

AVI-TECH ELECTRONICS LIMITED
Incorporated in the Republic of Singapore
(Company Registration No.: 198105976H)
(the “**Company**”)

UPDATE ON PROPOSED CORPORATE RESTRUCTURING OF THE COMPANY

RECEIPT OF IN-PRINCIPLE APPROVAL OF THE SGX-ST

1. INTRODUCTION

The Company refers to the announcements (the “**Announcements**”) made on 18 February 2020 and 10 September 2020 in relation to, *inter alia*, the proposed corporate restructuring of the Company (the “**Restructuring**”) by way of a scheme of arrangement (the “**Scheme**”), in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore. Pursuant to the Restructuring, it is proposed that a new holding company, Avi-Tech Holdings Pte. Ltd. (“**NewCo**”), will be interposed between the shareholders of the Company (the “**Shareholders**”) and the Company through the acquisition by NewCo of all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) in exchange for new ordinary shares in the capital of NewCo (the “**NewCo Shares**”) on a one-for-one basis.

Unless otherwise defined, all capitalised terms used herein shall have the same meanings ascribed to them in the Announcements.

2. WAIVER FROM SGX-ST

2.1. The Company’s general share issue mandate, which gives the Directors of the Company the authority to issue Shares subject to the terms contained therein (the “**Company General Share Issue Mandate**”) was approved by the Shareholders at the annual general meeting of the Company held on 29 October 2020 (“**2020 AGM**”) and will remain in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.

2.2. In connection with the Restructuring, it is intended that the sole shareholder of NewCo (the “**Subscriber Shareholder**”) will, pursuant to an ordinary resolution, approve and adopt a general share issue mandate which grants authority to the directors of NewCo to allot and issue NewCo Shares and/or convertible securities in accordance with the terms of such mandate (the “**NewCo Share Issue Mandate**”). The NewCo Share Issue Mandate is conditional upon, *inter alia*, Shareholders’ approval of the Scheme being obtained at the meeting of Shareholders to be convened and held under the directions of the High Court of the Republic of Singapore and Shareholders’ approval of the NewCo Share Issue Mandate being obtained at an extraordinary general meeting of the Company to be held.

2.3. Under Rule 806(3) of the Listing Manual, the total number of issued shares (excluding treasury shares) to be used for the purposes of computing limits under a general share issue mandate under Rule 806(2) of the Listing Manual shall be based on an issuer’s total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate, after adjusting for:

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares.

- 2.4. As NewCo will only have an issued share capital of S\$1.00, comprising one (1) ordinary NewCo Share at the time of the Subscriber Shareholder passing the ordinary resolution to approve the NewCo Share Issue Mandate, the Company had on 21 December 2020 applied to SGX-ST for its concurrence that strict compliance with Rule 806(3) of the Listing Manual may be dispensed with and that the NewCo Share Issue Mandate may be based on the total number of issued NewCo Shares (excluding treasury shares) with reference to the number of issued Shares (excluding treasury shares) in the capital of the Company at the time of passing of the resolution to approve the renewal of the Company General Share Issue Mandate at the 2020 AGM instead.
- 2.5. The Board wishes to announce that the SGX-ST has on 31 March 2021 informed the Company that it has no objection to the Company's application, subject to the following conditions:
- (i) any adjustments to the NewCo Share Issue Mandate being made in compliance with Listing Rule 806; and
 - (ii) Shareholders' approval being obtained for the Restructuring and NewCo Share Issue Mandate.

3. RECEIPT OF IN-PRINCIPLE APPROVAL OF THE SGX-ST

- 3.1. The Board wishes to also announce that further to an application to the SGX-ST, the in-principle approval of the SGX-ST was granted on 31 March 2021 in respect of the listing and quotation of all the NewCo Shares to be issued pursuant to:
- (i) the Proposed Restructuring Exercise by way of a Scheme of Arrangement under Section 210 of the Companies Act (Chapter 50) of Singapore; and
 - (ii) the proposed adoption of the Avi-Tech Restricted Share Plan by NewCo,
- subject to the following conditions:
- (a) compliance with the SGX-ST's listing requirements;
 - (b) Shareholders' approval of the proposed scheme of arrangement; and
 - (c) independent Shareholders' approval being obtained for the proposed adoption of the Avi-Tech Restricted Share Plan by NewCo.
- 3.2. The Scheme Document containing full details of the Scheme will be despatched to Shareholders in due course. Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information set out in the Scheme Document. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.
- 3.3. Please note that the in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the NewCo Shares, the Avi-Tech Restricted Share Plan by NewCo, the existing Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD

Khor Thiam Beng
Non-Executive Chairman &
Independent Director
1 April 2021