



TELEZON LIMITED

ACN 009 151 277

# Information Memorandum

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## In support of an Application for Listing on SIM Venture Securities Exchange (“SIM VSE”)

This Information Memorandum is an important document and should be read in its entirety.

This Information Memorandum, dated 13 September 2011, has been prepared by Telezon Limited (**ACN 009 151 277**) in connection with its application for listing and quotation of its shares on the SIM Venture Securities Exchange.

This document is not a Prospectus or an Offer Information Statement (OIS); both of which are disclosure documents under the Corporations Act (2001) and therefore will not be lodged with the Australian Securities and Investments Commission. This document does not constitute or contain any offer of shares for subscription or purchase or any invitation to subscribe for or buy shares.

Shareholders with enquiries about information contained in this document should contact Telezon Limited on (03) 9763 8605.

13/9/2011



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## Section 1: Chairman's Letter

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This Information Memorandum is issued in support of an application by Telezon Limited ("Telezon" or the "Company") for listing on the SIM Venture Securities Exchange ("SIM VSE"). It contains detailed information about the Company's financial position and operations. This is not a capital raising document. This Information Memorandum contains general advice only. Nothing in this Information Memorandum is a recommendation by Telezon or another person concerning an investment in the Company.

The Board's decision to proceed with the application for listing on the SIM VSE, is based on many considerations:

- SIM VSE's business plan focus is to be an Asian-based global exchange with both a worldwide and a regional investor focus, and if successful, Telezon has the opportunity to potentially leverage access to these global markets;
- The exchange is focused and dedicated to clean technology, renewable energy and related technology and service companies. Our range of products is in line with this focus as, through them, we provide benefits of recyclability, dramatic reduction in the use of resources in their production and, subsequently, a reduction in waste;
- On a market-focused exchange, such as SIM VSE, the Company expects to have a greater opportunity of being exposed to investors and companies who are interested in clean technologies, for example, large medical organisations exploring sustainable materials/reducing input costs and waste within their markets;
- Telezon will be the first company listing on SIM VSE and as such will reap the benefits of publicity that is associated with being the first company to list on SIM VSE;
- SIM VSE's primary aim is to provide issuers, intermediaries and investors in this sector with an attractive, efficient and well-regulated market in which to raise primary and secondary capital, and to fulfil investment and trading requirements.

The Directors believe that, with the significant advancements made in the last year, a potential listing on SIM VSE will both support the Company's momentum as well as provide the right level of exposure for its products and technologies. After due consideration and review, the Directors believe the trading of Shares in the Company on SIM VSE is in the best interests of Telezon Limited.

The Directors will lodge this Information Memorandum with SIM VSE in connection with the Company's application for listing and quotation of Shares on SIM VSE. Further details are set out in this Information Memorandum.

Sincerely,

A handwritten signature in black ink, appearing to read "Trevor Nye", written in a cursive style.

Mr Trevor Nye  
Chairman  
13 September 2011



## **Section 2: Important Information**

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### **Status of document**

This document is not a disclosure document required by Chapter 6D of the Corporations Act and is therefore not regulated under Chapter 6D of the Corporations Act.

### **Forward looking statements**

Various statements in this Information Memorandum constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

### **Suitability of investment and risk factors**

Nothing in this Information Memorandum should be construed as a recommendation to purchase shares in the Company or an offer of shares in the Company. The information in this Information Memorandum is general information only and should not be relied on for investment purposes. The Company is unable to advise any person on the suitability or otherwise of an investment in the Company. Before making any investment decision, you should seek professional financial, taxation and legal advice.

### **This Information Memorandum contains general advice only**

This Information Memorandum has been prepared for your general information only. This Information Memorandum is not personal advice and does not take into account the investment objectives, financial situation or needs of any particular Shareholder or prospective investor. This Information Memorandum is not intended to be a recommendation by the Company (or any associate, employee, agent or officer of the Company) to invest in Shares of the Company.

Neither Telezon nor any of its Directors or any person associated with the preparation and issue of this Information Memorandum guarantees, warrants or underwrites the performance of the Shares in the Company.

### **Structure of this Information Memorandum**

The content of this Information Memorandum is outlined in the Table of Contents above and any reference to a "Section" is a reference to the relevant numbered Section of this Information Memorandum. Readers are particularly referred to the glossary that is contained in Section 16 to assist in their understanding of the contents of this Information Memorandum.



### **Supplementary information**

A supplementary Information Memorandum will be issued by the Company if the Company becomes aware of any of the following between the issue of this Information Memorandum and the date the Company's Shares are quoted on SIM VSE:

- A material statement in the Information Memorandum is false or misleading;
- There is a material omission from the Information Memorandum;
- There has been a significant change affecting a matter included in the Information Memorandum; and/or
- A significant new matter has arisen and it would have been required to be included in the Information Memorandum.



## **APPLICATION FOR LISTING**

The Company will apply to **SIM Venture Securities Exchange ("SIM VSE")** within 7 Business Days of the date of this Information Memorandum for admission to the Official List and for Official Quotation of its securities on SIM VSE.

It is expected that trading of the Shares on the stock market conducted by SIM VSE will commence as soon as practicable after approval for admission to the Official List of SIM VSE is granted and all conditions (if any) applicable thereto have been satisfied for official quotation.

## **SIM VSE**

A copy of this document has been lodged with SIM VSE. Neither SIM VSE nor its officers take any responsibility for the contents of this document. **The fact that SIM VSE may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company.**

**SIM VSE takes no responsibility for the contents of the Information Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of the Information Memorandum. The fact that SIM VSE may admit Telezon to its official list is not to be taken in any way as an indication of the merits of the entity.**

## **SIM Venture Securities Exchange**

SIM VSE is a fully regulated Stock Exchange licensed by the Australian government regulator ASIC, providing a fully electronic market platform with straight through processing and clearing through the CHESS registration system. SIM VSE publishes substantial information about itself and the market on its website <http://www.simvse.com.au>

The focus of the market is clean technology, renewable energy and related technology and service companies. The listing rules have been written to maximise the opportunity for these companies to streamline the listing process and present their company to the market in an efficient and cost effective manner. SIM VSE's primary aim is to provide issuers, intermediaries and investors in the aforementioned sectors with an attractive, efficient and well-regulated market in which to raise primary and secondary capital, and to fulfil investment and trading requirements.

**Date:** This Information Memorandum is dated 13 September 2011



## Section 3: Overview

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Telezon Limited was incorporated in Australia in October 1985, with a name change to 'Telezon Limited' on 3 September 2002. Its company details are listed below:

**Principal registered office:**

Caribbean Business Park, 1 Dalmore Drive, Scoresby Vic, 3179

**Address where share register is kept:**

Advanced Share Registry, PO Box 1156, Nedlands, WA 6909

### 3.1 Capital Structure

There are currently 41,706,667 ordinary fully paid shares on issue in the Company. A further 1,000,000 options are on issue.

Telezon has not raised any capital for the three months prior to the date of issue of the Information Memorandum and will not need to raise any capital for three months after the date of the issue of the Information Memorandum.

The capital structure is outlined in the table below:

	SHARES	OPTIONS (to be exercised by Dec 2013)
<b>Title of each class of share/option issue</b>	Ordinary fully paid shares	
<b>Number of shares issued</b>	41,706,667	
<b>Voting rights per share</b>	1:1	
<b>Amount of fully paid up shares/options</b>	41,706,667	1,000,000

It should be noted that, pursuant to the Constitution of the Company, each Shareholder is entitled to one vote for each fully paid Share held by that Shareholder.

As at the date of this Information Memorandum, the estimated market capitalisation is A\$6,047,466.72 (as at 14 August 2011 and of a share price of 14.5 cents per Share). In the foreseeable future it is expected that the Company will need to raise up to A\$10,000,000 (\$10million) for working capital and to pursue commercialisation of its current intellectual property. The Company's shares are currently traded on the Australian Securities Exchange ("ASX").



### 3.2 Listing

Application will be made for listing of the Company and quotation of the Shares on SIM VSE. If approved, securities will be brought to market by compliance listing. If admitted to SIM VSE, the Company will delist from ASX at the time of listing on SIM VSE. It is not the Company's intention to be dual-listed

### 3.3 Share Capital and Ownership

#### a) Company Shareholding Details

	SHARES	SHARE HOLDING	OPTIONS (to be exercised by Dec 2013)
<b>Title of each class of share/option issue</b>	Ordinary fully paid shares		
<b>Number of shares issued</b>	41,706,667		
<b>Voting rights per share</b>	1:1		
<b>Amount of fully paid-up shares/options</b>	41,706,667		1,000,000
<b>Director (and officers) shareholdings</b>	Mr Trevor Nye	328,364	300,000
	Dr Michelle Carr	213,334	400,000
	Ms Elaine Carr	213,334	-
	Mr Andreas Aeschlimann	15,000	300,000

#### b) Shareholders holding >5%

RANK	NAME	ISSUED CAPITAL (shares)	% of ISSUED CAPITAL
1	Mrs SM Carr	11,600,000	27.81
2	Iron Mountain Pty Ltd*	4,747,930	11.38
3	Link Traders (Aust) Pty Ltd)	2,773,507	6.65



It should be noted that a full share register for Telezon has been provided to SIM VSE. For further details about the shareholdings of Telezon, please refer to Appendix 1 of this Information Memorandum.

\* Iron Mountain Pty Ltd is a major shareholder of the Company. Iron Mountain also holds shares in FEX and NSX – these two entities (FEX and NSX) are shareholders of SIM VSE.

**c) Company Shareholding Details – Top Shareholders**

<b>Share Spread as at 14 August 2011</b>			
<b>Range</b>	<b>Holders</b>	<b>Units</b>	<b>Percentage</b>
<b>1 - 1,000</b>	<b>110</b>	<b>57,623</b>	<b>0.14%</b>
<b>1,001 - 5,000</b>	<b>247</b>	<b>809,970</b>	<b>1.94%</b>
<b>5,001 - 10,000</b>	<b>117</b>	<b>949,885</b>	<b>2.28%</b>
<b>10,001 - 100,000</b>	<b>178</b>	<b>5,696,877</b>	<b>13.66%</b>
<b>&gt; 100,000</b>	<b>58</b>	<b>34,192,312</b>	<b>81.98%</b>
<b>Total</b>	<b>710</b>	<b>41,706,667</b>	<b>100.00%</b>

**d) Previous Capital Raisings**

Since 2004, the Company has completed four capital raisings.

The first of these raisings and associated share issue was initiated by a new Board after their appointment (February 2004). A prospectus was published for the issue of shares at **1 cent** (\$0.01) per share to raise money for the operation of the Company and its business.

In February 2006, the Board resolved that the Company effect a one for one Rights Option Issue (“ROI”) at an issue price of **4 cents** (\$0.04) per option to raise A\$1,095,000. The options were exercisable at 20 cents by 30 June 2008. The funds raised went towards the assessment of suitable investment opportunities for the Company, namely SS&B Technologies (as it was then called).

In February 2010, a Shareholder Share Purchase Plan (“SPP”) was initiated to issue a maximum of 4,000,000 new shares at an issue price of **10 cents** (\$0.10) per share. The SPP entitled Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of ordinary fully paid shares in the Company, which would raise a maximum of A\$400,000. A total of A\$228,000 was raised from the SPP.



In December 2010, the Board resolved that the Company effect a one for three Rights Issue (“RI”) at an issue price of **5 cents** (\$0.05) per share to raise a maximum of A\$521,333. The RI entitled eligible Shareholders in the Company, determined by the size of their existing holding, to take up ordinary fully paid shares in the Company. The offer resulted in the issuance of 10,426,667 new shares and raised the target amount of A\$521,333, funding the critical validation and certification processes for its *SoloFlow*<sup>™</sup> Cannula needle and its *CoreIT*<sup>®</sup> technology, in preparation for FDA approval.<sup>1</sup>

#### **e) Securities**

The Company wishes to list its ordinary fully paid shares and options on SIM VSE.

### **3.4 Rights attaching to Shares**

All ordinary fully paid Shares in Telezon confer on the holders of those Shares the right to receive notices, reports and accounts and to attend general meetings of the Company.

All ordinary fully paid Shares in Telezon confer on the holders of those Shares the following voting rights (subject to the Constitution of the Company, the Listing Rules and the rights or restrictions on voting which may attach to or be imposed on any class of Shares):

- i. on a show of hands every Member present or who has cast a Direct Vote (including each holder of preference Shares who has a right to vote) will have one vote; and
- ii. on a poll every Member present or who has cast a Direct Vote (including each holder of preference Shares who has a right to vote) will have:
  - a. one vote for each fully paid Share held by that Member; and
  - b. a fraction of a vote for each partly paid Share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) for that Share (or, where applicable, a fraction of a Share), ignoring any amounts paid in advance of a call.

All ordinary fully paid Shares in Telezon confer on the holders of those Shares the right to participate in any dividends declared on those Shares.

In a winding up, any assets available for distribution to Shareholders will, subject to the rights of the holders of Shares issued on special terms and conditions, the Constitution of the Company, the Corporations Act and the Listing Rules, be distributed amongst the Shareholders to return capital paid up on their Shares and distribute any surplus in proportion to the amount paid up (not credited) on Shares held by them.

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<sup>1</sup> Refer to attached file note for further details



Note that in accordance with the Company's Constitution (and subject to the Listing Rules and the Corporations Act), the Company may vary or cancel all or any of the rights and privileges attached to any Share with either:

- i. the written consent in writing of holder of at least 75% of the Shares issued (or as otherwise specified in the Constitution of the Company); or
- ii. with the approval of a special resolution passed at a meeting of holders of the Shares (or as otherwise specified in the Constitution of the Company).

### **3.5 Risks associated with the Shares**

#### **a) Key risks relating to Telezon's business**

*These risks are not necessarily exhaustive.*

The business operations of the Company are subject to risks which may impact adversely on its future performance. These risks may adversely affect the value of any Shares in the Company. An investment in the Company is not guaranteed by Telezon.

In common with most research and development companies, risks associated with the Company include:

- i. **Investment risks generally:** Investment is subject to risks of a general nature relating to investment in Shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company.
- ii. **Risks related to investment in medical development:** Research and/or development of medical products, particularly products that are designed for the human market (the area of the Company's activities) are subject to high levels of risk due to industry regulations.
- iii. **Sufficiency of funding:** The Company will inevitably need to raise additional capital to implement and complete all work and expenditure commitments over the next 18 months. This requirement to raise additional capital has two consequences for existing Shareholders. First, the requirement to raise additional capital will (possibly) result in their shareholding in the Company being diluted. Second, if additional capital is not raised then the Company's operations will not be able to be funded, with the result that their investment may significantly decrease in value. The total amount of capital that may be required will be dependent on the Company's success or otherwise of proposed operations and activities.
- iv. **Operational risk:** Certain products and technology of the Company are being used in manufacturers' machines. As such, there are risks associated with unexpected mechanical failure or equipment breakdown resulting in loss of production and additional expense generally and unexpected delay in achieving key milestones.



## **b) General risks**

There are general risks associated with holding SIM VSE listed shares (including Shares in the Company). The value of Shares in the Company may be affected by general fluctuations in the share market.

There is no guaranteed liquidity for Shares in the Company. Low trading volumes in the Shares coupled with the fact that the SIM VSE is a new exchange and the fact that the Company is the first listing on the SIM VSE, mean there can be no assurance as to the depth of the secondary market (if any) in the Shares, which could affect their liquidity and market price.

There are (at the date of this Information Memorandum) three broking firms listed on the SIM VSE broker directory. These brokers facilitate and support trading on SIM VSE.

Some factors that may affect the value of Shares in the Company include:

- i. General economic conditions: Apart from exchange risks, there are a wide range of other macro economic and political factors beyond the control of the Company which will affect the Company's operations;
- ii. Investor perception/sentiment: These risks include those such as changes in levels of consumer confidence and investor perception or sentiment;
- iii. Changes to domestic and international share markets: Shareholders should recognise that the prices of shares fall as well as rise;
- iv. Certain economic factors (such as interest rates or taxation): Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment; and
- v. Company performance: The business operations of the Company are subject to risks which may impact adversely on its future performance. These risks may adversely affect the value of any Shares in the Company. An investment in the Company is not guaranteed by Telezon.



## Section 4: History and nature of business

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### 4.1 History

Telezon is an Australian research and development company with a unique suite of exclusive and world-patented plastic needles (draw-up and hypodermic), injection systems and associated technologies. The Company has focused its research and development on key products such as the plastic hypodermic needle, the plastic draw-up needle, the revolutionary 'advanced flow draw-up and injection system' and the *CoreIT*<sup>®</sup> manufacturing technology. Telezon's polymer needles and manufacturing technology offer significant cost and waste reduction, recyclability, reduction of natural resources used in production, environmental and social advantages over traditional steel needles.

Since its incorporation in 1985, the Company has seen great changes in both its management and development of technologies. In June 2001, securities were suspended from official quotation at the request of the Company. In September 2001, the then directors resolved that the Company was insolvent (or about to become so) and went into voluntary administration. Administrators were appointed to the Company. Following several name changes the Company became 'Telezon Limited'.

Having emerged from administration in 2003, and with the appointment of a new Board in 2004, the Company issued a prospectus for the purpose of acquisition of technology and reinstatement of quotation of the shares of the Company on the Official List of the ASX (Australian Securities Exchange). The capital raising was closed by the Directors having raised approximately \$2.2 million.

In 2005, the shareholders resolved in a general meeting to consolidate the capital of the Company on a basis of 1 share for every 20 shares then on issue and soon after, the Company acquired SS&B Pty Ltd (as it was then called) and renamed it 'SSB Technology Pty Ltd' as its wholly owned subsidiary (child entity).

**Child Entity:** SSB Technology Pty Ltd was, and remains as such, a medical research and development company, with several worldwide patents and technologies under its name (refer to Section 4.2). In particular, its owners had developed a gas-assist process to manufacture Cannula for use in the medical field, specifically in the manufacturing of hypodermic needles. This technology quickly gained the attention of major players within the medical field. SSB Technology Pty Ltd has continued to make significant advancements in its technologies including its *CoreIT*<sup>®</sup> manufacturing technology.

SSB Technology Pty Ltd is a wholly owned by Telezon and Dr Michelle Carr is its sole director.



## 4.2 Nature of Business: Technology & Products

### Summary

Telezon is an Australian plastic needle and technology development company with a unique suite of exclusive and world-patented plastic needles (draw-up and hypodermic), injections systems and technologies.

The Company has focused its research and development on their *CoreIT*<sup>®</sup> manufacturing technology and key products such as:



*SoloFlow*<sup>™</sup> Cannula



*DuoDraw*<sup>®</sup> Cannula



SSB's Plastic Hypodermic Needle

Telezon's polymer needles and manufacturing technology offer significant cost, environmental and social advantages over traditional steel needles.

For instance, the *SSB Polymer Hypodermic Needle* has been developed using the Company's uniquely patented technologies. While there are several benefits for the market, its core feature is its distinctive side port and tip. This side port enables the medical professional to burn the needle tip to close off the bore, which in turn, eradicates the risk of fluid or disease transfer.

1. a more cost effective solution to existing draw-up needles on the market
2. potentially lowering the risk of needle stick injuries
3. the ease of recyclability and reduction of waste
4. the flexibility of an interchangeable design within the Company's product portfolio, including the Company's advanced flow and draw-up injection system.

Details of the Company's products and technologies are provided below.



## CoreIT® Advanced Moulding Technology

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The *CoreIT*® Advanced Moulding Technology is an innovative and cost effective patented injection moulding method allowing the moulding of very small lumens beyond conventional tooling technology.

The *CoreIT*® Advanced Moulding Technology offers an innovative solution for moulding components with small bores, potentially reducing costly assembly processes, reducing waste and ultimately per unit cost.

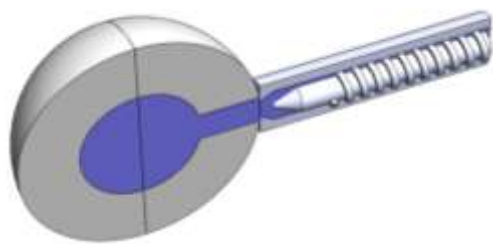


Figure 1: *CoreIT*®



Figure 2: One piece plastic draw-up needles (moulded with *CoreIT*®)

### A. KEY BENEFITS:

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1. Component cost reduction by eliminating of assembly steps;
2. Reduce emissions and waste in the manufacturing process;
3. Reduces natural resources used in the manufacturing process;
4. Ability to manufacture multiple lengths with same injection mould - reducing capital investments;
5. High precision of internal Cannula-diameter;
6. Processing of reinforced materials for medical industry;
7. Moulding of thin walled Cannulae with diameters under 1.5mm;
8. Moulding of bores with high aspect ratios.

### B. APPLICATION EXAMPLES:

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- Two component dispensing needle (refer Figure 3)
- One piece polypropylene dispensing needle (refer Figure 4)



Figure 3: Two component dispensing needle



Figure 4: One piece polypropylene dispensing needle



## **Solo Flow™ Medical Transfer Cannula**

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The *SoloFlow™* Medical Transfer Cannula that has been developed using our patented manufacturing technology (*CoreIT®*) to provide a commercially attractive alternative to steel draw-up needles and reconstitution needles.



Figure 5: *SoloFlow™* Medical Transfer Cannula

### **A. KEY BENEFITS:**

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1. Simplification of recycling;
2. Ease and affordability of disposal;
3. Ease and affordability of manufacture and transport;
4. Reduction of the risk of needle-stick injuries;
5. Non-corrosive;
6. Silicone-free.

### **B. PRODUCT SPECIFICATION:**

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- Cannula length of 19mm;
- Draw-up capacity equivalent to 19g steel needle;
- Lancet needle point (refer Figure 6);
- Luer fitting according to ISO 594.



Figure 6: Lancet Needle point

### **C. ALTERNATIVE PRODUCT CONFIGURATION:**

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The *SoloFlow™* Medical Transfer Cannula can be tailored to meet customer needs.

Product features which can be varied are:

- Needle length – up to 50mm;
- Cannula outer diameter;
- Cannula inner diameter;
- Needle point



Figure7: Variation of needle length (19mm, 25mm and 32mm)



## 2011/2012 Activities Summary

**TABLE 1:** Completed and Scheduled Activities for *SoloFlow™* Polymer Draw-up Needle

<b>Activity</b>	<b>Status</b>
First samples manufactured for world market	<b>Completed October 2010</b>
Cap mould qualification – purpose is to rigorously test the process to determine capability of consistent production that meet specifications	<b>Completed November 2010</b>
Mechanical testing	<b>Completed February 2010</b>
Signed MOU for commercial placement with Serum Institute of India	<b>Completed March 2011</b>
Cap mould validation – purpose is to confirm moulding process meets pre-determined specifications and quality attributes, delivering an approved cap fabrication process for commercial production.	<b>Completed April 2011</b>
Needle mould qualification - purpose is to rigorously test the process to determine capability of consistent production that meet specifications	<b>Completed April 2011</b>
4000 needles produced and assembled with cap to be sent for packaging verification and validation.	<b>Completed May 2011</b>
Biological qualification of <i>SoloFlow™</i> Polymer Draw-up Needle – purpose is to evidence that materials are biological compatible with necessary standards	<b>Completed August 2011</b>
Packaging verification and validation – purpose is to confirm packaging process meets pre-determined specifications and quality attributes, delivering an approved packaging fabrication process for commercial production.	To be completed – scheduled for October 2011
Accelerated age tests – purpose is to verify the products expiry date and shelf life	To be completed – scheduled for October 2011
FDA registration of <i>SoloFlow™</i> Polymer Draw-up Needle	To be completed – scheduled for October 2011
Initial shipment to Serum Institute of India	To be completed – scheduled for November 2011
Completion of design verification and validation (Five year shelf-life)	To be completed – scheduled for Q1 2012
Final shipment to Serum Institute of India	To be completed – scheduled for February 2012



## ***DuoDraw*<sup>®</sup> Transfer and Injection Unit**

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The *DuoDraw*<sup>®</sup> Transfer and Injection Unit offers significant safety benefits for the health care professional by simplifying the draw-up and injection procedure.

The patented *DuoDraw*<sup>®</sup> Transfer and Injection Unit consist of a protective cap, a draw-up needle which functions as a needle sheath and an injection needle.



Figure 8: *DuoDraw*<sup>®</sup> Transfer and Injection Unit



Figure 9: *DuoDraw*<sup>®</sup> in expanded view

### **A. KEY BENEFITS:**

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1. Improved safety – health care professional is not exposed to sharp steel needle during the draw-up process;
2. Reduce medical waste;
3. Ease and affordability of draw-up needle recycling;
4. Sheathed steel needle is protected during drawing of medication;
5. Universal device - fits standard Luer slip and Luer lock syringes (refer to Glossary)
6. Handling according to standard techniques;
7. No extra training required for health care professional;
8. Simplification of draw-up and injection procedure – eliminates needle change over.



Figure 10: *DuoDraw*<sup>®</sup> and standard Luer syringe



## Patent Summary

SSB holds several patents and trademarks across its products and technologies, which are summarised below.

Technology	Products	Patent Family
Gas Assist Technology	SoloFlow™ - multi-application polymer draw-up needle	Method of manufacturing needles
CoreIT®- advanced mechanical coring technology	Duo Draw® - a hypodermic needle, syringe and SoloFlow™ solution	Method and apparatus for manufacturing cannulae
	Polymer hypodermic needle	Needle tip
	Advanced flow draw-up and injection system	Moulding cannulae & small deep holes Advanced Flow/Draw-up System



## Section 5: Summary of earnings

A summary of earnings, on a consolidated basis, is outlined below for the last three (3) financial years, as at 30 June in each year.

<b>SUMMARY OF EARNINGS</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	\$	\$	\$
Revenue	7,947	4,558	43,593
Earnings before depreciation, interest & tax	(293,784)	(365,700)	(438,143)
Net income before extraordinary items	(283,853)	(375,631)	(448,074)
Extraordinary items	-	-	-
Net Income	(283,853)	(375,631)	(448,074)
EPS	(0.84)	(1.31)	(1.54)

## Section 6: Tabulation of Balance Sheet

A tabulation of the Company's balance sheet for the last three (3) financial years is outlined below.

<b>BALANCE SHEET</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	\$	\$	\$
<i><u>Current Asset</u></i>			
Cash and cash equivalents	424,396	484,100	872,828
Trade and other receivables	6,530	7,812	8,289
Other assets	11,893	1,802	-
Financial assets	42,320	25,900	13,120
<b>Total current asset</b>	<b>485,139</b>	<b>519,614</b>	<b>894,237</b>
<i><u>Non current asset</u></i>			
Intangible	2,299,228	2,037,224	1,743,256
Plant & equipment	44,860	54,792	64,723
<b>Total non current asset</b>	<b>2,344,088</b>	<b>2,092,016</b>	<b>1,807,979</b>
<b>Total Asset</b>	<b>2,829,227</b>	<b>2,611,630</b>	<b>2,702,216</b>
<i><u>Current liabilities</u></i>			
Trade and other payables	130,699	148,909	91,864
<b>Total current liabilities</b>	<b>130,699</b>	<b>148,909</b>	<b>91,864</b>
<b>Net Assets</b>	<b>2,698,528</b>	<b>2,462,721</b>	<b>2,610,352</b>
Number of ordinary shares	41,706,667	31,280,000	29,000,000
Net asset value per ordinary share	0.06	0.08	0.09



## Section 7: Employees

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**Number of employees:** The Company employs one full-time engineer and 3 Directors.

## Section 8: Child Entities

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<b>Name</b>	SSB Technology Pty Ltd.
<b>Nature of business and relationship</b>	Research and development – design, development and production of technology and market samples  Subsidiary
<b>Share capital</b>	100%

## Section 9: Dividend Record

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N/A

## Section 10: Properties

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- Location:** Caribbean Business Park, 1 Dalmore Drive, Scoresby Vic, 3179
- Land Area:** N/A
- Number of buildings:** N/A
- Aggregate floor area:** approx 80m<sup>2</sup>
- Ownership Status:** leased – refer to table below for annual rent paid

<b>ANNUAL RENT</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Rental paid	\$ 7,210	\$ 35,493	\$ 380

## Section 11: Litigation

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In 2005, the Company commenced proceedings in the Supreme Court of Western Australia against Friedman Capital Pty Ltd seeking a declaration that the Company is not indebted to Friedman Capital Pty Ltd. The Charge was executed and registered by Friedman Capital Pty Ltd when the Company was the subject of a Deed of Company Arrangement. The funds advanced by Friedman Capital Pty Ltd were advanced to the Administrator to enable the Administrator to satisfy the creditors of the Company.

Friedman Capital Pty Ltd claims the sum of \$520,000 plus interest at 15% per annum from May 2002 is owing by Telezon Limited and that such debt is secured by the registered charge. Telezon Limited



disputes that Friedman Capital Pty Ltd is entitled to have a charge registered and further denies that there is any amount owing by the Company to Friedman Capital Pty Ltd.

Telezon Limited commenced the Supreme Court action seeking a declaration that there is no amount owing to Friedman Capital Pty Ltd and that the charge be removed. The Directors of Telezon Limited cannot determine with any certainty the outcome of the Supreme Court proceedings.

Other than disclosed above, the Company does not have any material contingent liabilities and assets.



## Section 12: Management

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**TREVOR NYE DipT(Prim), BA, BEd, GradDipMgt, MEdAdmin, TSTC. MACE**  
**Chairman and Director**

Mr Nye previously worked in merchant banking with a particular focus on marketing and commercialisation of intellectual property. He has directed the development of the Company's technologies since the acquisition by the Company in 2005 of intellectual properties and technologies such as Telezon's plastic hypodermic needle. Mr Nye has extensive experience in corporate strategy, administration and the commercialisation of intellectual property on the world market.

<b>Name</b>	<b>Mr Trevor Nye</b>
<b>Role</b>	Chairman and Director
<b>Area of expertise</b>	Commercialising intellectual property on the world market
<b>Relationship to other Directors</b>	N/A
<b>Business Experience (up to 5yrs)</b>	Mr Nye previously worked in merchant banking with a particular focus on marketing and commercialisation of intellectual property. He has directed the development of the Company's technologies since the acquisition by the Company in 2005 of intellectual properties and technologies such as Telezon's plastic hypodermic needle. Mr Nye has extensive experience in corporate strategy and administration that spans the last 25 years – for the last five years, managing an private organisation with 101 staff. He holds a bachelor's degree from Deakin University, and a graduate diploma and a master's degree in educational administration.
<b>Other Directorships (publicly listed/traded)</b>	Nil
<b>Criminal History or similar</b>	Nil
<b>Annual Director's Fees</b>	\$40,000



**MICHELLE CARR B.A. (Jt.Hons), M.I.B., Ph.D.**

***Director and Company Secretary***

Dr Carr has extensive experience in domestic and international marketing. She has worked in senior executive and account director roles in marketing and market research organisations as well as working as a former university lecturer in international marketing. In these roles, Dr Carr has provided strategic advice to public and private companies to guide their project management, research analysis, organisational development and international marketing departments, across several industries including manufacturing and new product development. Dr Carr holds a B.A. (Jt.Hons.) (NUI), a master's degree in International Business (Murd.), and a doctorate in International Marketing from the University of Western Australia.

<b>Name</b>	Dr Michelle Carr
<b>Role</b>	Director and Company Secretary
<b>Area of expertise</b>	Marketing, corporate strategy and corporate governance
<b>Relationship to other Directors</b>	Related to Ms Elaine Carr
<b>Business Experience (up to 5yrs)</b>	Dr Carr has extensive experience in domestic and international marketing. She has worked in senior executive and account director roles in marketing and market research organizations for the last five years. In these roles, Dr Carr has provided strategic advice to public and private companies to guide their project management, research analysis, organisational development and international marketing departments, across several industries including manufacturing and new product development. Dr Carr holds a B.A. (Jt.Hons.) (NUI), a master's degree in International Business (Murd.), and a doctorate in International Marketing from UWA.
<b>Other Directorships (publicly listed/traded)</b>	Sole Director of SSB Technology Pty Ltd
<b>Criminal History or similar</b>	Nil
<b>Annual Director's Fees</b>	\$40,000



**ELAINE CARR BSc., GradDip, MTeach**

***Director***

Ms Carr has significant corporate and project management experience across a number of disciplines and industries, as well as in several successful capital raisings and IPO's. Ms Carr brings to the Telezon Board her strong account management, administration and corporate governance skills. She has held directorships and company secretary positions on a number of publicly listed companies. In addition to her corporate management responsibilities, she has an active interest and involvement in Not for Profit ventures. Ms Carr holds a Science degree (double major) from Murdoch University, and a graduate diploma and a master's degree in secondary teaching.

<b>Name</b>	Ms Elaine Carr
<b>Role</b>	Director
<b>Area of expertise</b>	Administration and corporate governance, account management
<b>Relationship to other Directors</b>	Related to Dr Michelle Carr
<b>Business Experience (up to 5yrs)</b>	Ms Carr has significant corporate and project management experience across a number of disciplines and industries, as well as in several successful capital raisings and IPO's. Ms Carr brings to the Telezon Board her strong account management, administration and corporate governance skills. She has held directorships and company secretary positions on a number of publicly listed companies. In addition to her corporate management responsibilities, she has an active interest and involvement in Not for Profit ventures. Ms Carr holds a Science degree (double major) from Murdoch University, and a graduate diploma and a master's degree in secondary teaching.
<b>Other Directorships (publicly listed/traded)</b>	Nil
<b>Criminal History or similar</b>	Nil
<b>Annual Director's Fees</b>	\$40,000



### Section 13: Sponsors, Bankers, etc.

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<b>Issuer's Sponsor</b>	N/A
<b>Financial Advisors</b>	William Buck (WA) Pty Ltd Level 3, 83 South Perth Esplanade South Perth WA 6151
<b>Principal Bankers</b>	NAB UB 13.03, 100 St Georges Terrace Perth WA 6000
<b>Nominated Advisor</b>	N/A
<b>Share Registrar/transfer agent</b>	Advanced Share Registry Services 150 Stirling Highway Nedlands WA 6009
<b>Solicitor</b>	Baker McKenzie Solicitors Level 27, AMP Centre 50 Bridge Street Sydney NSW 2000
<b>Auditor</b>	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000 <i>Authorised Audit Company</i>

### Section 14: Statement of non-compliance

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The Company has sought a waiver of LR 2.1(b) and is, in all other respects, compliant with the listing rules.

Listing Rule 2.1(b) requires that the issue price or sale price of all securities the Company seeks quotation for (other than options) must be 20 cents or greater.

The Company will comply with its continuous disclosure obligations under chapter 3 of the Listing Rules.



## Section 15: Declaration

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A declaration, stated to be to the best of the *issuer's* knowledge, information and belief that:

- (1) save as specified in the application letter, all the qualifications for *listing* set out in Chapter 3 of Section IIA of the *Listing Rules* have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the *issuer* and the securities of the *issuer* the subject of the application;
- (2) all information required to be included in the *disclosure document* pursuant to Rule 4.8 and the *Corporations Act* will be included; and
- (3) there are no other facts bearing on the *issuer's application for listing* which, in the *issuer's opinion*, should be disclosed to the Exchange.

Sincerely,

Handwritten signature of Mr Trevor Nye in black ink.

Mr Trevor Nye

Non-Executive Chairman

Handwritten signature of Dr Michelle Carr in blue ink.

Dr Michelle Carr

Non-Executive Director

Handwritten signature of Ms Elaine Carr in black ink.

Ms Elaine Carr

Non-Executive Director

Date signed: 13 September 2011



## Section 16: Glossary

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ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Board	means the governing board of directors of Telezon
Cannula	means a tube that can be inserted into a cavity or duct (human, animal or mechanical) - often for the delivery or removal of fluid.
CHESS	Clearing House Electronic Subregister System
Constitution	means the constitution for Telezon
CoreIT®	The Company's exclusive and patented technology, CoreIT® Advanced Moulding Technology
Corporations Act	Corporations Act 2001 (Cth)
Director	means a director of Telezon
DuoDraw®	The Company's exclusive and patented product, DuoDraw® Transfer and Injection Unit
Listing Rules	mean the Listing Rules for SIM VSE (as amended from time to time)
Lumen	means the interior of a Cannula
Luer lock or slip	Luer connection systems are the standard way of attaching syringes, catheters, hubbed needles, IV tubes etc to each other. These can either be described as a " <i>Luer slip</i> " - simply connects to another product or " <i>Luer lock/lok</i> " which can have an outer rim of threading, making them more secure. Luer connection designs are controlled by standards which ensures compatibility between manufacturers.
Official List	means the official list of the SIM VSE and has the meaning given in the Listing Rules
Options	Options issued by and in the Company
SSB	SSB Technology Pty Ltd
SIM VSE	SIM Venture Securities Exchange
Shares	Fully paid ordinary shares in the Company
Shareholder	means the holder of a Share



SoloFlow™

The Company's exclusive and patented product, SoloFlow™ Medical Transfer Cannula

Telezon

Telezon Limited (009 151 277)



## Appendix 1

### Top 20 Shareholders as at 14 August 2011

Rank	Shareholder Name	Units	Percentage
1	MRS SUSAN MARIE CARR	11,600,000	27.8133
2	IRON MOUNTAIN PTY LIMITED	4,747,930	11.3841
3	LINK TRADERS (AUST) PTY LTD	2,773,507	6.65003
4	MANNABURRA INVESTMENT PTY LTD	1,405,051	3.36889
5	NATIONAL NOMINEES LIMITED	909,828	2.18149
6	BELL POTTER NOMINEES LTD	652,000	1.5633
7	MR EVAN PHILIP CLUCAS	605,238	1.45118
8	AGENS PTY LTD	600,000	1.43862
9	NAVOS WORLD PTY LTD	500,000	1.19885
10	BROADBENT NOMINEES PTY LTD	475,095	1.13913
11	MR TREVOR CHARLTON	447,774	1.07363
12	KORFA AUSTRALIA PTY LTD	384,318	0.92148
13	MRS JUDITH HARE	375,000	0.89914
14	ALEXANDER CATO PTY LTD	347,254	0.83261
15	BERNARD LAVERTY PTY LTD	330,000	0.79124
16	OLYMPUS INVESTMENT HOLDINGS	325,900	0.78141
17	GARY JOHN BARTLETT	318,061	0.76261
18	MR WILLIAM JOSEPH EICHHORN	314,943	0.75514
19	CITYVIEW CORPORATION LIMITED	313,500	0.75168
20	LAWSTAR PTY LTD	305,900	0.73346