

**Scantech Limited**  
ACN: 007 954 627  
Incorporated in South Australia

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Camden Park  
SA 5038 Australia

**Correspondence**  
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Web: [www.scantech.com.au](http://www.scantech.com.au)  
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21 August 2015

## **ASX ANNOUNCEMENT**

### **SCANTECH ON MARKET BUY-BACK**

Scantech Limited is currently conducting an on market buy-back of 10% of the issued shares of the company until the 31 August 2015.

Attached is a letter mailed out to the shareholders to notify shareholders about the buy-back.

### **SCANTECH UNMARKETABLE PARCEL SALE FACILITY**

Scantech unmarketable parcel sale facility was closed on the 19 August 2015.

On 17 July 2015 the Company had 107 shareholders with unmarketable parcels totalling 34,200 shares. Since then, 24 shareholders holding in total 6,807 shares have opted out of the sale facility.

### **ABOUT SCANTECH**

Scantech is a world leader in process control technologies, specialising in the minerals, cement and coal industries.

Its award-winning technology measures the composition and quality of bulk materials as they pass through its analysers on conveyor belts.

Detailed analysis is provided in real time, enabling quick decisions that can result in improved process control, significant cost savings, longer plant life and substantial environmental benefits.

Scantech analysers are designed and manufactured in Adelaide, South Australia.

The company is listed on the Australian Stock Exchange (ASX: SCD).

For enquiries refer to Valerie Steer on (08) 8350 0200.



Company Secretary

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21 August 2015

Dear Shareholder

By now you will have received the Notice of General Meeting of shareholders of the Company which will be held on Tuesday 15 September 2015 at 9:30am.

That meeting will consider two important items of business, being Resolution 1 to remove the Company from the official list of the ASX, and Resolution 2, the approval of the on market buy-back of up to 15% of the Company's shares.

All shareholders should carefully read the Notice of General Meeting and Explanatory Memorandum which sets out the reasons for these resolutions.

### **Current On Market Buy-Back**

The purpose of this letter is to remind shareholders that if you wish to sell your shares, you do not need to wait for the approval of Resolution 2 at the General Meeting.

The Company is currently conducting an on market buy-back of up to 10% of its issued shares. The Company is able to do that without the approval of the shareholders. Attached for your information is a copy of an announcement released to the ASX on 31 July 2015 in relation to that buy-back. That buy-back will finish on 31 August 2015.

### **Results for Year End 30 June 2015**

On 31 July 2015, the Company also made a preliminary release of its results for the year ended 30 June 2015. In case you missed that release, a copy is enclosed. You will see that we returned to profit with a pre-tax profit for the year of \$1,242,948.

The final announcement of the audited results will be made before the end of this month and will be available on the Company's website which is [www.scantech.com.au](http://www.scantech.com.au).

Yours faithfully  
SCANTECH LIMITED

PETER PEDLER  
Chairman

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31 July 2015

## ASX ANNOUNCEMENT

### PRELIMINARY ANNOUNCEMENT 30 JUNE 2015 UNAUDITED RESULTS

The Company makes the following preliminary announcement before the official release of its Yearly Accounts for period ended 30 June 2015 to the Australian Securities Exchange (**'ASX'**) that is due by the 31 August 2015.

The Company announces an unaudited profit before tax for the year ended 30 June 2015 of \$1,242,948 compared to \$401,621 loss before tax for the same period last year.

A tax expense of \$272,212 brings the unaudited profit after tax for the year ended 30 June 2015 to \$970,736 compared to a \$267,186 loss for the same period last year. This profit includes a profit of \$64,742 for exchange variance made up of \$50,095 of realised exchange gain and \$14,647 of unrealised exchange gain.

Sales were \$13,255,461 (2014: \$11,713,563) an increase of 13.2% over last year.

Service revenues continue to please with an increase of 20.3% on 2014 levels.

The orders on hand at the date of this announcement total \$2.6M.

### PROPOSAL TO DELIST

The Company announces that it will call a special general meeting of the Company on 15 September 2015 to approve the delisting of the Company from the ASX.

In recommending to shareholders that the Company be delisted from the ASX, the Board has taken into account the following matters:

1. Low Liquidity
  - 1.1. The average monthly value of shares traded in the last 12 months has been \$117,485.
  - 1.2. The average monthly value of shares traded excluding shares traded by directors during the last 12 months has been \$70,704.
  - 1.3. In the last 3 months the total volume of shares traded has been only 84,000 and the value of shares traded has totalled only \$42,977.
  - 1.4. In the last 3 months there have only been 11 days on which Scantech shares have been traded.
  - 1.5. Trading volumes have been low for a number of years.

1.6. Over the last 5 years, the Company has reported the following NPAT:

1.6.1.	2015	\$970,736 (unaudited);
1.6.2.	2014	(\$267,186);
1.6.3.	2013	\$3,116,667;
1.6.4.	2012	\$1,696,459; and
1.6.5.	2011	\$83,301.

The average NPAT during that time has therefore been \$1,119,995.

1.7. The cost of maintaining an ASX listing is significant in the context of the average NPAT.

1.8. The Company does not consider that it needs to raise new equity in the foreseeable future as it has good levels of cash reserves.

1.9. Significant numbers of shareholders hold small or unmarketable parcels of shares:

1.9.1. Approximately 125 shareholders or 26% of all shareholders hold shares with a current market value of less than \$500.

1.9.2. Approximately 303 shareholders or 63% of all shareholders hold shares with a market value of less than \$2,500.

1.9.3. Only 108 shareholders hold shares with a market value of more than \$5,000.

1.10. The top 20 shareholders hold 13,061,942 shares or more than 74% of all shares on issue.

1.11. The Company has suffered significant costs in the last year because of a fictitious take over from a Singapore based company as announced on 22 September 2014.

This made it difficult for management to win contracts as the Company's competitors have pointed to the Company being embroiled in a takeover which was being played out in the public arena.

As a small listed company with significant cash reserves, the Company is at risk of further attempts to destabilise it while it continues to be listed.

1.12. The results of the vote on the remuneration report at AGMs have been as follows:

	<b>Year</b>	<b>Percentage Against</b>	<b>Result</b>
1.12.1.	2014	39.7%	Strike
1.12.2.	2013	45.2%	Strike
1.12.3.	2012	48.5%	Strike
1.12.4.	2011	52.3%	Strike

The Company has suffered in conducting its business during the last 4 years as its competitors continue to highlight the results of the remuneration report resolutions from the Company's annual general meeting.

This has been destabilising for the Company and presented a significant commercial risk for the Company as it has been portrayed by the Company's competitors as a deterrent for existing and potential customers to deal with the Company.

- 1.13. The continued listing of the Company shares on the ASX impairs the ability of the Company to generate value from the Company's assets and trading relationships.
- 1.14. In order to complete the delisting of the Company, the Board has resolved to hold a shareholders meeting on 15 September 2015 to approve the delisting. Notice of the meeting and an explanatory memorandum will be sent to shareholders.
- 1.15. If approved, the delisting would be completed as soon as was convenient after the meeting.

## **LOW VOLUME FINANCIAL MARKET**

In the event that the delisting is approved, the Company will apply to the Australian Securities & Investment Commission for approval to establish a Low Volume Financial Market.

The Low Volume Financial Market will allow the Company to provide to shareholders and potential shareholders who wish to buy or sell shares a cost effective facility for up to 100 transactions with a total value of not more than \$500,000 in any 12 month period.

Shareholders can negotiate a sale of shares outside of the Low Volume Financial Market facility offered by the Company.

## **ON MARKET BUY-BACK AND CANCELLATION OF UP TO 10% OF THE ISSUED SHARE OF THE COMPANY**

The Company announces that from Monday 3 August 2015, the Company will commence an on market buy-back of up to 10% of its issued shares. The buy-back is intended to provide an opportunity for shareholders to realise their investment in the Company.

The Company is satisfied that the buy-back will not have any material adverse affect on the cash flow of the Company. Shareholder approval is not required for the buy-back.

Taylor Collison Limited have been appointed to act on the Company's behalf in the buy-back.

The Company provides the following additional information about the buy-back:

1. Type of buy-back – on market;
2. Class of shares – ordinary fully paid shares;
3. Number of shares on issue 17,562,066;

4. The Company intends to buy-back a maximum of 10% of the issued shares, that is 1,756,206;
5. The period of time during which the Company intends to buy-back shares is a period of 4 weeks commencing on 3 August 2015;
6. There are no conditions to the share buy-back; and
7. There is no other relevant information material to a shareholder's decision to accept the offer.

#### ABOUT SCANTECH

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