



Transaction Specific Prospectus

For a non-renounceable priority offer of four (4) Convertible Preference Share (CPS) for every nine (9) ordinary class of shares held to raise approximately \$3.78 million

Issuer: Inventis Limited (ASX Code: IVT)
ABN: 40 084 068 673

This offer is made under a foreign recognition scheme to all ordinary class shareholders of the Company who have a registered office address in either Australia or New Zealand on the Record Date for determining eligible ordinary class security holders.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Convertible Preference Shares offered by this Prospectus should be considered as speculative.

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1. Important Notices

About this Prospectus

This Prospectus is dated 17 October 2013 and was lodged with the Australian Securities and Investments Commission (“ASIC”) on that date pursuant to section 718 of the Corporations Act (“The Act”). ASIC and ASX Limited (“ASX”) take no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

This Prospectus expires on the date which is 13 months after the date of Prospectus (“Expiry Date”) and no Convertible Preference Shares will be issued on the basis of this Prospectus after the Expiry Date.

No representations other than in this Prospectus and any disclosed information under section 713.

You should rely only on information in this Prospectus or information as disclosed by the Company under the ASX Continuous Disclosure Regime. No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this Prospectus.

This Prospectus does not provide financial product or investment advice – you should seek your own professional investment advice.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Convertible Preference Shares the subject of this Prospectus should be considered highly speculative.

Application Process

Application for CPS offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

Transaction Specific Prospectus – Special content

The Company is issuing this Prospectus under Section 713 of the Corporations Act, 2001, read with Class Order [CO 00/195] and ASIC Regulatory Guide 66.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations and copies of documents lodged with ASIC and ASX may be obtained from, or inspected at, an ASIC office and may also be obtained from www.asx.com.au or www.inventis.com.au.

Alternatively, you may request, during the Application period, the Company Secretary by phoning: +61 2 8916 6840 or emailing at Rightsissue@inventis.com.au to provide you with a hard copy (free of charge) of the following documents:

1. Annual Report 2013, lodged with ASX and ASIC on 30 September 2013; and
2. Any continuous disclosure notices given by the Company during the period 30 September 2013 and 18 October 2013.

At the date of this Prospectus, the Company has complied with:

1. The provisions of Chapter 2M as they apply to the Company; and
2. Section 674 of the Act.

ASIC Regulatory Guide RG-74.90 states that the takeover prohibition in s606 only applies to relevant interests in issued voting shares. Convertible securities over unissued shares do not ordinarily give rise to an acquisition of a relevant interest in a voting share.

However, the holder of convertible securities will need to rely on item 7 or another section 611 exception for the issue of shares on conversion if these new shares cause the acquirer (or someone else) to exceed the 20% threshold in s606.

Rule 4 (a) of the Constitution of the Company states that “Notwithstanding anything contained in the Constitution, the Directors shall not without prior approval of the Company in General Meeting allot any shares in the Company to any person or Company if such allotment would have the effect of transferring a controlling interest in the Company provided that this prohibition shall not apply in any case either where such allotment is pursuant to an offer of shares to the holder of ordinary shares in the Company as nearly as practicable in proportion to their respective shareholdings or where such person or company is already registered as the holder of a majority of the issued shares in the Company prior to such allotments.”

As CPS is a priority offer to the existing shareholders, there may be substantial shareholders who may on conversion end up with 20% or more of the ordinary shares on issue. The details of such an event are provided in Section 9 of this Prospectus.

Restrictions in foreign jurisdictions

This offer is made under a foreign recognition scheme to all ordinary class shareholders of the Company who have a registered address in either Australia or New Zealand on the Record date for determining eligible ordinary class IVT security holders.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. Neither the CPS nor the Ordinary shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States.

2. Chairman's Letter

Dear Investors,

On behalf of the Directors, I am pleased to offer you the opportunity to invest in Inventis Limited through a new security called Inventis Limited Convertible Preference Shares ("CPS").

CPS will be issued to support the working capital requirements of the Company, retiring debt and for the growth of the Group. A part of the funds raised will also be used to upgrade current hardware and software to bring them into line with current technology.

CPS are fully paid compulsorily convertible preference shares, issued by IVT.

CPS provide investors with a fixed rate, semi-annual, discretionary, non-cumulative dividends, which are expected to be fully franked. Importantly, the CPS are also expected to be quoted on the ASX.

The CPS holders will have an option to convert all or part of their CPS holdings into fully paid ordinary shares at any time prior to 30 December 2016. All CPS will mandatorily convert into Ordinary shares on 30 December 2016.

The Company intends to raise approximately \$3.78 million through the offer of CPS with the ability to raise more or less than the \$3.78 million.

ASIC has published guidance for retail investors, which may be relevant to your consideration of CPS – namely, information for retail investors who are considering investing in hybrid securities called "Hybrid Securities and notes" (under the heading "Complex Securities" at www.moneysmart.gov.au/investing) (the "ASIC Guidance"). Free copies of the ASIC Guidance can be obtained from ASIC's website at www.moneysmart.gov.au/investing or by calling ASIC on 1300 300 630 (from Australia) or +61 3 5177 3988 (from outside Australia).

On behalf of the Directors, I encourage you to read this Prospectus carefully and consider the risk factors set out in Section 7 before deciding whether to subscribe.

If you are uncertain whether CPS are a suitable investment for you, we encourage you to consult your financial adviser or other professional adviser.

Yours sincerely,



Tony Noun
Chairman

3. Summary of key dates

Key dates for the Offer	Date
Lodgement of the Original Prospectus with ASIC	17 October 2013
Date of Determining Eligible Security holders	1 November 2013 (RECORD DATE)
Opening Date for CPS offer	8 November 2013
Closing date for CPS offer	6 December 2013 (CLOSING DATE)
Issue Date and First Conversion	10 December 2013
Placement of shortfall	6 March 2014 or any date when the shortfall is fully subscribed, whichever is earlier.
Issue and conversion for Shortfall Participants	10 March 2014 or the date of issue of shortfall shares, whichever is earlier.
First Dividend Record date	10 June 2014
First Dividend Payment date	On or before 30 June 2014
Optional Conversion Dates	
- Year 1	Application received on or before 6 June 2014
	Application received on or before 6 December 2014
- Year 2	Application received on or before 6 June 2015
	Application received on or before 6 December 2015
- Year 3	Application received on or before 6 June 2016
	Application received on or before 6 December 2016
Mandatory Conversion Date	30 December 2016

4. Details of the Offer

4.1. **The Offer:** The offer is being made as a non-renounceable priority offer of four (4) new CPS for every nine (9) ordinary shares held and registered at the Record Date at an issue price of \$0.03 per CPS. Fractional entitlements will be ignored for the issue of CPS. Thus, all shareholdings will be rounded off downwards to the nearest factor of 9 and then divided by 9 and multiplied by 4, the resulting number will then be the entitlement of the ordinary class shareholder.

As at the date of this Prospectus the Company has 283,392,487 ordinary shares on issue.

All the CPS offered under this Prospectus will be issued in accord with the Terms and Conditions set out in Appendix "A" of this Prospectus.

Any Shortfall will be offered to new investors in accord with the Terms and Conditions set out in Appendix "B" of this Prospectus.

Upon the future conversion of the CPS offered under this Prospectus to Ordinary shares, the Ordinary shares so allotted will rank equally with the Shares on issue at the date of conversion.

The purpose of the Offer and the intended use of funds raised are set out in Section 5 of this Prospectus.

4.2. **Minimum Subscription:** There is no minimum subscription to this offer.

4.3. **Acceptance:** Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum entitlement.

You may participate in the offer as follows:

(a) If you wish to accept your full entitlement:

- a. Complete the entitlement and acceptance form; and
- b. Pay by way of EFT, as provided for in section "4.5" below, or by attaching your cheque, as provided for in section "4.4" below, for the amount indicated on the Entitlement and Acceptance form; or

(b) If you wish to accept part of your Entitlement:

- a. Fill in the number of CPS you wish to accept in the space provided on the Entitlement and acceptance form; and
- b. Pay by way of EFT, as provided for in section "4.5" below, or by attaching your cheque, as provided for in section "4.4" below, for the appropriate application monies (at \$0.03 per CPS); or

(c) If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4. **Payment by Cheque / bank draft:** All cheques must be drawn on an Australian bank or bank draft made payable in Australian Currency to "Inventis Limited – Application Monies Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the company's share registry or registered office address no later than 5.00pm AEST on the Closing Date.

4.5. **Payment by EFT:** For Direct Bank transfer the details of the bank account are as follows:

BSB Number: 062-468

Account Number: 10520227

Account Name: Inventis Limited Application Monies Account

Swift Code: CTBAAU2S

4.6. **Underwriting:** The offer is not underwritten.

4.7. **Shortfall Offer:** If you do not wish to take up any part of your Entitlement, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer.

Book-build: The Company is in the process of compiling a list of potential new investors for the purpose of offering these new investors, CPS under the Shortfall Offer. The terms of the Shortfall Offer are described in Appendix "B" to this Prospectus.

4.8. **ASX Listing:** Application for Official Quotation of the CPS offered pursuant to this Prospectus will be made within seven (7) days after the date of this Prospectus. If ASX does not grant Official Quotation of the CPS offered pursuant to this Prospectus, before the expiration of three (3) months after the date of issue of this Prospectus (or such period as varied by ASIC), the Company will not issue any CPS and will repay all application monies for the CPS within the times prescribed under the Corporations Act, without any interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the CPS being offered for subscription.

4.9 General FAQs		
Topic	Summary	Further Information
What are IVT CPS?	<ul style="list-style-type: none"> IVT CPS are fully paid preference shares being issued by IVT, which compulsorily convert at maturity date to ordinary class shares 	Refer to Appendix "A "
What is the term of CPS	<ul style="list-style-type: none"> The Maturity date of CPS is 31 December 2016 at which time all CPS will be converted automatically into ordinary class shares. 	Refer to Appendix "A"
How do IVT CPS rank in relation to other IVT instruments	<ul style="list-style-type: none"> On a winding up of IVT, CPS rank for payment of \$0.03 per CPS ahead of Ordinary class shares, but behind all creditors of IVT. For the payment of dividends, CPS rank ahead of ordinary shares. 	Refer to Appendix "A"
Will CPS be quoted on ASX	<ul style="list-style-type: none"> IVT has applied for the CPS to be quoted on the ASX. 	Section "4.8"

Are CPS secured	<ul style="list-style-type: none"> • CPS are unsecured. 	Refer to Appendix A
4.10 Dividends		
Topic	Summary	Further Information
What are dividends	<ul style="list-style-type: none"> • Dividends on CPS are preferred, discretionary, non-cumulative fixed rate payments subject to Section 254T of the Corporations Act, 2001. • Dividends are scheduled to be paid semi-annually in arrears on the Dividend Payment Dates, if declared. • CPS holders are expected to receive cash dividends which have been fully franked. • Dividends are non-cumulative. If a Dividend or part of a Dividend is not paid on a Dividend Payment Date, CPS Holders have no claim of entitlement in respect of non-payment and no right to receive that Dividend at any later time. • The Dividend Rate is 8.50% per annum. 	Refer to Appendix "A"
How will the Dividend be calculated for each Dividend period	<p>The Dividend calculation is</p> $\frac{(\text{Dividend Rate} \times \text{Face Value of CPS} \times \text{Number of Days in a dividend period})}{365}$ $= \frac{[8.50\% \times \$0.03 \times 182(\text{or } 183)]}{365}.$	Refer to Appendix "A"
What is the impact of Franking Credits	<p>Dividends are expected to be fully franked. The Company as the head entity in the tax consolidated group has the benefit of \$1,539,556 franking credits available as at 30 June 2013.</p> <p>CPS Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Dividend.</p> <p>CPS Holders should also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each CPS Holder.</p>	Section "8"

4.10 Dividends (continued)		
Topic	Summary	Further Information
When are the Dividend Payment Dates	The first Dividend Payment Date is 30 June 2014 and subsequent dividend payment dates are 30 December 2014, 30 June 2015, 31 December 2015 and 30 June 2016. If any of these days is not a business day, then Dividend Payment Date will be the next Business Day.	Section "3"
What are the conditions under Section 254T of the Corporations Act, 2001	Section 254T deals with circumstances in which a Dividend may be paid. A Company must not pay a dividend unless: (a) The company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and (b) The payment of the dividend is fair and reasonable to the company's shareholders as a whole; and (c) The payment of the dividend does not materially prejudice the company's ability to pay its creditors.	Section "7"
4.11 Mandatory Conversion		
Topic	Summary	Further Information
What is mandatory conversion	CPS Holders will receive Ordinary shares on conversion of the CPS on the Mandatory conversion date.	
When is Mandatory Conversion Date	The Mandatory conversion date is fixed as 31 December 2016.	
How many ordinary class shares will a CPS Holder receive on the Mandatory Conversion Date	Each CPS will be automatically be converted into one Ordinary class share on the Mandatory conversion date.	

5. Purpose of the Offer

5.1 Investment Overview		
Topic	Summary	Further Information
What is the Offer?	The Offer is for the issue of IVT CPS to raise \$3.78 million with the ability to raise more or less	Section "4"
Who is the issuer?	Inventis Limited ("IVT")	Section "4"
What are IVT CPS?	<ul style="list-style-type: none"> • IVT CPS are preference shares that have priority over Ordinary shares for dividends and on a winding up. However, IVT may issue other securities that would rank equally or ahead of the IVT CPS (which therefore could take priority over IVT CPS for dividends or winding up). • IVT CPS are expected to be quoted on ASX. There may or may not be a liquid market for the IVT CPS, which in turn may affect the market price of IVT CPS. • Issue price is \$0.03 per IVT CPS. 	Refer to Appendix "A"
Why is IVT issuing CPS	<ul style="list-style-type: none"> • IVT is issuing CPS to raise funds for the working capital needs of the IVT Group and to retire debt. 	Section "5"
What are terms of Issue of CPS?	<ul style="list-style-type: none"> • The CPS terms are complex and IVT's ability to pay Dividends is dependent on Corporations Act requirements. • The proceeds from the offer will be used to generate corporate funding and working capital requirements. 	Refer to Appendix "A"
Are CPS rated?	<ul style="list-style-type: none"> • IVT has not sought a credit rating for IVT CPS. 	-

5.1 Investment Overview (continued)

Topic	Summary	Further Information
<p>What and When dividends are payable?</p>	<ul style="list-style-type: none"> • Dividends on CPS are discretionary, which means IVT does not have to pay them. Dividends are also payable only if conditions under Section 254T of the Act are met by IVT. • Subject to the above, IVT CPS holders may receive dividend twice a year. • The dividend rate is fixed at 8.50% per annum. • Dividends are expected to be fully franked. CPS holders should be aware that their ability to use franking credits depends on their individual circumstances. • If the Dividend is not paid to CPS holders, IVT is prevented from paying dividend on its ordinary shares for the next half year. • Dividends are non-cumulative, which means that unpaid dividends do not add or accumulate. CPS Holders will not have any right to compensation if IVT does not pay Dividends. Failure to pay a Dividend is not an event of Default. 	<p>Refer to Appendix "A"</p>

5.1 Investment Overview (continued)

Topic	Summary	Further Information
Will I get my capital back?	<ul style="list-style-type: none"> • The CPS are mandatorily converted to Ordinary Shares on 30 December 2016 when you can trade it and may or may not receive your capital back which is dependent on trading conditions at that time. • Also CPSs are expected to be quoted at ASX. There may or may not be a liquid market for the CPS, which in turn may affect the market price of CPS and your ability to get your capital back by trading in CPS. • You do have an option to convert CPS to ordinary shares at any time before 30 December 2016 on such terms as are described in Appendix A at which time, you may trade your ordinary shares and depending on the trading conditions may get your capital back. 	Refer to Appendix "A"
Will the CPS be Redeemed?	<ul style="list-style-type: none"> • No, CPS are compulsorily convertible to ordinary shares and are not redeemable. 	Refer to Appendix "A"
Will the CPS convert to Ordinary shares?	<ul style="list-style-type: none"> • Yes, the automatic conversion date is 30 December 2016. • You have an option to convert CPS into ordinary shares at any time before that date as per terms and conditions under Section 	Refer to Appendix "A"
How can I request for an early conversion of CPS to Ordinary Shares?	<ul style="list-style-type: none"> • By sending a completed Conversion application form obtainable from www.inventis.com.au 	Refer to Appendix "A"

5.1 Investment Overview (continued)		
Topic	Summary	Further Information
How would CPS rank in a winding up of IVT?	<ul style="list-style-type: none"> In a winding up of IVT, CPS rank ahead of ordinary shares, but behind all creditors of the Company as per Corporations Act, 2001. In addition, IVT is a holding company of its subsidiaries in the IVT Group and the claims of IVT have on those companies rank behind those companies' creditors in a winding up of those companies'. 	Refer to Appendix "A"

5.2. **Purpose of the Offer:** The purpose of the Offer is to obtain funds to do the following:

- (a) **Retirement of Existing Debt:** Currently the Company owes one of its related parties, THN Pty Limited, a debt of \$1.4 million. This has been due to the fact that no current funding was available or forthcoming, and the Company needed urgent working capital. This debt is secured by a registered charge in New Zealand and may be secured in Australia, subject to the consent of the Invoice finance facility provider through registration of similar charge under Personal Property and Securities Act, 2009. The Company wishes to pay off this debt along with other debts owing to various other creditors.
- (b) **Working Capital:** The Company has insufficient working capital, with the consequent inability to pay suppliers on time. This has resulted in restricted supply of essential components and materials. To ensure that the business not only runs smoothly but also grows organically, there is a substantive need of a capital injection. The last two capital raising (Rights Issues on 6 February 2012 and 11 December 2012) could only raise around 50% of the required capital, this along with the time factor has increased the need of capital from \$1million in early 2012 to the current level \$3.78million.
- (c) **To secure better financing facilities:** The Company is trying to procure better funding in the current environment of trading. For this to be successful, the Company needs to show that the existing shareholders are willing to invest in the Company for its secure and successful future.
- (d) **To fund for Capital Investments long overdue:** The Company needs to also upgrade its hardware and software, which will provide better facilities and a more technically efficient future for the Company and its wholly owned subsidiaries as well as reduce down time associated with the unavailability servers to attend to the needs of the business.

6. About Inventis Limited

- 6.1. **Trading Results:** Please refer to Annual Report 2013 filed with ASIC and ASX on 30 September 2013. This is also available on the Company's website www.inventis.com.au
- 6.2. **Sale of Building:** As previously reported settlement took place as anticipated on 17 May 2013. The property sold at \$0.69 m inclusive of GST with a related party loan of \$0.63 m (including interest) being paid off.
- 6.3. **Rights Issue Result:** In earlier recapitalisation steps the Board undertook a Renounceable Rights issue in February 2012 followed by a second Renounceable Rights issue in December 2012. As outlined in the Key Risk Factors of the Rights Issue Offer Document dated 11 December 2012, there was a risk of raising only half the amount of anticipated funds with the possibility of the Company needing to undertake further Rights issues to raise the Capital required by the Company to deliver the Strategic business plan in full.

The Board has been exploring avenues for raising further debt and equity capital. With the growth opportunities available to the Company the budgets highlight a need for at least \$3.78m to be raised to fulfil the following working capital requirements necessary to deliver the growth in revenue and NPAT. The key reasons for the \$3.78m capital injection are:

- To fill the gap which arose due to part subscription of Pro-rata Rights Issues dated 6 February 2012 and 11 December 2012 being \$1.15m (shortfall of \$0.6m and \$0.55m respectively);
- Additional funding costs over the past 6 months from the above shortfall resulting in penalties and higher interest paid on existing debt facilities; and
- A further \$1.0 m to accelerate growth of the Company in new markets.
- As a consequence of the gap created (referred to above) short-term loans subsequently taken out by the Company to assist in bridging this gap will be paid down from the funds raised pursuant to this CPS Offer.

In the opinion of the Directors, the achievement of positive results, during tough economic times is significant; consequently they wish to acknowledge and thank each and every Inventis staff member for ensuring that the Company is successful and well positioned to take advantage of the economic recovery when it happens.

7. Investment Risks

7.1. 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.

7.2. 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) **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.

7.3. 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 Risks:** 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 directors believe that the net effect of such profits and losses in the long run should 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 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 the recent Global Financial Crisis, the customers have been slow in placing orders but indications exist that this may now turnaround. However, due to the recession, the sales in the global market have decreased especially for 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.

8. Tax Summary

8.1. The information contained herein is necessarily general in nature and investors in IVT CPS will need to consult their own professional tax advisors regarding the consequences of acquiring, holding or disposing of IVT CPS in light of their particular circumstances.

- (a) **Equity Interest:** IVT CPS is to be considered as an Equity interest and the payments of Dividends and any Gross up amounts will be frankable distributions and investors will be required to include those amounts in their assessable income.

- (b) **Dividend and tax offsets:** Any franking credits attached to the dividends and any gross up amounts should be included in the assessable income of Investors and tax offsets should generally be available, equal to the franking credits.
- (c) **Conversion of IVT CPS:** For each IVT CPS that is converted, the terms of the IVT CPS will be changed such that they are the same as the terms of an Ordinary share. The Conversion of an IVT CPS into Ordinary Shares should not give rise to a capital gain or a capital loss for an investor. However, if the market price and the price as pre-determined for conversion is different, then there might be a Capital Gain or Loss at the time of conversion.
- (d) **Withholding Requirements:** IVT is required to deduct withholding tax from payments of any dividends that may be paid in respect of the IVT CPS and that are not 100% franked at the rate specified in the Taxation Administration Regulations, 1976 (currently 46.5%), and remit such amounts to the Australian Taxation Office, unless a Tax File Number or an Australian Business Number has been quoted by an investor.
- (e) **Taxation of Financial Arrangements (TOFA) Rules:** The broad objective of the TOFA Rules is to tax financial arrangements on accruals or marked-to-market basis and the rules are intended to apply to certain 'equity interests' (section 230-50) in some circumstances. The IVT CPS are equity interests for Australian Tax purposes.

Investors should seek their own taxation advice as to the potential application of TOFA rules to their investment in the IVT CPS in their particular circumstances.

- (f) **GST:** No GST should be payable by an investor in respect of acquiring IVT CPS or on a sale, Conversion or Transfer of IVT CPS.
- (g) **Stamp Duty:** No Stamp Duty will be payable by an Investor on the acquisition, sale, conversion or transfer of IVT CPS so long as CPS are quoted on ASX.
- (h) **Not Financial Product Advice:** The information contained in this section does not constitute financial product advice for the purposes of the Corporations Act, 2001.

An Investor or prospective investor should, before making a decision to invest in the IVT CPS, consider taking financial advice from a person who holds an Australian Financial Services Licence under the Corporations Act. Shareholders having registered address in New Zealand should also seek independent financial and taxation advice based on their personal circumstances, from a financial adviser or such other professional who is recognised under the New Zealand Law to be competent to provide such advice.

9. Effect of the Offer on Inventis Limited and its Existing Shareholders:

- 9.1. **New class on Issue:** For the purposes of ASX, CPS will be considered as a new class of shares and hence will be quoted separately from the ordinary shares.
- 9.2. **Period of Quotation for CPS:** The quotation, if granted by ASX, will continue up to 30 December 2016 or such earlier time when all CPS are converted into Ordinary class shares.
- 9.3. **Financial Position:** The offer, if fully subscribed, will provide cash / capital of \$3.78 m to IVT that will be utilised to Pay off Interest bearing Liabilities (Refer Section 5) , working capital and for capital investment in upgrading of hardware and software, in addition to providing capital for organic growth.
- 9.4. **Conversion Effect on Ordinary class shareholders:** The issue of Convertible Preference shares will have no effect on voting power at the time of issue. However, there will be an impact on the voting power of the ordinary shareholders on conversion of any of the shares.

Total Ordinary Shares on Issue = 283,392,487

TABLE 1: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS WITH THEIR CURRENT HOLDINGS			
Substantial Shareholders and their associates	Number of ordinary shares held	% of issued voting shares	Entitlement to IVT CPS (Not rounded off, approximate)
REN Nominees Pty Limited	88,400,000	31.19%	39,288,888
David Rex George Littlejohn	20,380,000	7.19%	9,257,777
Richtoll Pty Limited	18,482,115	6.52%	8,214,273
Toveken Properties Pty Ltd	18,482,115	6.52%	8,214,273
Director / Officer and their associates	Number of ordinary shares held	% of issued voting shares	Entitlement to IVT CPS
Peter Bobbin	85,700,000	30.24%	38,088,888
Tony Noun	22,247,500	7.85%	9,887,777
Alfred Kobylanski	12,700,000	4.48%	5,644,444

TABLE 2: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 DECEMBER 2013					
Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	117,866,664	206,266,667	51.40%	31.19%
David Rex George Littlejohn	20,380,000	27,173,333	47,553,333	15.31%	7.19%
Richtoll Pty Limited	18,482,115	24,642,820	43,124,935	14.00%	6.52%
Toveken Properties Pty Limited	18,482,115	24,642,820	43,124,195	14.00%	6.52%

TABLE 2 Continued: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 DECEMBER 2013

Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	114,266,667	199,966,667	50.29%	30.24%
Tony Noun	22,247,500	29,663,333	51,910,833	16.58%	7.85%
Alfred Kobylanski	12,700,000	16,933,333	29,633,333	9.87%	4.48%

TABLE 3: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 JUNE 2014

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	98,222,222	186,622,222	48.90%	15.44%
David Rex George Littlejohn	20,380,000	22,644,444	43,024,444	14.06%	3.52%
Richtoll Pty Limited	18,482,115	20,535,683	39,017,798	12.84%	3.19%
Toveken Properties Pty Limited	18,482,115	20,535,683	39,017,798	12.84%	3.19%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	95,222,222	180,922,222	47.79%	14.96%
Tony Noun	22,247,500	24,719,444	46,966,944	15.24%	3.84%
Alfred Kobylanski	12,700,000	14,111,111	26,811,111	9.01%	2.19%

TABLE 4: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 DECEMBER 2014

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	78,577,778	166,977,778	46.13%	14.05%
David Rex George Littlejohn	20,380,000	18,115,556	38,495,556	12.77%	3.16%
Richtoll Pty Limited	18,482,115	16,428,547	34,910,662	11.64%	2.86%
Toveken Properties Pty Limited	18,482,115	16,428,547	34,910,662	11.64%	2.86%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	76,177,778	161,877,778	45.02%	13.60%
Tony Noun	22,247,500	19,775,556	42,023,056	13.86%	3.45%
Alfred Kobylanski	12,700,000	11,288,889	23,988,889	8.14%	1.96%

TABLE 5: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 JUNE 2015

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	65,612,444	154,012,444	44.13%	13.10%
David Rex George Littlejohn	20,380,000	15,126,489	35,506,489	11.89%	2.92%
Richtoll Pty Limited	18,482,115	13,717,836	32,199,951	10.84%	2.65%
Toveken Properties Pty Limited	18,482,115	13,717,836	32,199,951	10.84%	2.65%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	63,608,444	149,308,444	43.03%	12.68%
Tony Noun	22,247,500	16,512,589	38,760,089	12.92%	3.19%
Alfred Kobylanski	12,700,000	9,426,222	22,126,222	7.56%	1.81%

TABLE 6: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 DECEMBER 2015

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	55,790,222	144,190,222	42.51%	12.37%
David Rex George Littlejohn	20,380,000	12,862,044	33,242,044	11.22%	2.74%
Richtoll Pty Limited	18,482,115	11,664,268	30,146,383	10.22%	2.48%
Toveken Properties Pty Limited	18,482,115	11,664,268	30,146,383	10.22%	2.48%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	54,086,222	139,786,222	41.42%	11.97%
Tony Noun	22,247,500	14,040,644	36,288,144	12.20%	2.99%
Alfred Kobylanski	12,700,000	8,015,111	20,715,111	7.11%	1.70%

TABLE 7: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 JUNE 2016

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	49,111,111	137,511,111	41.36%	11.86%
David Rex George Littlejohn	20,380,000	11,322,222	31,702,222	10.76%	2.62%
Richtoll Pty Limited	18,482,115	10,267,842	28,749,957	9.79%	2.37%
Toveken Properties Pty Limited	18,482,115	10,267,842	28,749,957	9.79%	2.37%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	47,611,111	133,311,111	40.27%	11.48%
Tony Noun	22,247,500	12,359,722	34,607,222	11.70%	2.86%
Alfred Kobylanski	12,700,000	7,055,556	19,755,556	6.80%	1.62%

TABLE 8: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON 10 DECEMBER 2016

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	43,610,667	132,010,667	40.37%	11.44%
David Rex George Littlejohn	20,380,000	10,054,133	30,434,133	10.37%	2.51%
Richtoll Pty Limited	18,482,115	9,117,843	27,599,958	9.44%	2.28%
Toveken Properties Pty Limited	18,482,115	9,117,843	27,599,958	9.44%	2.28%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	42,278,667	127,978,667	39.30%	11.07%
Tony Noun	22,247,500	10,975,433	33,222,933	11.29%	2.75%
Alfred Kobylanski	12,700,000	6,265,333	18,965,333	6.55%	1.56%

TABLE 9: CURRENT SUBSTANTIAL SHAREHOLDERS AND DIRECTORS CALCULATING WITH CONVERSION OF IVT CPS ON MATURITY DATE

Substantial Shareholders and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares Held	Maximum % of issued voting shares	Minimum % of issued voting shares
REN Nominees Pty Limited	88,400,000	39,288,889	127,688,889	39.57%	11.11%
David Rex George Littlejohn	20,380,000	9,057,778	29,437,778	10.07%	2.43%
Richtoll Pty Limited	18,482,115	8,214,273	26,696,388	9.15%	2.20%
Toveken Properties Pty Limited	18,482,115	9,117,843	26,696,388	9.15%	2.20%
Director / Officer and their associates	Number of ordinary shares held	Ordinary Shares on Conversion	Total Ordinary Shares held	Maximum % of issued voting shares	Minimum % of issued voting shares
Peter Bobbin	85,700,000	38,088,889	123,788,889	38.51%	10.75%
Tony Noun	22,247,500	9,887,778	32,135,278	10.96%	2.66%
Alfred Kobylanski	12,700,000	5,644,444	18,344,444	6.35%	1.51%

Notes: The above tables are based on the following assumptions:

- 1) For the calculation of Maximum Percentage of Issued Voting Shares, it is assumed that no one else has converted their respective CPS to Ordinary Shares before the Conversion Date as stated in the respective table and the only shareholder converting on such Conversion Date is the shareholder for whom the maximum percentage is being calculated;
- 2) For the calculation of Minimum Percentage of Issued Voting Shares, it is assumed that all CPS Shareholders converted their CPS to Ordinary Shares on 10 December 2013 when such shareholders would have received the maximum number of ordinary shares on conversion. It is assumed that only the current holder is converting on the conversion date as stated in the respective tables.
- 3) The Shareholdings shown above are cumulative and are as per the Current Disclosures by the Shareholders and Directors of their related Parties. There may be common related parties for different shareholders and / or directors.
- 4) The Entitlement to CPS is based on cumulative holdings and may be different when calculated on an individual basis where each shareholding is downgraded to a multiple of 9 for the purposes of calculating CPS Entitlement.

APPENDIX A: CPS Terms and Conditions

- a. **Terms of IVT CPS:** The Terms on which CPS will be issued are as follows:
- i. **Face Value:** The face value of one Convertible Preference Share of IVT is \$0.03;
 - ii. **Offer:** The offer is to all Ordinary Class IVT Shareholders holding ordinary securities of IVT on the Record date;
 - iii. **Pro-rata:** For every nine existing ordinary shares held in IVT by a shareholder on the Record Date, four IVT CPS share will be offered to such shareholder;
 - iv. **Renounceability:** The offer is non-renounceable in the hands of the Existing Ordinary Class shareholders. Hence the rights of CPS are not tradeable.
 - v. **Marketable:** IVT CPS will be able to be traded on Australian Stock Exchange, should ASX approve the listing.
 - vi. **Dividend:** Record Date for the first Dividend to be paid will be 10 June 2014 and the payment will be made before 30 June 2014. The dividend is non-cumulative and if a dividend is not paid within 20 working days from the date of payment of dividend, the right to the dividend will lapse for that period.
 - vii. **Franking:** It is expected that the dividend paid will be fully franked.
 - viii. **Voting Rights attached to IVT CPS:** The holders of Convertible Preference Shares will be entitled to a right to vote in each of the following circumstances but not in any other case (ASX Listing Rule 6.3):
 - (a) During a period in which a dividend (or part of a dividend) in respect of the share is in arrears – This period will be 20 days from the date of dividend. As the dividend is non-cumulative, if it is not paid during this period, the right to dividend on that day is lapsed;
 - (b) On a proposal to reduce the Company's share capital;
 - (c) On a resolution to approve the terms of a buy back agreement;
 - (d) On a proposal that affects rights attached to the share;
 - (e) On a proposal to wind up the Company;
 - (f) On a proposal for the disposal of the whole of the Company's property, business or undertaking; and
 - (g) During the winding up of the Company.
 - ix. **Dividend or Distribution Rights:** The holder of a convertible preference share is entitled to a dividend at a commercial rate (determined by IVT as 8.50%) in preference to the holders of ordinary securities;
 - x. **Return of Capital:** The holder of a convertible preference share is entitled to return of capital in preference to holders of ordinary securities when the Company is wound up.

- xi. **Additional Rights:** The holder of a convertible preference share is entitled to the same rights as a holder of an ordinary security in relation to receiving notices, reports and audited accounts, and attending meetings.

b. Dividend Payment on IVT CPS:

The dividend at the rate of 8.50% per annum is proposed by the Company on IVT CPS.

A holder of a CPS on a record date will be entitled to the dividend. The dividends are proposed to be declared on the following days:

TABLE 10: DIVIDEND PAYMENT DATES AND RECORD DATE	
Dividend Record Date	Dividend Payment Date
10 June 2014	20 June 2014
10 December 2014	20 December 2014
10 June 2015	20 June 2015
10 December 2015	20 December 2015
10 June 2016	20 June 2016
10 December 2016	20 December 2016

The dividend is fixed and is non-cumulative.

The dividend can be calculated as follows:

$$\text{Dividend} = (\text{Dividend Rate} \times \text{Face Value} \times N) / 365$$

TABLE 11: DIVIDEND CALCULATION				
Date of Dividend Payment	N = Number of Days	Dividend /IVT CPS	Cash Component	Franking Credit
20/06/2014	193	\$0.0013	\$0.00077	\$0.00058
20/12/2014	184	\$0.0013	\$0.00073	\$0.00055
20/06/2015	183	\$0.0013	\$0.00073	\$0.00055
20/12/2015	184	\$0.0013	\$0.00073	\$0.00055
20/06/2016	184	\$0.0013	\$0.00073	\$0.00055
20/12/2016	184	\$0.0013	\$0.00073	\$0.00055
30/12/2016	Automatic Conversion to 1 Ordinary Share per IVT CPS			

Where Dividend Rate is fixed at 8.50%, Face Value is \$0.03 and N is equal to the number of days from but excluding the Issue Date until (and including) the first Dividend Payment date or thereafter from (but excluding) each Dividend Payment date until (and including) the next Dividend Payment Date.

The number of IVT CPS on Issue will be = 125,951,576 approximately (will change due to rounding off).

Total Capital Raised = \$3,778,547.28

TABLE 12: MAXIMUM DIVIDEND PAYMENT AND FRANKING CREDITS UTILISED - Assuming that No CPS is Converted until Maturity Date			
Date of Dividend Payment	TOTAL DIVIDEND	Cash Component	Franking Credit
20/06/2014	\$169,828.00	\$97,044.00	\$72,783.00
20/12/2014	\$161,908.00	\$92,519.00	\$69,389.00
20/06/2015	\$161,028.00	\$92,016.00	\$69,012.00
20/12/2015	\$161,908.00	\$92,519.00	\$69,389.00
20/06/2016	\$161,908.00	\$92,519.00	\$69,389.00
20/12/2016	\$161,908.00	\$92,519.00	\$69,389.00
30/12/2016	Automatic Conversion to 1 Ordinary Share per IVT CPS		

c. Conversion of IVT CPS into Ordinary Shares:

Number of Ordinary Shares = (Face Value of IVT CPS x Number of IVT CPS) / OSP

Where,

Face Value of IVT CPS = \$0.03

Number of IVT CPS = Number of IVT CPS held by a Shareholder on the Conversion Date

OSP = Ordinary Share price at which the conversion will be offered.

OSP for such a conversion will be calculated as follows:

TABLE 13: CONVERSION OF 100 IVT CPS TO ORDINARY SHARES		
Date on which request is received by the Company from an IVT CPS Holder	OSP	Therefore, Expected Ordinary Shares to be issued against 100 IVT CPS
At the time of Allotment of CPS – 10 December 2013	\$0.010	300
On or before 6 June 2014	\$0.012	250
On or before 6 December 2014	\$0.015	200
On or before 6 June 2015	\$0.018	167
On or before 6 December 2015	\$0.021	142
On or before 6 June 2016	\$0.024	125
On or before 6 December 2016	\$0.027	111
Compulsory Conversion on 30 December 2016	\$0.030	100

APPENDIX B: Shortfall Offer – Terms and Conditions

- a. **Terms of IVT CPS:** The Terms on which CPS will be issued for Shortfall Offer are as follows:
- i. **Face Value:** The face value of one Convertible Preference Share of IVT is \$0.03;
 - ii. **Offer:** Once the CPS Issue is closed and CPS allotted to the existing shareholders the following shall be available for the Shortfall Offer:
 - (a) Total Number of CPS = 125,951,576;
 - (b) Total Number of CPS applied for and allotted = A; thus
 - (c) The Shortfall Offer = (125,951,576-A).
 - iii. **Maximum Applied for by a new investor including any related parties:** The Number of CPS, which can be applied by a new investor shall be restricted to 19% of the total number of Ordinary shares on issue as at close of business on 10 December 2013;
 - iv. **Marketable:** IVT CPS will be able to be traded on Australian Stock Exchange, should ASX approve the listing.
 - v. **Dividend:** Record Date for the first Dividend to be paid will be 10 June 2014 and the payment will be made before 20 June 2014. The dividend is non-cumulative and if a dividend is not paid within 20 working days from the date of payment of dividend, the right to the dividend will lapse for that period.
 - vi. **Franking:** It is expected that the dividend paid will be fully franked.
 - vii. **Voting Rights attached to IVT CPS:** The holders of Convertible Preference Shares will be entitled to a right to vote in each of the following circumstances but not in any other case (ASX Listing Rule 6.3):
 - (a) During a period in which a dividend (or part of a dividend) in respect of the share is in arrears – This period will be 20 days from the date of dividend. As the dividend is non-cumulative, if it is not paid during this period, the right to dividend on that day is lapsed;
 - (b) On a proposal to reduce the Company's share capital;
 - (c) On a resolution to approve the terms of a buy back agreement;
 - (d) On a proposal that affects rights attached to the share;
 - (e) On a proposal to wind up the Company;
 - (f) On a proposal for the disposal of the whole of the Company's property, business or undertaking; and
 - (g) During the winding up of the Company.
 - viii. **Dividend or Distribution Rights:** The holder of a convertible preference share is entitled to a dividend at a commercial rate (determined by IVT as 8.50%) in preference to the holders of ordinary securities;

- ix. **Return of Capital:** The holder of a convertible preference share is entitled to return of capital in preference to holders of ordinary securities when the Company is wound up.
- x. **Additional Rights:** The holder of a convertible preference share is entitled to the same rights as a holder of an ordinary security in relation to receiving notices, reports and audited accounts, and attending meetings.

d. Dividend Payment on IVT CPS:

The dividend at the rate of 8.50% per annum is proposed by the Company on IVT CPS.

A holder of a CPS on a record date will be entitled to the dividend. The dividends are proposed to be declared on the following days:

TABLE 10S: DIVIDEND PAYMENT DATES AND RECORD DATE	
Dividend Record Date	Dividend Payment Date
10 June 2014	20 June 2014
10 December 2014	20 December 2014
10 June 2015	20 June 2015
10 December 2015	20 December 2015
10 June 2016	20 June 2016
10 December 2016	20 December 2016

The dividend is fixed and is non-cumulative.

The dividend can be calculated as follows:

$$\text{Dividend} = (\text{Dividend Rate} \times \text{Face Value} \times N) / 365$$

TABLE 11S: DIVIDEND CALCULATION				
Date of Dividend Payment	N = Number of Days	Dividend /IVT CPS	Cash Component	Franking Credit
20/06/2014	193	\$0.0013	\$0.00077	\$0.00058
20/12/2014	184	\$0.0013	\$0.00073	\$0.00055
20/06/2015	183	\$0.0013	\$0.00073	\$0.00055
20/12/2015	184	\$0.0013	\$0.00073	\$0.00055
20/06/2016	184	\$0.0013	\$0.00073	\$0.00055
20/12/2016	184	\$0.0013	\$0.00073	\$0.00055
30/12/2016	Automatic Conversion to 1 Ordinary Share per IVT CPS			

Where Dividend Rate is fixed at 8.50%, Face Value is \$0.03 and N is equal to the number of days from but excluding the Issue Date until (and including) the first Dividend Payment date or thereafter from (but excluding) each Dividend Payment date until (and including) the next Dividend Payment Date.

The number of IVT CPS on Issue will be = 125,951,576 approximately (will change due to rounding off).

Total Capital Raised = \$3,778,547.28

TABLE 12S: MAXIMUM DIVIDEND PAYMENT AND FRANKING CREDITS UTILISED - Assuming that No CPS is Converted until Maturity Date			
Date of Dividend Payment	TOTAL DIVIDEND	Cash Component	Franking Credit
20/06/2014	\$169,828.00	\$97,044.00	\$72,783.00
20/12/2014	\$161,908.00	\$92,519.00	\$69,389.00
20/06/2015	\$161,028.00	\$92,016.00	\$69,012.00
20/12/2015	\$161,908.00	\$92,519.00	\$69,389.00
20/06/2016	\$161,908.00	\$92,519.00	\$69,389.00
20/12/2016	\$161,908.00	\$92,519.00	\$69,389.00
30/12/2016	Automatic Conversion to 1 Ordinary Share per IVT CPS		

e. Conversion of IVT CPS into Ordinary Shares:

Number of Ordinary Shares = (Face Value of IVT CPS x Number of IVT CPS) / OSP

Where,

Face Value of IVT CPS = \$0.03

Number of IVT CPS = Number of IVT CPS held by a Shareholder on the Conversion Date

OSP = Ordinary Share price at which the conversion will be offered.

OSP for such a conversion will be calculated as follows:

TABLE 13S: CONVERSION OF 100 IVT CPS TO ORDINARY SHARES		
Date on which request is received by the Company from an IVT CPS Holder	OSP	Therefore, Expected Ordinary Shares to be issued against 100 IVT CPS
At the time of Allotment of CPS to new Investors – on or before 6 March 2014	\$0.010	300
On or before 6 June 2014	\$0.012	250
On or before 6 December 2014	\$0.015	200
On or before 6 June 2015	\$0.018	167
On or before 6 December 2015	\$0.021	142
On or before 6 June 2016	\$0.024	125
On or before 6 December 2016	\$0.027	111
Compulsory Conversion on 30 December 2016	\$0.030	100

APPENDIX C: Glossary

The following is a glossary of various words and their meanings used. In case a term is not defined herein, it shall have the same meaning as described in the Corporations Act or any other legislation including but not limited to “Interpretations Act, 1901”:

Associates have the meaning given by Division 2 of the Corporations Act.

ASX means ASX Limited ACN 008 604 691.

Board means the board of Directors of the Company.

Company means Inventis Limited ACN 084 068 673.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

IVT CPS means Inventis Limited Convertible Preference Share.

IVT CPS Holder means holder of IVT CPS after the issue of IVT CPS.

Listing Rules means the listing rules issued and enforced by the ASX as amended from time to time.

Share means an ordinary fully paid share in the issued capital of the Company.

Shareholder means the holder of an Ordinary Share.

CORPORATE DIRECTORY AND CONSENTS

This is an extract as per Annual Report – 2013 (Except for Principal Registered Office change) and no separate consents have been obtained by the Company from the above named entities.

Principal Registered Office

Inventis Limited

Building 1A, Greystanes Park East,

1 Butu Wargun Drive

Pemulwuy NSW 2145

Telephone: +61 2 8916 6840

Facsimile: +61 2 9631 2488

Location of Share Registries

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

Telephone: +61 2 8234 5400

Facsimile: +61 2 8234 5455

Auditors

KPMG

10 Shelley Street

Sydney NSW 2000

Solicitors

DLA Piper

Level 38, 201 Elizabeth Street

Sydney NSW 2000

And

HWL Ebsworth Lawyers

Level 14, Australia Square,

264-278 George Street

Sydney NSW 2000