for every 1 share held by them at the Record Date.

It is estimated that the Capital Raising, if fully subscribed, will raise up to approximately A\$1.25 m at \$0.008 per new share. The Record Date for participation in the Rights Issue is Wednesday, 19 December 2012. The Closing Date for the Rights Issue is Thursday, 31 January 2013. The Rights Issue Offer will be made to eligible shareholders in an Entitlement Offer Document, which will include a personalised entitlement and acceptance form (“Application Form”). The Entitlement Offer Document will provide further details on how to participate in the Rights Issue.

Please note that due to delays caused in releasing the Rights Issue and the reduction in issue price, the directors anticipate that the:

1. **Christmas Holiday Period** will affect some shareholders who may be away on and thus unable to check their mail during this period. Consequently, although the issue is being announced on 11 December 2012, the offer will remain open for an extended period until 31 January 2013 so as to maximize the opportunity for shareholders to participate in this Rights Issue. Unfortunately, the Company is not in a position to extend this period further as it is in urgent need of capital and delays impact negatively on its ability to implement its sales and procurement strategies, which will in turn have a negative impact on its viability and increase its need for capital.
2. **Should the proposed Rights Issue not raise the \$1.25m capital sought**, depending on the extent of the shortfall, the Company may have to undertake a further capital raising to meet this shortfall to enable it meet its cash-flow requirements and continue to implement its procurement strategy to enhance its gross profit margin and sales. In addition to the Rights Issue, the Company has and continues to explore other funding avenues, however, no viable alternatives have been identified thus far.

## Cleansing Notice

This Rights Issue is covered by Section 708AA of the Corporations Act, 2001("The Act"). Consequently, the Company notifies that:

1. The Company will be offering the securities for issue without disclosure to investors under Part 6D.2 of the Act;
2. This Notice is being given under Section 708AA (2) (f) of the Act;
3. As at the date of this Notice, the Company has complied with:
  - i. The provisions of Chapter 2M of the Act as applicable to the Company; and
  - ii. Section 674 of the Act;
4. The Company as at the date of Notice does not have any "Excluded Information" to be disclosed;
5. The Company does not believe that there will be a change in control of the Company after the issue of these securities.
6. However, the following shareholders and their respective associates may increase their control if all shareholders do not take up their respective entitlement offer. In the alternative, should other shareholders take up their entitlement, but the following shareholders do not, then their control will decrease. See table below:

Shareholder and their associates	Shares as at 11 December 2012	Percentage of Shares on issue	Maximum Percentage*	Minimum Percentage**
REN Nominees Pty Limited	43,800,000	27.83%	43.55%	16.17%
Baldman Investments Pty Limited	13,454,414	8.55%	15.75%	4.47%
Gunter Himmelberg and Robyn Himmelberg	12,920,877	8.21%	15.18%	4.28%
Draycom Investments Pty Limited	11,472,706	7.29%	13.59%	3.78%
David Rex George Littlejohn	10,190,000	6.48%	12.16%	3.35%

7. In addition, the following directors who are entitled to the offer may increase their current shareholdings as follows:

Director / Officer and their associates	Shares as at 11 December 2012	Percentage of Shares on issue	Maximum Percentage*	Minimum Percentage**
Tony Noun	12,401,500	7.88%	12.04%***	4.04%***
Alfred Kobylanski	6,400,000	4.07%	7.70%***	2.07%***

8. \*Maximum Percentage is based on an assumption that the shareholder referred to, or their associates, are the only one/s who take up their entitlement in full pursuant to the Rights Offer (total shares after rights issue will be = 157,364,368 + the Entitlement of the specified Shareholder and their associates).
9. \*\*Minimum Percentage is based on an assumption that all shareholders except the said shareholder and their associates take up the Entitlement Offer (total shares after rights issue will be = ((157,364,368 X 2) – the Entitlement of the specified Shareholder and their associates)
10. \*\*\*Reference is made to the ASX Announcement dated 15 October 2012, whereby, the directors had reached a resolution with ASX by way of voluntary undertakings to subscribe only for the amounts of shares as specified therein in order to resolve the breach caused by issue of additional shares to them during the Rights Issue dated 6 February 2012. Consequently, the number of shares taken into account for the calculation of maximum and minimum percentages for these directors is subscription to a maximum of 7,446,000 for Tony Noun and 6,200,000 for Alfred Kobylanski.

This Issue is covered by Item 10 of Section 611 of the Act, which relates to exceptions to the prohibition on certain acquisitions of relevant interests in voting shares. This issue satisfies the following conditions under item 10:

- (a) The issued securities being the ordinary shares as listed at ASX are being offered to the existing shareholders;

- (b) The offer is being made to every person who holds securities of the Company with the percentage of the securities to be issued that is the same as the percentage of the securities held by them before the issue;
- (c) All shareholders are being given a reasonable opportunity to accept the offers made to them;
- (d) Agreements to issue will not be entered into until a specified time under ASX Listing Rules for acceptance of offer has closed; and
- (e) The Terms of the offer are the same.

Please note that this exception applies even though the Company does not satisfy the above conditions in respect of shareholders who do not have a registered address of the security in Australia or New Zealand.

### Timetable<sup>##</sup>

Lodgement of Offer Document with ASX and announcement of Offer	11 December 2012
Dispatch of notice to shareholders containing the information in Appendix 3B	12 December 2012
Ex-Rights trading for existing Shares (ASX CODE: IVT) XE and XR tags on, Rights Trading commencing	13 December 2012
Record Date	19 December 2012
Offer Document and Entitlement and Acceptance Form dispatched to Shareholders and Entitlement. Offer opens	20 December 2012
Right Trading Ends	23 January 2013
Securities are quoted on a deferred settlement basis	24 January 2013
Closing Date for acceptances and payment in full	31 January 2013
Notify ASX of under subscriptions	5 February 2013
Expected date of allotment of New Shares and despatch of transaction confirmation statements. Deferred Settlement Trading Ends	8 February 2013
Expected date for commencement of normal trading and quotation of New Shares	11 February 2013

<sup>##</sup> The dates above and other dates referred to in this Offer Document (except the date of this Offer Document) are indicative only. Subject to the Listing Rules and the Corporations Act, the Company reserves the right to change any date (including to extend the Closing Date of the Offer or to close the Offer early) without prior notice.

The net proceeds of the capital raising will be focussed on improving the Company's working capital requirements.

The Rights Offer Document is available on the Company's website (<http://www.inventis.com.au>) and at the Company's registered office address at Suite 12, 1 Box Road, Caringbah 2229 NSW Australia.

Any person considering acquiring shares under the Rights Issue should read the Rights Offer Document carefully. Applications for shares under the Rights Issue may only be made using the Application Form accompanying the Offer Document. Shares will only be issued on the basis of an Application Form, which is issued together with the Rights Offer Document.

Yours faithfully



Tony Noun  
Executive Chairman

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Inventis Limited  
ABN 40 084 068 673

**RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT - 2013**  
**(“The Rights Offer” or “The Offer Document”)**

A one (1) for one (1) renounceable pro-rata Offer at \$0.008 (0.08 cents) per NEW share.

THIS OFFER IF FULLY SUBSCRIBED WILL RAISE \$1,258,915

**The Offer closes at 5.00pm (AEDT)**  
**On 31 January 2013**

**This is an important document and requires your immediate attention. It should be read in its entirety. If, after reading this Entitlement Offer Document, you have any questions about the Securities being offered under this Offer Document, you should contact your stockbroker, accountant or other professional adviser.**

**An investment in Securities offered under this Offer Document should be considered as speculative.**

**This offer does not require disclosure to investors and is being issued under Section 708AA of the Corporations Act, 2001.**

## CONTENTS

<b>IMPORTANT NOTICE .....</b>	<b>7</b>
<b>OFFER AT A GLANCE .....</b>	<b>9</b>
<b>KEY INVESTMENT DETAILS .....</b>	<b>9</b>
<b>LETTER FROM THE CHAIRMAN.....</b>	<b>10</b>
<b>1. SECTION 1: REASONS FOR CAPITAL RAISING UNDER RIGHTS ISSUE .....</b>	<b>11</b>
<b>2. SECTION 2: DETAILS OF THE OFFER .....</b>	<b>11</b>
<b>3. SECTION 3: ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS.....</b>	<b>16</b>
<b>4. SECTION 4: OVERVIEW OF THE COMPANY AND ITS OPERATIONS AND USE OF FUNDS.....</b>	<b>18</b>
<b>5. SECTION 5 - RISK FACTORS .....</b>	<b>22</b>
<b>6. SECTION 6: ADDITIONAL INFORMATION.....</b>	<b>25</b>
<b>7. SECTION 7 - GLOSSARY OF TERMS.....</b>	<b>28</b>
<b>CORPORATE DIRECTORY .....</b>	<b>29</b>

## IMPORTANT NOTICE

You should read this Document “The Rights Offer” in its entirety before deciding to complete and lodge an Entitlement and Acceptance Form and, in particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's financial performance. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). The key risk factors that should be considered by potential investors are outlined in Section 5 of this Document.

If you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest in the New Shares.

This Document is dated 11 December 2012. A copy of this Offer Document was lodged with ASX on that date. Neither ASIC nor ASX takes any responsibility for the content of this Offer Document or the merits of the investment to which it relates.

No New Shares will be issued on the basis of this Offer Document after the expiry date, which is 13 months after the date of this Offer Document. New Shares pursuant to this Offer Document will be issued on the terms and conditions set out in this Offer Document.

The Company will apply within seven days after the date of this Offer Document for the grant by ASX of official quotation of the New Shares issued under this Offer Document. An application for New Shares will only be accepted on the Entitlement and Acceptance Form accompanying this Offer Document.

The New Shares being offered under the Offer Document are offered in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

The Offer is thus made to all Shareholders with registered addresses in Australia and New Zealand.

This Offer Document does not constitute an offer or invitation in any place in which, or to any persons to whom it would not be lawful to make such an offer or invitation.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer Document is for an offer of continuously quoted securities (as defined in the Corporations Act) of Inventis Limited.

Accordingly, this Offer Document does not contain the same level of disclosure as an initial public offer document.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company or the Directors.

## Privacy

The Application Form accompanying this Document requires you to provide information that may be personal information for the purpose of the Privacy Act. The Company (and the Registry on its behalf) may collect, hold and use the personal information in connection with your Application, service your needs as an investor in The Company, provide facilities and services that you request or that are connected with your interest in the Shares and carry out appropriate administration. Tax and company law also requires some of the information to be collected in connection with your Application. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

The information may also be disclosed to members of the Company and their agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. Your information may also be used or disclosed from time to time to inform you about the Company products or services that the Company thinks may be of interest to you. If you do not want your personal information to be used for this purpose, you should contact the Company through the Registry at the telephone number or address listed below.

Under the Privacy Act, you can request access to your personal information by writing or telephoning the Registry:

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000

Phone: 1300 855 080; or  
+61 3 9415 4000 (overseas holders)

Email: [privacy@computershare.com.au](mailto:privacy@computershare.com.au)



## OFFER AT A GLANCE

- A one (1) for one (1) renounceable pro-rata Offer at \$0.008 per New Share to raise approximately \$1,258,915 (before Offer costs, if any).
- Net proceeds of the Offer will be used by the Company for Working capital.
- Offer closes at 5.00 pm AEDT on 31 January 2013.

### Risks

Risk factors that should be considered by Shareholders are outlined in Section 5 of this Offer Document. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). Potential investors should read this entire Offer Document and if you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest.

### How to Apply

Eligible Shareholders can only take up their Entitlement to New Shares by completing and lodging the Entitlement and Acceptance Form enclosed with this Offer Document and paying the applicable Application Monies.

Investors are encouraged to submit their Entitlement and Acceptance Form and make payment as soon as possible.

### KEY INVESTMENT DETAILS

#### KEY OFFER STATISTICS

<b>OFFER</b>	<b>OFFER PRICE \$0.008 per New Share</b>
<b>OFFER RATIO</b>	<b>One (1) New Share for every One (1) Shares held at 7.00 pm AEDT on 19 December 2012</b>

ENTITLEMENT OFFER	
NEW SHARES <sup>#</sup>	TOTAL OFFER
<b>157,364,368</b>	<b>\$1,258,915</b>

<sup>#</sup> This excludes any Additional Shares that may be issued in addition to the Offer Shares and assuming that no Shares are issued on or before the Record Date; and

#### IMPORTANT DATES<sup>##</sup>

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<sup>##</sup> The dates above and other dates referred to in this Offer Document (except the date of this Offer Document) are indicative only. Subject to the Listing Rules and the Corporations Act, the Company reserves the right to change any date (including to extend the Closing Date of the Offer or to close the Offer early) without prior notice.

# LETTER FROM THE CHAIRMAN

Dear Fellow Shareholder,

On behalf of the Board of Directors, I invite you to participate in this Offer of New Shares in Inventis Limited ('The Rights Offer'). The Rights Offer is seeking to raise up to \$1.25 million for working capital, before expenses, if any.

The proceeds raised from the Offer will be used by the Company to facilitate its cash flow requirements by applying 100% of the net proceeds towards the Working Capital of the Company.

Under this Offer Document, Shareholders are being offered the opportunity to apply for one (1) New Share at the Offer Price for every one (1) Share held by them at the Record Date.

Under the Entitlement Offer you have four choices:

- (a) You may subscribe for your full entitlement of 1 New ordinary share ("New Share") for every existing ordinary share that you hold on the Record Date ("Entitlement"); OR
- (b) You may subscribe for some of your Entitlement and sell the rest of your rights under the issue on market; OR
- (c) You may sell all your rights under the issue on market; OR
- (d) You may do nothing and forego your Entitlement.

If you take no action or your application is not supported by cleared funds you will be deemed to have not taken up your Entitlement.

New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares

The Closing Date for the receipt of your Entitlement and Acceptance Form and Application Monies is 5.00 pm AEDT on 31 January 2013.

Your Directors urge you to read this Offer Document carefully before deciding how to deal with your Entitlement. If you have any questions in relation to this Offer, please contact your professional adviser.

For further information regarding the Entitlement Offer please call the Company Secretary on +61 2 8578 8900 or visit our website at [www.inventis.com.au](http://www.inventis.com.au). For other questions, you should consult your broker, solicitor, accountant, financial advisor or other professional advisor. If you have any doubt about whether you should invest in the Rights Offer, you should seek professional advice before making any investment decision.

On behalf of the Directors, I thank you for your continued support and commend this Rights Offer of New Shares for your consideration.

Yours faithfully



Tony Noun  
Executive Chairman

## 1. SECTION 1: REASONS FOR CAPITAL RAISING UNDER RIGHTS ISSUE

### 1.1. Background:

On 6 February 2012, the Company announced fundraising through a “Renounceable Rights Issue” (“The March Rights Issue”), which it anticipated would raise approximately \$1.25m but it was only able to raise \$0.64m, which resulted in a shortfall of approximately \$0.6m in the amount of cash required by the Company.

As a consequence of the shortfall, the Company has continued to struggle and now requires a cash injection to be able to complete the task originally contemplated and to set the Company back onto a profitable course.

The Company made changes and explored other funding alternatives to meet its cash flow requirements, without having to go back to the shareholders, however, despite its best endeavours; the Company has no option but to go back to the Shareholders for the required capital.

### 1.2. Measures:

As announced to the market during the course of the year, the Board implemented a number of initiatives to reduce costs, increase sales and improve cash-flow. As part of these initiatives, a number of measures are now in place to reduce costs further and improve cash flow. These include,

- (a) **Sale of Building:** One of the four buildings previously occupied by the Technology Division is owned by the Company. This building has been placed on the market and the proceeds will be used to eliminate the mortgage debt in the sum of \$0.6m with surplus applied to funding operations and cash-flow. The repayment of the mortgage debt will reduce costs and improve cash-flow as well;
- (b) **Release of Security Deposit Funds:** The Company is working to release the term deposits held by the bank to secure the rental bond guarantees of the premises presently occupied by the two Divisions. This is expected to yield approximately \$0.2m, which would also be applied towards funding operations and cash-flow. The increase in costs from making this change is unlikely to increase costs as the gap between interest received on the deposit monies and those borrowed by the Company ought exceed the costs of the guarantee to be provided by the bank in lieu of the deposit; and
- (c) **Invoice Finance Facility:** The Company has moved away from its previously limited invoice finance facility with Westpac to a new facility with Scottish Pacific, which provides it with up to \$5m. This being AUD\$ 2m for each of the two Australian Divisions plus a NZD\$ 1m facility for the Gregory Commercial Furniture business in New Zealand.

## 2. SECTION 2: DETAILS OF THE OFFER

### 2.1. The Offer

The Company is offering to Eligible Shareholders the right to subscribe for one (1) New Share for every one (1) Share held at 7.00 pm (AEDT) on 19 December 2012 (the **Record Date**), at an issue price of \$0.008 per New Share.

The Company will raise \$1,258,915 immediately under the Offer, before costs. The purpose and use of the funds raised from the Offer are set out in Section 2.9 of this Offer Document.

The Offer is only open to Eligible Shareholders or persons who have acquired their Entitlements. The Company will reject any acceptance which it believes comes from a person who is not an Eligible Shareholder or persons who have acquired their Entitlements.

Under the Offer, Eligible Shareholders are entitled to take up their Rights to one (1) New Share for every one (1) Share held on the Record Date at an issue price of \$0.008 per New Share.

The number of New Shares to which an Eligible Shareholder is entitled to subscribe for is shown on the personalised Entitlement and Acceptance Form that accompanies this Offer Document.

Eligible Shareholders may accept their Entitlement in full or in part by returning their Entitlement and Acceptance Form to the Company Secretary at the Registered Office by no later than 5.00 pm AEDT on 31 January 2013 (the **Closing Date**).

Once an Entitlement and Acceptance Form is returned with payment it is irrevocable and may not be varied or withdrawn except as allowed by law.

If you are an Eligible Shareholder and did not receive your personalised Entitlement and Acceptance Form, please call the Company on (02) 8578 8900 (within Australia) or +61 2 8578 8900 (outside Australia).

Further information for Eligible Shareholders on how to accept the Offer is set out in Section 3 of this Offer Document.

## **2.2. The Offer is Renounceable**

Any portion of the Entitlements that are not taken up or sold on market, will lapse.

## **2.3. Closing Date**

Your completed Entitlement and Acceptance Form and payment must reach the Registered Office no later than 5.00 pm AEDT 31 January 2013.

The Company reserves the right, subject to the Corporations Act, the Listing Rules and any requirements of ASX, to accept late Applications or to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless the Company decides to accept late Applications or extend the Closing Date, Applications received after 5.00 pm AEDT 31 January 2013 may be rejected and Application Monies refunded without interest.

## **2.4. Brokerage, Commission and Stamp Duty**

No brokerage, commission or stamp duty is payable by Applicants under the Offer.

## **2.5. No Underwriting:**

Having regard to current market conditions, costs and likelihood of the Company being able to secure an underwriter as well as potential control effects emerging due to any non-subscription of the Rights Issue in favour of an Underwriter, this Issue will not be underwritten.

## **2.6. No Shortfall Allotment:**

The shares which are not taken up or sold on market, will lapse and no additional shares will be issued from the shortfall.

## 2.7. Rounding

Fractional entitlements to New Shares will be rounded down to the nearest whole number.

## 2.8. ASX Quotation

The Company will apply for the official quotation of all New Shares on ASX within seven business days after the date of this Offer Document. If official quotation of the New Shares is not granted by ASX within three months after the date of this Offer Document (or any longer period permitted by law), the Offer will be cancelled and Application Monies will be returned (without interest) to Applicants as soon as practicable.

## 2.9. Allotment of New Shares

Allotment and issue of New Shares will only be made once the Application Monies have been received and ASX has granted permission for quotation of the New Shares.

If permission is granted, it is expected the New Shares will be allotted on 8 February 2013 and transaction confirmation statements for the New Shares dispatched shortly thereafter.

All New Shares will rank equally with the Shares already on issue.

## 2.10. Purpose of the Offer

Reference is made to ASX Announcement "Market Update" dated 7 August 2012. The funds raised through the entitlement offer will be used towards the working capital needs of the Company to fund its day-to-day operations, which include the following:

- (a) Forward confirmed orders for the Furniture Division (approximately \$1.4m), which require capital to pay suppliers;
- (b) Overseas procurement strategy for the Furniture Division, which requires payment for these goods, before we are in a position to sell and invoice customers for the product;
- (c) Forward confirmed orders for the Technology Division (approximately \$2.4m), which also requires purchasing from overseas suppliers who require pre-payments of goods before sales can be delivered and invoiced customers;
- (d) Reduction in amounts owing to creditors and employee related payments; as well as
- (e) The additional strain placed on our cash resources as a consequence of the December and January holiday period.

## 2.11. Capital Structure

The following table sets out the Company's current capital structure and its capital structure immediately following the successful completion of the Offer, assuming that no Placement Shares are allotted, prior to the Record Date.

Ordinary shares on issue at the date of this Offer Document	157,364,368
New Shares under the Rights Issue of 1:1	157,364,368
<b>Shares on completion of the Offer</b>	<b>314,728,736</b>

## 2.12. Share Price

The highest and lowest market sale price of the Company's Shares on ASX during the three calendar months immediately preceding the date of issue of this Offer Document, and the last market price on the last day of trading before lodgement is set out in the table below.

3 Month high	3 Month Low	Last Market Closing Share Price on 10 December 2012
\$ 0.020	\$ 0.0060	\$0.020

## 2.13. Potential Control Effects:

However, the following shareholders and their respective associates may increase their control if all shareholders do not take up their respective entitlement offer. In the alternative, should other shareholders take up their entitlement, but the following shareholders do not, then their control will decrease. See table below:

Shareholder and their associates	Shares as at 11 December 2012	Percentage of Shares on issue	Maximum Percentage*	Minimum Percentage**
REN Nominees Pty Limited	43,800,000	27.83%	43.55%	16.17%
Baldman Investments Pty Limited	13,454,414	8.55%	15.75%	4.47%
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In addition, the following directors who are entitled to the offer may increase their current shareholdings as follows:

Director / Officer and their associates	Shares as at 11 December 2012	Percentage of Shares on issue	Maximum Percentage*	Minimum Percentage**
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\*Maximum Percentage is based on an assumption that the shareholder referred to, or their associates, are the only one/s who take up their entitlement in full pursuant to the Rights Offer (total shares after rights issue will be = 157,364,368 + the Entitlement of the specified Shareholder and their associates).

\*\*Minimum Percentage is based on an assumption that all shareholders except the said shareholder and their associates take up the Entitlement Offer (total shares after rights issue will be = ((157,364,368 X 2) – the Entitlement of the specified Shareholder and their associates)

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This Issue is covered by Item 10 of Section 611 of the Act, which relates to exceptions to the prohibition on certain acquisitions of relevant interests in voting shares. This issue satisfies the following conditions under item 10:

- The issue securities being the ordinary shares as listed at ASX are being offered to the existing shareholders;
- The offer is being made to every person who holds securities of the Company with the percentage of the securities to be issued that is the same as the percentage of the securities held by them before the issue;
- All shareholders are being given a reasonable opportunity to accept the offers made to them;

- (d) Agreements to issue will not be entered into until a specified time under ASX Listing Rules for acceptance of offer has closed; and
- (e) The Terms of the offer are the same.

Please note under Exception 1 Under ASX Listing Rule 7.2, an issue is still treated as a pro rata issue under this rule if offers are not sent to overseas security holders under ASX Listing Rule rule 7.7.

#### **2.14. Australia and New Zealand**

The Offer is made only to those Shareholders with registered addresses in Australia or New Zealand and only those Eligible Shareholders will be offered an Entitlement.

All Shareholders who are not Eligible Shareholders are referred to as Non-Participating Foreign Holders.

The Company has decided that it is unreasonable to make offers under this Offer Document to Non-Participating Foreign Holders, having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places.

This Offer Document is sent to those Shareholders for information purposes only.

As this is a Renounceable Rights issue, the Company has appointed a nominee for selling the Rights of non-qualifying foreign shareholders. The Nominee, subject to approval of ASIC under Section 615, has consented to sell the rights of the non-qualifying foreign shareholders during the Rights trading period and after deducting administration expenses from the proceeds of the sale of the Rights, the Nominee will forward the remaining funds to the respective non-qualifying foreign shareholder.

The cost of engaging the Nominee is \$1,500 plus GST, and if the Nominee sells any of the Rights, the Nominee will deduct 1% from the proceeds as commission.

The Company reserves the right to treat as invalid any Entitlement and Acceptance Form that appears to have been submitted by a Non-Participating Foreign Holder. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law; and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities law.

#### **2.15. Ranking of New Shares**

New Shares issued pursuant to this Offer Document will rank equally in all respects with existing Shares from their date of issue, which is expected to be on or about 8 February 2013.

Holding statements are expected to be dispatched in accordance with the Listing Rules.

#### **2.16. CHESS**

The New Shares issued pursuant to this Offer Document will participate from the date of commencement of quotation in the Clearing House Electronic Sub register System ('CHESS') operated by ASX Settlement. They must be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS sub register or on the issuer-sponsored sub register.



Arrangements can be made at any subsequent time to convert your holding from the issuer sponsored sub register to the CHESS sub register or vice versa by contacting your sponsoring market participant.

#### **2.17. Withdrawal**

The Directors may at any time decide to withdraw this Offer Document and the Offer. If this Offer Document and the Offer are withdrawn for any reason, the Company will return all Application Monies in accordance with the Corporations Act. Any interest earned on Application Monies will belong to the Company.

#### **2.18. Risks**

Potential investors should read the entire Offer Document and, in particular, consider the risk factors that could affect the Company before deciding to invest. A summary of certain risks applying to an investment in Shares is set out in Section 5 of this Offer Document. Potential investors should carefully consider the risks in light of their personal circumstances, including financial and taxation issues.

If you are uncertain about any aspect of this Offer Document, including whether the Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest.

#### **2.19. Taxation**

It is the responsibility of all Applicants to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional tax advisers before taking up their Entitlement. Taxation consequences will depend on individual circumstances. Neither the Company nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offer. Investors should obtain their own professional advice before concluding on the particular taxation treatment which will apply to them.

### **3. SECTION 3: ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS**

#### **3.1. What You May Do Under the Offer**

Before taking any action in relation to the Offer, Eligible Shareholders should read this Offer Document in its entirety including, but not limited to, Section 5 - Risk Factors.

The choices available to Eligible Shareholders include:

- Take up their Entitlement in full (refer to Section 3.2.1); or
- Take up only part of their Entitlement and sell the rest of the rights on market (refer to Section 3.2.2); or
- Sell all the rights on market (refer to Section 3.2.3); or
- Do nothing and allow their Entitlement to lapse (refer to Section 3.2.3).

#### **3.2. Avoid Diluting Your Shareholding**

The Offer is a pro-rata offer to Eligible Shareholders. Eligible Shareholders who take up their full Entitlement will not have their percentage shareholding in the Company diluted by the Offer. The percentage shareholding of Eligible Shareholders who do not take up all of their Entitlement will be diluted by the Offer.



### **3.2.1. If you wish to take up your Entitlement in full**

If you wish to take up all of your Entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form and return it, together with payment for the full amount payable (being \$0.008 multiplied by the number of New Shares comprising your Entitlement) so it is received by the Closing Date, 5.00 pm 31 January 2013.

### **3.2.2. If you wish to take up only part of your Entitlement and sell the rest of the rights on market**

If you wish to take up part of your Entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form, indicating the number of New Shares you wish to take up (being less than your Entitlement as specified on the Entitlement and Acceptance Form) and return it, together with payment for the full amount payable (being \$0.008 multiplied by the number of New Shares for which you wish to apply) so it is received by the Closing Date, 5.00 pm 31 January 2013. Please note, if you take up only part of your Entitlement, although you will own more shares than before the Offer, your shareholding in the Company will be diluted. Also, if you want to sell the rest of your rights on market, please contact your Broker.

### **3.2.3. You sell all your Rights on market**

If you want to sell all your Rights under the Rights Issue on Market, please contact your Broker. Please note, your shareholding in the Company will be diluted.

### **3.2.4. If you do nothing**

If you do not deal with your Entitlements, they will lapse. If you do nothing, although you will continue to own the same number of Shares, your shareholding in the Company will be diluted.

## **3.3. Acceptance of Entitlement**

Acceptance of the Offer must only be made on the Entitlement and Acceptance Form attached to or accompanying this Offer Document. Acceptance of your Entitlement may be for any number of Shares but must not exceed your Entitlement as shown on that form. If it does, your acceptance is deemed to be for your full Entitlement. The Closing Date and time for receipt by the Company of valid acceptances of Entitlements is 5.00 pm (AEDT) on 31 January 2013 (subject to variation). Eligible Shareholders should return their completed Entitlement and Acceptance Form and payment in the reply paid envelope provided with this Offer Document. Eligible Shareholders are encouraged to submit their completed Entitlement and Acceptance Form and payment as soon as possible. If you have lost the reply paid envelope enclosed with this Offer Document, please send or deliver your Entitlement and Acceptance Form to the Company's Registered Office:

<b>POSTAL ADDRESS:</b>	<b>DELIVERY ADDRESS:</b>
Inventis Limited Reply Paid 85354 CARINGBAH NSW 2229	Suite 12, 1 Box Road CARINGBAH NSW 2229

If you have lost your Entitlement and Acceptance Form, you should contact the Company on (02) 8578 8900 (within Australia) or +61 (2) 8578 8900 (outside Australia).

Applications received after the Closing Date may not be accepted. The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

### 3.4. Payment, Application Monies and Interest

The Offer Price of \$0.008 per New Share is payable upon acceptance of your Entitlement (whether in whole or in part). Full payment must be made in Australian currency by a cheque drawn on an Australian bank or bank draft. Other modes of payment available have been provided in your personalised Form for Acceptance

In the case of cheques and bank drafts, these should be payable to 'Inventis Limited Application Monies Account' and crossed 'Not Negotiable' and sent to the following address:

POSTAL ADDRESS:	DELIVERY ADDRESS:
Inventis Limited Reply Paid 85354 CARINGBAH NSW 2229	Suite 12, 1 Box Road CARINGBAH NSW 2229

Application Monies received from Eligible Shareholders will be held in a bank account established and kept by the Company solely for the purpose of holding Application Monies in accordance with the Corporations Act.

The Company reserves the right to cancel the Offer at any time, in which case all Application Monies will be refunded without interest.

To the fullest extent permitted by law, each Eligible Shareholder agrees that such Application Monies will not bear interest against the Company and that any interest earned on Application Monies will belong to the Company, irrespective of whether or not all or any of the New Shares applied for by the Applicant are issued to that person.

If quotation of the New Shares is not granted by ASX, no New Shares will be allotted and Application Monies will be refunded to Applicants without interest within the time prescribed under the Corporations Act.

## 4. SECTION 4: OVERVIEW OF THE COMPANY AND ITS OPERATIONS AND USE OF FUNDS

### 4.1. Background:

The Company has been consolidating its position in recent years to ensure a leaner and more efficient organisation delivering quality products and services. To that end, numerous measures were undertaken. These include, but are not limited to, the following:

#### *FY 2009:*

**Debt Reduction:** We paid down a portion of our debt being approximately \$0.47m;

**Restructuring:** Providing autonomy to General Managers of the two Divisions while centralising only those services which can be provided more efficiently. Thus achieving a reduction in corporate costs of \$0.5m per annum;

**5 year Business Action Plan:** The Company implemented strategic initiatives as part of the 5 year Business Action Plan.

**Strategic Focus:** Improving performance in Australia and New Zealand through organic growth whilst pursuing opportunities to further grow the business through

partnerships, strategic alliances and other opportunities that provide potential to expand our business nationally and internationally.

**Assimilation of separate entities:** All businesses of the Damba Australia, Gregory Australia and Vibe furniture were assimilated and integrated into Gregory Commercial Furniture Pty Limited;

**Cost Cutting measures:** downsizing of the Bayswater facility, commencement of outsourcing for systems manufacture and manufacturing specialisation for all three plants in the Furniture Division to achieve more streamlined manufacturing and better inventory control. The Company is cutting costs by applying lean principles to our offices and workshops, and upstream to our partners and suppliers, as well as downstream to our customers.

**FY 2010:** Due to the continued global economic crisis, the following further measures were taken:

**Debt Reduction:** We paid down a further portion of our debt being approximately \$0.46m.

**Consolidation:** Consolidation of the Commercial Furniture Division's Sydney and Bayswater facilities into one and moving from Wetherill Park to larger premises able to accommodate all the facilities into one as well as provide for organic growth;

**New Zealand:** New Zealand facility also moved to a better factory at a lower-cost with enhanced work parameters.

**FY 2011:**

**Debt Reduction:** We paid down a portion of our debt being approximately \$0.78m of Commercial bills.

**Sale of Technology Division:** Agreement was reached for the sale of Technology Division and resources were put in place for the growth of the traditional Gregory business. However, this did not eventuate.

**FY 2012:**

**Restructure of Technology Division:** Due to sale of Technology Division not materialising, the Company put in place various cost effective measures as stated in its ASX Announcement dated 2 November 2011.

**Separate Invoice Finance Facility for New Zealand Operations:** A separate Invoice Finance Facility worth \$1m New Zealand dollars was established to ensure that the increase in sales is catered for by this increased facility from Scottish Pacific.

**Tender Wins for New Zealand Operations:** Gregory Commercial Furniture (NZ) Limited won the following exclusive Tenders for the next 3 years:

1. District Health Board (DHB) Contracts; and
2. New Zealand Defence Force Contract.

In addition, it is also in the Preferred Supplier List for Government Supply Board.

**Mortgage of Building owned by Inventis Technology Pty Limited:** The Company had a mortgage free building which it mortgaged to raise \$0.6 m in November 2011.

## **Financial Results for the year ended 30 June 2012:**

**Technology:** Revenue for the Technology Division was \$6.9m, a decrease of \$5.9m on last financial year results. The Division recorded an EBITDA of \$0.03m which is a decrease of \$1.9m on last financial year.

As previously reported, the less than anticipated revenue outcome and poor profit result, compared to last year, is a direct consequence of the Division losing a major client (\$3m) and the non-reoccurring Government project secured last year by Opentec (\$2.4m).

In line with changes announced in November 2011 and subsequently, our Technology Division was comprehensively restructured to make it an efficient leaner operation providing innovative design solutions. This coupled with an enhanced outsourcing strategy, ensures Inventis Technology is able to compete in today's challenging market-place. Additionally, to improve profitability, efficiency and reduce overheads even further, Inventis Technology relocated to new 'fit-for-purpose' premises in Auburn.

Although these measures have had a negative impact on profitability and cash-flow during the last financial year and for a part of this 2012/2013 financial year due to one-off restructuring costs, they are expected to bear fruit as from the second quarter of the 2012/2013 financial year.

**Furniture:** The revenue for the Furniture Division was \$14.7m, an increase of \$0.8m on last financial year. The Division recorded an EBITDA loss of \$0.4m which was an improvement of \$0.8m over the last financial year. This was largely due to an increase in revenue.

Like most manufacturing businesses, our furniture division faced many challenges over the last 12 months. However, it was able to sustain and improve its position during these tough economic times by continuing and accelerating its quest of becoming a leaner more efficient company with clear goals and a detailed plan of how to achieve them.

### **4.2. The Current Year - 2012-2013**

**Technology:** Having refined its technology, product offering and cost-efficiency, Inventis Technology is experiencing a distinct increase in orders from both existing and new government and private sector customers. This is expected to enable the Technology Division to achieve a revenue forecast of \$12m for the coming financial year with Earnings before Tax of approximately \$1m.

**Furniture:** The Gregory Commercial Furniture business model has enabled it to become a "Turn Key" solution provider to its existing and future customers. This coupled with new operational, supply and procurement strategies, has enabled the provision of quality products at a market competitive price, which is enhancing both sales and profit margins.

Our renowned Dual Density seating and our new patent - pending "Tri Tek" seat technology, for which we were a finalist in the Australian International design awards, coupled with other product additions, makes Gregory the complete commercial furniture supplier capable of meeting the needs of its current and future customers.

The Division-wide implementation of the new operational, supply and procurement strategy has led to success in securing approximately \$7m in additional new business with government departments such as the Department of Human Services and the ATO, a 4-year contract with Telstra and preferred supplier contracts with UNSW, UTS & Melbourne University in Australia. In addition to this, we have had resounding success in New Zealand with exclusive supply contracts with the District

Health Boards and Defence Force, which will come into full swing during the 2012-2013 financial year.

The major focus for the coming financial year continues to be on exclusive long-term supply contract arrangements with Government, Corporate as well as Health and Aged Care facilities to ensure the Division's continued growth and success as a true "Turn Key" office furniture solution provider. Hence, projected Furniture Division sales for the financial year ending 30 June 2013 are expected to be in the order of \$19m with Earnings before Tax of approximately \$1.5m.

#### 4.3. Financial Results of the Company for the first 4 month period of financial year ending 30 June 2013

**Technology:** Revenue for the period 1 July 2012 to 31 October 2012 is in the sum of \$3.8m which is approximately \$2.5m above the same period last year with year to date Earnings Before Tax (EBT) of \$0.2m, which is some \$1.6m better than for the same period last year, despite the added costs of moving to new premises in Auburn.

**Furniture:** Revenue for the period 1 July 2012 to 31 October 2012 is in line with the same period last year, despite tougher market conditions and the ongoing cash constraints and year to date EBT is at breakeven, which is some \$0.2m better than the same period last year.

**NZ Operations:** Revenue year to date is in line with the same period last year. This outcome is again despite the cash constraints impacting sales, which led to this Division having to stop supply to major customers for a 2 week period in October 2012, till such time as those clients brought their accounts up to date and year to date EBT loss of \$0.3m is a \$0.1m improvement on the same period last year.

**Head Office:** Year to date costs of approximately \$0.5m are 10% below the same period last year and budget; and

**Net Asset Position:** of the Company is approximately \$5m better than it was at 30 June 2012. The main contributing factors were the liquidation of Les Bleus (Formerly Alpha Aviation) group of companies and a reduction in employee accrued entitlements of which a substantial sum was due to the two former General Managers of the Technology Division.

**In a nutshell:** For the Period ended 31 October 2012

In Australian Dollars (millions)	Group		Technology		Furniture	
	31 Oct 2012	31 Oct 2011	31 Oct 2012	31 Oct 2011	31 Oct 2012	31 Oct 2011
Revenue	9.1	6.7	3.8	1.3	5.3	5.4
Earnings Before Depreciation, Amortisation and Tax (EBDAT)	0.1	(1.6)	0.2	(1.2)	(0.2)	(0.4)
Earnings Before Tax (EBT)	0	(1.9)	0.2	(1.4)	(0.3)	(0.5)

#### 4.4. Use of Funds

The funds raised through the Rights Offer will be used as part of the working capital of the Company to meet the day to day operational cash-flow requirements of the Group as it grows the business.

## 5. SECTION 5 - RISK FACTORS

### 5.1. Introduction

The Securities offered under this Offer Document are considered speculative investments because of the nature of the business of the Company. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised. This section, which is not exhaustive, represents the major risks known to the Company associated with an investment in the Company which potential investors need to be aware of and contains both risk elements that are general to the industry and specific to the Company. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance, potential profits and the value of its Securities. Before deciding to invest in the Company, potential investors should read the entire Offer Document and the risk factors that could affect the financial performance of the Company. Potential investors should specifically consider the factors contained within this section, in order to appreciate fully the risks associated with an investment in the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### 5.2. Key Risk Factors

- (a) **Business Plans and Forecasts:** The forecast revenue has been considered by the Directors with reference to the demand for the products and historic sales revenue statistics of the various companies in the Group. There is however no guarantee that all of the forecasted revenue will result. In addition there is no guarantee on the timing of forecast revenue. The Company is exposed to the risk that potential opportunities may not be realised in the period forecast, due to delays in contractual negotiations, or a potential client deciding not to purchase a particular product at the time. These events could have a material adverse impact on the financial performance of The Company. For example, Government contracts have a long period of negotiations and processing before an actual order is placed even when the Tender is successful.
- (b) **A subsequent Rights Issue:** 68% of the 76% of the shares on issue informally advised that they will take up their share entitlement in the forthcoming share issue. Using this as an indication, it means that the Company may only be able to raise half of the anticipated funds. Consequently, the Company may have to undertake another Rights Issue shortly thereafter, to raise the shortfall in the Capital required by the Company.
- (c) **Capital Raising does not raise any funds:** If the current entitlement issue does not raise any funds, the Company will not have the requisite working capital to meet its requirements, and consequently, despite having a bright future, the Directors may, in worst case scenario, have no option but to appoint an administrator for one or more of the subsidiary companies.
- (d) **Sale of the building not materialising:** Should the sale of the building presently owned by the Company not materialise, the the Company will need to pay off the loaned amount of \$0.6 million plus any interest outstanding by end of the Calender Year 2012. This will need to be paid unless the mortgagee agrees to extend the mortgage period. Thus, it is anticipated that if the Sale of the Building does not materialise, the money raised through the Capital Raising will need to be utilised to pay off the liability and there will be a need for another Capital Raising shortly thereafter for the Company to fulfil its working capital requirements.



### 5.3. General Risk Factors

There are a number of risks, both specific to the Company and general investment risks which may affect materially and adversely the future performance of the Company and the value of the Shares.

The Company has taken steps to put in place safe guards and appropriate systems and actions to mitigate risks but it cannot guarantee that these safeguards and systems will be effective.

Some risks are outside the control of the Company and the Directors and cannot be mitigated. This section describes a number of these risks. Investors should note that this list is not exhaustive, as it is not possible to identify all risks.

None of the Directors of the Company, or any person associated with the Company, guarantees the performance of the Company, the payment of dividends or the market price at which New Shares will be traded.

Prior to making a decision in respect of making an investment in New Shares you should read this offer document carefully and in full and consider the following risk factors.

Investors should have regard to their own investment criteria and financial circumstances and should consider seeking professional guidance from their accountant, financial adviser, stockbroker, lawyer, or other independent professional adviser before deciding whether to invest.

- (a) **Economic Risk:** General economic conditions in the countries and regions in which the Company operates will affect performance of the Company. Adverse changes in factors such as level of inflation, interest rates, exchange control, government policy, and employment rates, among others are outside of the control of the Company and its Directors and may result in material adverse impacts on the business and its operating results and forecasts. Should such a risk occur in the Chinese Economy, it will incur increased costs of components for both the Divisions.
- (b) **Exchange Risks:** The Company's operating businesses import a significant number of components from, and sell products to various countries overseas. The risk associated with exchange rate change and interest rate change is outside of the control of the Company and its Directors and may significantly affect the cost of items that the Company imports or exports. Should US\$ be stronger than the AUD, the purchase of components will be costlier and if the AUD is stronger, the component costs will be cheaper and the profits will increase. However, as the exchange rates fluctuate often, the net effect of such profits and losses in the long run will not affect the business.
- (c) **Liquidity Risks:** Liquidity is a reference to how much cash and cash equivalent the Company has available. The Management of the Company monitors liquidity carefully by regular review of various performance indicators and cash flows. The Directors believe that the capital structure of the Company following the successful completion of the fundraising pursuant to this Offer, together with its borrowing facilities, will provide sufficient capital resources to enable the Company to achieve its forecasts. However there are no guarantees that the Directors' Forecasts can be achieved without further financing, or if further financing is required, that it can be obtained on favourable terms or at all.
- (d) **Outsourcing Risks:** The operating companies in the Group have adopted a policy to outsource externally much of the manufacture of their Componentry and the provision of some services. The Group's operations are therefore vulnerable and could be significantly impacted:

- By the performance and the financial viability of its outsourcers;
  - If outsourcers no longer continued to manufacture or supply a particular Group company; or
  - If outsourcers materially increased their prices.
- (e) **Intellectual Property:** The Company's operating subsidiaries market position depends, in part, on their ability to protect their Intellectual property rights and proprietary applications. The Company relies on a combination of trade secrets, copyright and trademark law, patents, non-disclosure agreements and technical measures to protect its proprietary technology. It is possible for a third party to gain unauthorised access to, and to use applications to which the Company and Group companies have proprietary rights and ownership. In addition, it may be possible for unauthorised third parties to copy all or part of products produced by the Group or to reverse engineer or otherwise obtain and use proprietary information.
- (f) **Product Liability Risk:** All manufacturing companies face a product liability risk. When dealing with the general public there is always a chance that one of the Company's products may fail and cause damage or injury. For all product liability, the Company maintains comprehensive product liability insurance. Currently there are no known or threatened actions from an event of this nature however, should there be an action it would be a considerable distraction to the Management that could impact the performance of the Company and could have a material adverse effect on the profitability of the Group.
- (g) **Fraud Risk:** It is not possible to eliminate completely the risk of fraud, however the Directors ensure that across the Group, reporting systems are implemented and/or strengthened to help the Group to operate in a manner such that fraud, theft and corruption are difficult to commit, likely to be detected and guaranteed to result in the retributive actions against the guilty party.
- (h) **Human Resource Risks:** The Company is reliant on certain key Management, technical and sales personnel to generate future earnings. The achievability of the forecasts is partially dependent on the recruitment of additional managerial and technical staff with the appropriate skill levels. The Company is committed to retain key personnel. However there is no guarantee that key personnel will remain committed to the Company. The Company has entered into Employment Agreements with its executive Directors and senior executives and has life insurance in place for certain key persons. The Company relies on its ability to attract, retain, motivate, and train highly skilled and qualified employees in order to develop and market its products. If key personnel leave any one of the Group companies, this may have a material adverse effect on the Company's ability to achieve its forecast earnings. A very serious risk that any manufacturing company faces is the risk from injury to an employee. The Directors are very aware of the risk, and have implemented appropriate safety regimes which are constantly monitored and reviewed. The Directors acknowledge that if an injury occurs in the workplace the Company will be likely face some form of legal action.
- (i) **Environmental Risks:** The Company is very conscious of the environment and the impact that its products and manufacturing process have upon it. The Company is always looking for better ways to produce its products that are more environmentally friendly. However there is always a risk that at some time one of the Group's processes or products will cause damage to the environment and that the Company will be held responsible for that damage.
- (j) **Litigation:** There is always the risk of litigation against any company. The Directors have in place procedures and policies to attempt to limit this risk.



- (k) **Recession:** Due to current Global Financial Crisis, the customers have been slow in placing orders but this is now been seen reversed. However, due to the recession, the sales in the global market decrease especially of the furniture rather than technology. The Company has also had to deal with a number of its customers who have gone into receivership or liquidation as well extensive payment delays.

## **6. SECTION 6: ADDITIONAL INFORMATION**

### **6.1. Disclosing Entity**

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's shares.

The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with ASX.

Copies of the Company's announcements can be obtained from [www.asx.com.au](http://www.asx.com.au) or [www.inventis.com.au](http://www.inventis.com.au). Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC. The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer period:

- The annual financial report for the year ended 30 June 2012 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Offer Document).
- Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to above and before the lodgement with ASIC of a copy of this Offer Document.

This Offer Document contains details specific to the Offer. If Shareholders require any further information in relation to the Company, the Directors recommend that those Shareholders take advantage of the ability to inspect or obtain copies of the documents referred to above.

### **6.2. Rights Attaching to New Shares**

#### **6.2.1. General**

The rights and liabilities attaching to Shares are set out in the Company's Constitution, and are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law. Set out below is a summary of the principal rights and liabilities attaching to Shares. This summary is not exhaustive and is not a definitive statement of the rights and liabilities of Shareholders.

#### **6.2.2. Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share.

### **6.2.3. General Meeting and Notices**

Each Shareholder is entitled to receive notice of, and to attend and vote at, the Company's general meetings and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the Listing Rules.

### **6.2.4. Dividends**

Subject to the Corporations Act, the Company's profits which the Directors determine to distribute by way of dividends are divisible amongst the holders of Shares in proportion to the amounts paid on the Shares.

### **6.2.5. New Shares**

The New Shares issued pursuant to this Offer Document will rank equally in all respects to those Shares within the existing company capital structure.

### **6.2.6. Variation of Class Rights**

At present, the Company only has ordinary Shares on issue and has no current plans to create further classes of Shares. The rights and restrictions attaching to a class of the Company's Shares can only be altered with the consent of a special resolution passed at a separate meeting of the holders of that class of share by 75% of those holders, who, being entitled to do so, vote at that meeting or with the written consent of holders with at least 75% of votes in the class.

### **6.2.7. Further Issues of Securities**

The Directors may, subject to the Corporations Act, the Listing Rules or any special rights conferred on the holders of any Share or class of Share, issue or dispose of Shares over Shares to any person at any time and on any terms and conditions as they think fit. The Company may create preference shares.

### **6.2.8. Winding Up**

Subject to the rights of holders of Shares issued on special terms and conditions, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the Company's property. The liquidator may set such value as it deems fair on any property to be so divided and may determine how the division is to be carried out as between Shareholders or different classes of holders.

### **6.2.9. Small Holdings**

Subject to the Listing Rules and ASX Settlement Operating Rules, the Company may sell the shares of a Shareholder who holds less than a marketable parcel of shares.

### **6.2.10. Buy-Backs**

Subject to applicable laws and regulation, in particular the Corporations Act and the Listing Rules, the Company may buy back shares on such terms and conditions as the Board may determine from time to time. Shareholder approval may be required for certain kinds of buybacks.

#### **6.2.11. Transfer of Shares**

Subject to the Listing Rules and the Constitution, the Company's Shares are transferable in accordance with CHESS (for CHESS Approved Securities), by instrument in writing in any usual or common form or in any other form that the Directors approve. The Directors may, subject to the requirements of the Listing Rules, request ASX Settlement to apply a holding lock to prevent a transfer of Shares in the Company.

#### **6.2.12. Directors**

The minimum number of Directors is 3 and the maximum is 10. The Board may appoint additional Directors to fill a casual vacancy subject to the number of Directors not being more than the permitted maximum of 10. At each of the Company's annual general meetings, one third of the Directors (or, if the number of Directors is not a multiple of three, then the number nearest one-third) and any other Director who has held office for three years or more must retire from office. The Managing Director is exempted from retirement by rotation. A retiring Director is eligible for re-election.

#### **6.2.13. Indemnities and Insurance**

The Company must, to the extent permitted by law and subject to the Corporations Act, indemnify current and past Directors, officers and employees of the Company and of any subsidiary of the Company against a liability incurred by the person acting in that capacity and against all legal costs incurred in connection with proceedings in which the person becomes involved because of that capacity. The Company may pay the premium on a policy of insurance in respect of a person who is or has been an officer of the Company to the full extent permitted by the Corporations Act.

#### **6.2.14. Amendment of the Constitution**

The Corporations Act provides that the Constitution of a company may be modified or repealed by a special resolution (that is, passed by the affirmative vote of at least 75% of the votes cast) of the members of the company. The Company's Constitution does not impose any further requirements to be complied with to effect a modification of the Constitution, or to repeal it.

#### **6.2.15. Consents and Disclaimers**

None of the persons named below has authorised or caused the issue of this Offer Document or made any statement that is included in this Offer Document, or any statement on which a statement made in this Offer Document is based, except as stated below. Each of the persons named below expressly disclaims and takes no responsibility for any statements or omissions from this Offer Document. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given below.

### **6.3. Expenses of the Offer**

The offer is being managed in-house and is not underwritten. The Company expects the expenses of the offer to be minimal that will be pre-dominantly listing fee costs as per ASX Listing Rules and administrative fees for the Registry and some printing and stationery costs. The Nominee costs are \$1,500 plus GST for selling the Rights of the non-qualifying foreign shareholders which the Company has to incur. Additionally, should the Nominee sell any rights, the Nominee will deduct its 1% commission from the proceeds of such sale before remitting the balance of the proceeds to the respective non-qualifying foreign shareholder.

#### **6.4. Governing Law**

This Offer Document and the contracts that arise from acceptance of the Applications are governed by the laws of New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

#### **6.5. Expiry Date**

No New Shares will be offered on the basis of this Offer Document later than 13 months after the date of this Offer Document.

#### **6.6. Electronic Offer Document**

A copy of the Offer Document is available from the website of the Company at [www.inventis.com.au](http://www.inventis.com.au). Applications for New Shares offered pursuant to this Offer Document can only be submitted on an original personalised Entitlement and Acceptance Form which accompanies the Offer Document.

### **7. SECTION 7 - GLOSSARY OF TERMS**

**AEDT** means Australian Eastern Daylight Time.

**Applicant** means an Eligible Shareholder or person who acquires any Entitlement and who submits a valid Entitlement and Acceptance Form.

**Application** means a valid Entitlement and Acceptance Form to subscribe for New Shares under the Offer.

**Application Form** means Application and Entitlement Form.

**Application Monies** means monies received from Applicants in respect of their Applications.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) and where appropriate, includes the securities exchange operated by that company.

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532).

**Board, Board of Directors** means the Directors of the Company acting as a board.

**Closing Date** means the date on which the Offer closes, being 31 January 2013 or such other date as Directors determine in accordance with this Offer Document.

**Company** means Inventis Limited ABN 40 084 068 673.

**Constitution** means Constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth), as amended from time to time.

**Director** means each director of the Company at the date of this Offer Document.

**Dollars (\$)** means Australian dollars unless otherwise indicated.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form to be used by Eligible Shareholders in connection with the Rights Offer, attached to or accompanying this Offer Document.

**Entitlement** means one (1) New Share for every one (1) Share held on the Record Date.

**Entitlement Offer Document** means the Document called "Renounceable Rights Offer Document" issued by the Company on 11 December 2012.

**Eligible Shareholders** means those Shareholders of the Company recorded on the Register at the Record Date with addresses in Australia or New Zealand.

**Inventis** means the Company.

**Listing Rules** means the ASX listing rules as are in force and which apply to the Company from time to time.

**New Shares** means the Shares in the Company being offered pursuant to this Offer Document.

**Nominee** means an Australian Financial Services License holder who can trade in securities, appointed by the Company to sell the rights of non-qualifying foreign shareholders and approved by ASIC for appointment as a Nominee under section 615 of the Act. The Company has undertaken not to divulge the details of the Nominee in any of its Rights Issue documentation.

**Offer** means the pro-rata renounceable rights issue of 157,364,368 New Shares in the Company on the basis of one (1) New Share for every one (1) Share held on the Record Date at an issue price of \$0.008 per New Share for the purpose of raising approximately \$1,258,915.

**Offer Document** means this document (including any electronic form of this Offer Document) and any supplementary or replacement offer document in relation to this document.

**Offer Price** means a price of \$0.008 per New Share.

**Record Date** means 19 December 2012.

**Register** means the Company's register of members.

**Rights** mean the right to subscribe for New Shares pursuant to this Offer Document.

**Rights Offer** means the Offer made under this Offer Document.

**Securities** have the meaning given by section 9 of the Corporations Act.

**Share or Shares** mean fully paid ordinary shares in the capital of the Company.

**Shareholder** means a holder of Shares recorded on the Register.

**Share Registry** means Computershare Investor Services Pty Limited.

## CORPORATE DIRECTORY

**(EXTRACT FROM ANNUAL REPORT 2012) (FOR INFORMATION PURPOSES ONLY) ~  
No Separate consent was sought for this Offer Document from any Named Persons Herein.**

<b>Principal Registered Office</b> Inventis Limited Suite 12 1 Box Road Caringbah NSW 2229 Telephone: +61 2 8578 8900 Facsimile: +61 2 9540 9731	<b>Auditors</b> KPMG 10 Shelley Street Sydney NSW 2000
<b>Locations of Share Registries</b> Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Telephone: +61 2 8234 5400 Facsimile: +61 2 8234 5455	<b>Solicitors</b> DLA Piper 201 Elizabeth Street Sydney NSW 2000 AND HWL Ebsworth Lawyers Level 14, Australia Square 264-278 George Street Sydney NSW 2000

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# 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

INVENTIS LIMITED

ABN

40 084 068 673

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   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 154,364,368  |
| 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) | Renounceable Rights Issue for Shareholders having registered addresses in either Australia or New Zealand (Eligible Shareholders). Offer being 1 New share for each existing share held by an Eligible Shareholder on the Record Date. The price per share is AUD \$0.008 (0.8 cents) per share. |

+ 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, the New Securities will rank equally in all respects from the date of allotment with the existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.008 per share (0.8 cents per share)</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To use the funds for Working Capital Requirements of the Group</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>Not Applicable</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not Applicable</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A					
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)					
6f	Number of securities issued under an exception in rule 7.2					
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.					
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					
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					
7	Dates of entering +securities into uncertificated holdings or despatch of certificates					
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">314,728,736</td> <td style="text-align: center;">Ordinary securities</td> </tr> </tbody> </table>	Number	+Class	314,728,736	Ordinary securities
Number	+Class					
314,728,736	Ordinary securities					

+ See chapter 19 for defined terms.



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

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Not Applicable
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	At par with the existing shares

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

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
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>	
19	Closing date for receipt of acceptances or renunciations	

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+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

## Appendix 3B New issue announcement

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### 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

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+ See chapter 19 for defined terms.

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

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

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

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)

	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.

*Renuka Sharma*

Sign here: .....  
(~~Director~~/Company secretary)

Date: 11 December 2012

Print name: Renuka Sharma

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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

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	
<p><b><i>Add</i></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><b><i>Note:</i></b></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>	
<b><i>Subtract</i></b> the number of fully paid ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	
<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>	
“C”	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.15] – “C”	  <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>	
<p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A 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 under rule 7.1A</p> <p><b>Notes:</b></p> <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>	
<b>“E”</b>	

+ See chapter 19 for defined terms.



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

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.