



9 June 2017

Dear Shareholder

## Entitlement Offer – Information for Shareholders

Vivid Technology today announced that it intends to raise approximately \$5.0 million (before costs) through an equity raising comprising:

- a placement of fully paid ordinary shares to certain sophisticated and professional investors to raise \$3.1 million (**Placement**); and
- a 1 for 10 pro-rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise up to approximately \$1.9 million (**Entitlement Offer**), with the first \$1.5 million underwritten.

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for new fully paid ordinary shares in Vivid Technology (**New Shares**) on the basis of 1 New Share for every 10 shares held at an issue price of 4.5 cents per New Share.

The Entitlement Offer will be made pursuant to an Entitlement Offer booklet (**Offer Document**) and if you are eligible and wish to participate in the Entitlement Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Document.

Shareholders will also be invited to apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**Top-Up Facility**) if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer.

If following the above allocation there remains a shortfall it will then be allocated to Fielding Hill Capital Pty Ltd to the aggregate amount of \$1.5 million. The Directors reserve the right to place any unissued shares within 3 months after the close of the Entitlement Offer.

A copy of the Offer Document is expected to be lodged with ASX and sent to eligible shareholders on or about 22 June 2017. The Offer Document will be dispatched to shareholders with registered addresses in Australia and New Zealand and who hold Shares as at the record date of 7.00 pm (Melbourne time) on 21 June 2017 (**Record Date**).

Pursuant to the ASX Listing Rules, Vivid Technology is required to provide you with certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. A maximum of 43,247,134 New Shares will be issued pursuant to the Entitlement Offer (subject to the rounding of fractional entitlements to New Shares).

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2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.
3. The issue price of the New Shares will be 4.5 cents each.
4. Vivid Technology will apply for quotation of the New Shares issued pursuant to the Entitlement Offer on the official list of the ASX.
5. The funds raised from the Entitlement Offer (after costs) together with other funds the Company has access to will be primarily used to fund investment in the company's growth initiatives, including:
  - Assisting the company in pursuing its short-term revenue opportunities, including significant identified opportunities with existing customers.
  - Continuing to develop additional recurring revenue streams including "Asset Management" revenue via Lighting-as-a-Service commercial sales model, along with ongoing technology research and development.
  - Supporting the company's scaling to address increasing growth opportunities and objectives across both the domestic and international markets.
  - Repaying the existing short-term debt facility (\$750,000) (to be replaced by new short term revolving working capital facilities).
  - General working capital purposes.

Other uses of funds may include supporting the company's investment in NewCO2Fuels as it progresses finalisation of the commercialisation of its technology (including in conjunction with Sinopec Engineering Group), and for general corporate purposes.

6. It is anticipated that the New Shares subscribed for will be entered into uncertificated holdings on or before 12 July 2017.
7. The total number and class of all securities quoted on ASX (including the maximum number of Shares to be issued under the Entitlement Offer) is as follows:

Shares	Number
Shares on issue at the Announcement Date	362,471,340
Shares offered under the Placement	70,000,000
Maximum number of shares offered under the Entitlement Offer**	43,247,134*
Maximum total number of Shares on issue on completion of the Placement and Entitlement Offer**	475,718,474*

\*The number of New Shares to be issued under the Entitlement Offer is subject to the rounding of fractional entitlements to New Shares.

\*\* The maximum number of shares if the Entitlement Offer is fully subscribed.

8. Vivid Technology has 59 million options on issue with various expiry dates with exercise prices ranging from 7.5 cents to 20 cents, all unquoted. It has been agreed that a total of 9 million new options will be issued to the Underwriter and other advisers in relation to completion of the Placement and Entitlement Offer, with exercise prices ranging from 6.5 cents per share to 10 cents per share.
9. All New Shares issued pursuant to the Entitlement Offer will have the same dividend entitlements as existing Vivid Technology shares on issue.
10. No shareholder approval for the Entitlement Offer is required.

11. The Entitlement Offer is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements and their equity interest in Vivid Technology will be diluted.
12. The New Shares in the Entitlement Offer will be offered on the basis of 1 new share for every 10 shares held by the shareholder as at the Record Date. Fractional entitlements will be rounded up.
13. The offer under the Entitlement Offer relates to fully paid ordinary shares in the capital of Vivid Technology.
14. The record date to determine entitlements is 7.00pm (Melbourne time) on 21 June 2017.
15. Shareholders will be invited to apply for additional New Shares in excess of their entitlement. If there are excess applications for additional New Shares, an appropriate allocation policy will be applied as set out in the Offer Document. The Entitlement and Acceptance Form will contain instructions on how to apply for additional shares.
16. Only shareholders with registered addresses in Australia, New Zealand, Hong Kong and Singapore will be sent the Offer Document. In compliance with Listing Rule 7.7.1, Vivid Technology has decided that it is unreasonable to make the Entitlement Offer to shareholders with registered addresses outside of a limited number of jurisdictions (non-eligible shareholders) having regard to each of the following:
  - the number of those security holders registered;
  - the number and value of the securities that would have been offered to those security holders; and
  - the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.
17. The closing date for receipt of acceptances is 5.00pm (Melbourne time) on 6 July 2017.
18. The lead manager and underwriter of the Entitlement Offer is Fielding Hill Capital Pty Ltd.
19. The Offer Document for the Entitlement Offer and the Entitlement and Acceptance Form are expected to be dispatched to eligible shareholders on or about 22 June 2017.
20. The latest date for dispatch of certificates and entry of the New Shares subscribed for into your security holdings is 13 July 2017.

The above information was provided to the ASX on 9 June 2017.

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Computershare Investor Services Pty Limited as Share Registry on 1300 850 505.

Yours faithfully

Robert Smith  
Company Secretary