



**11 October 2017**

ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

By E-Lodgement

**LESS THAN MARKETABLE PARCEL SHARE BUY-BACK**

Valmec Limited (**Valmec** or **Company**) (ASX:VMX) advises that it intends to undertake a buy-back of ordinary shares from holders of less than marketable parcels of shares in the Company (**Buy-Back**).

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares (**Unmarketable Parcel**). The Buy-Back will allow shareholders who hold Unmarketable Parcels of shares in the Company as at 5pm (WST) on 17 October 2017 (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of \$0.21 per share (being the simple average of the last sale prices of Valmec ordinary shares for each of the 10 trading days immediately preceding 11 October 2017). These shares will be cancelled once transferred to the Company

In accordance with the *Corporations Act 2001* (Cth), the Company does not require shareholder approval for the buy-back of these shares, however, Eligible Shareholders are able to opt out of the Buy-Back.

Based on the Buy-Back price per share and the register of members of the Company as at 5pm (WST) on 10 October 2017:

- a) an Unmarketable Parcel of shares is any shareholding of 2,380 or less;
- b) 0.21% of Valmec ordinary shares 171,305 are held in Unmarketable Parcels; and
- c) the aggregate value of the Valmec ordinary shares held by all holders of Unmarketable Parcels is \$35,974.05.

Valmec shareholders who own 2,380 shares or more will not be eligible to participate in the Buy-Back.

The Buy-Back has been instituted to enable shareholders holding an Unmarketable Parcel to realise their shares without brokerage and other expenses and to reduce the significant administrative and registry costs associated with the Unmarketable Parcels. The Company will pay for all costs related with the Buy-Back (excluding tax consequences from the sale which remains the shareholder's responsibility).

The Company is sending the attached letter to Eligible Shareholders. Those who wish to retain their shares must complete and sign the Share Retention Form and forward it to Automic Registry Services, PO Box 2226 Strawberry Hills NSW 2012, to be received by 5pm (WST) on 22 November 2017. Alternatively, Eligible Shareholders may visit <https://investor.automic.com.au/#/home> before 5pm (WST) on 22 November 2017 to submit their intention to retain their existing holding.

**Yours faithfully**

**Harry Singh**

**Company Secretary/CFO**



**11 October 2017**

Dear Shareholder

**Offer by Valmec Limited to buy-back less than marketable parcels of shares**

As announced on 11 October 2017, Valmec Limited (**Valmec** or **Company**) intends to complete a buy-back of ordinary shares from holders of less than marketable parcels of shares in the Company as at 5pm (WST) on 17 October 2017.

The directors of the Company recognise that holders of shares with a value of less than \$500 (**Unmarketable Parcel**) may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with Unmarketable Parcels, the directors have resolved to undertake a buy-back of Unmarketable Parcels of shares under the terms set out in this offer and the procedure in Division 2 Part 2J.1 of the *Corporations Act 2001* (Cth) (**Buy-Back**).

Shares purchased by the Company under the Buy-Back will be cancelled.

Shareholders who hold Unmarketable Parcels of shares in the Company as at 5pm (WST) on 17 October 2017 (**Eligible Shareholders**) are eligible to participate in the Buy-Back.

Under the ASX Listing Rules, a shareholding valued at less than \$500 is considered to be an "unmarketable parcel". Based on the Buy-Back price of \$0.21 per share, being the simple average of the last sale prices of Valmec ordinary shares for each of the 10 trading days immediately preceding 11 October 2017, an Unmarketable Parcel of shares is any shareholding of 2,380 or less.

The Company's share registry shows that the number of shares held by you or an entity that is associated with you is an Unmarketable Parcel, which makes you one of the Eligible Shareholders.

Based on the Buy-Back price and the register of members of the Company as at 5pm (WST) on 10 October 2017:

1. 0.21% of Valmec ordinary shares 171,305 are held in Unmarketable Parcels; and
2. the aggregate value of the Valmec ordinary shares held by all holders of Unmarketable Parcels is \$35,974.05.

It is important to note that the market price of Valmec shares may change from time to time. The Buy-Back price may be less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your Valmec shares are bought back. The Company will not buy-back your shares if you wish to retain your shareholding.

**Your choices:**

1. If you would like the Company to purchase your Unmarketable Parcel of shares at \$0.21 per share, you do not need to do anything. However, if you would like to be paid by direct credit, please complete Step B of Option B of the enclosed Share Retention Form and return it to the Company's share registry, Automatic Registry Services, by no later than 5pm (WST) on 22 November 2017 (**Closing Time**).
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
  - a. complete the enclosed Share Retention Form and return it to the Company's share registry, Automatic Registry Services, by no later than the Closing Time. Alternatively, you may visit



<https://investor.automic.com.au/#/home> before the Closing Time to submit your intention to retain your existing holding; or

- b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional Valmec ordinary shares on market such that your registered holding at the Closing Time is greater than 2,380 shares.

You are advised to allow reasonable time for the Share Retention Form to be reviewed by the Company. If you hold shares in multiple holdings, some of which are Unmarketable Parcels, then the Company will purchase those Unmarketable Parcels unless a Share Retention Form is received for each holding or you advise of your intention to retain each holding online.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable.

The price you receive for each share purchased under the Buy-Back will be \$0.21.

Shareholders who have previously provided the Company with details of an account with an Australian financial institution will be paid their sale proceeds in Australian dollars by direct credit into this account. The Company encourages you to notify it of your account details by completing Step B of Option B of the enclosed Share Retention Form and returning it to the Company's share registry, Automic Registry Services, by no later than Closing Time. In all other circumstances, sale proceeds will be paid in Australian dollars by cheque.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the Buy-Back may affect you.

While the Company will pay for all costs associated with the Buy-Back, any taxation consequences arising from the sale of your Unmarketable Parcel under the Buy-Back will be your responsibility. No brokerage will be payable by you. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of Unmarketable Parcels under the Buy-Back.

For further information, please contact the Company's share registry, Automic Registry Services on 1300 288 664 between the hours of 9.00am and 5.00pm (WST), Monday to Friday.

Yours faithfully

**Harry Singh**

**Company Secretary/CFO**