



ARTIVISION TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200407031R)

RECEIPT OF APPROVAL FROM THE SGX-ST IN RELATION TO THE FOLLOWING:

- (1) APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 1017(1)(a) OF THE CATALIST RULES; AND**
 - (2) APPLICATION FOR CONTINUED TRADING OF THE COMPANY'S SHARES AFTER THE COMPANY BECOMES A CASH COMPANY PURSUANT TO RULE 1017 OF THE CATALIST RULES.**
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1. INTRODUCTION

- 1.1 The board of directors (the **"Board"** or **"Directors"**) of Artivision Technologies Ltd. (the **"Company"**, and together with its subsidiaries, the **"Group"**) refers to the announcement of the Company dated 27 February 2018 (the **"Announcement"**) in relation to, *inter alia*, the Company's compliance with the requirements of a cash company under Rule 1017 of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalist (the **"Catalist Rules"**).
- 1.2 All capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings as used in the Announcement.

2. WAIVER AND APPLICATION

- 2.1 Further to the Announcement, the Board is pleased to announce that the SGX-ST has, in its letter dated 5 April 2018 (the **"Waiver and Application Confirmation"**), advised that it has no objections to:
 - (a) a waiver from compliance with Rule 1017(1)(a) of the Catalist Rules for the requirement for the Company to place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the Company) in the Escrow Account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore (the **"Waiver"**); and
 - (b) the continued trading of the Company's shares (the **"Shares"**) on the Catalist board of the SGX-ST (**"Catalist"**) after the Company becomes a Cash Company pursuant to Rule 1017 of the Catalist Rules (the **"Application"**);

subject to the conditions set out below.

- 2.2 The Waiver and the Application are subject to:

- (a) the Company locking up the final tranche of the proceeds from the Company's disposal of its entire interests in Artimedia Pte. Ltd., due and payable to the Company on 10 August 2018, in an escrow account;
- (b) ZICO Capital Pte. Ltd. (the **"Sponsor"**) monitoring the progress of the opening of the escrow account;

- (c) the Company making an announcement, as soon as practicable, on the approval granted and conditions imposed. The announcement should state, amongst others, the reasons for seeking the Waiver as required under Rule 106 of the Catalist Rules and confirmation by the Board and the Audit Committee of the Company that the Waiver is in the best interests of the Company and its minority Shareholders;
 - (d) the controlling Shareholder providing an undertaking that adequate funds (if required) will be provided to the Group to enable it to continue operating as a going concern; and
 - (e) the Company and its Directors undertaking to satisfy the requirements under Rules 1017(1)(b), (c) and (d) of the Catalist Rules.
- 2.3 The SGX-ST further reserves the right to suspend trading of the Company's securities as it deems fit should the Company fail to comply with Rule 1017(1) of the Catalist Rules, and to amend or vary the Waiver and Application Confirmation as it deems fit. The Waiver and Application Confirmation is subject to changes in the SGX-ST's policies.

3. REASONS FOR SEEKING THE WAIVER AND THE APPLICATION

The Company had, on 5 March 2018, applied to the SGX-ST through its Sponsor for the Waiver and the Application. The reasons for seeking the Waiver and the Application were as follows:

Waiver

- (a) in accordance with Rule 1017(2) of the Catalist Rules, the Company has 12 months from the time it becomes a Cash Company to meet the requirements for a new listing, and the SGX-ST will proceed to remove the Company from Catalist thereafter if it is unable to do so (the "**12-Month Time Period**");
- (b) a projection of the Company's average monthly cash outflow for its day-to-day operating expenses for the 12-Month Time Period has been conducted by the management of the Company (the "**Projected Operating Expenditure**"). The Board is of the view that the Projected Operating Expenditure will be required to ensure that the Company continues its operations with a management team of appropriate experience and expertise in order to successfully pursue and complete an acquisition for a New Business to lift its status as a Cash Company as well as to ensure that the Company continues to meet its continuing listing obligations;
- (c) the Board and the Sponsor have reviewed the basis for the monthly operating expenses and are satisfied with the reasons for such monthly operating expenses;
- (d) if the Company has to comply with Rule 1017(1)(a) of the Catalist Rules and place 90% of its existing cash and cash equivalents in the Escrow Account, the Company would not have sufficient cash to cover its operating expenses for the 12-Month Time Period and to repay its outstanding bonds to three bondholders due and payable on 31 August 2018 (the "**Outstanding Bonds**"), in aggregate principal amount (with accrued interest up to the maturity date of 31 August 2018) of approximately S\$8.10 million¹; and

¹ The Company would like to clarify that its existing cash and cash equivalents would not be sufficient to cover its operating expenses for the 12-Month Time Period, before taking into account the repayment of the Outstanding Bonds.



- (e) the opening of the Escrow Account would involve the appointments of an escrow agent and professional advisers (if applicable) by the Company, which would incur additional unnecessary costs for the Company,

Application

- (f) the Company had entered into the HOA on 31 October 2017 in respect of the Proposed Acquisition and is still in the process of negotiating and finalising a binding sale and purchase agreement for the Proposed Acquisition. The continued trading will facilitate the Company's discussions with the shareholders and bondholders of the Target as the Proposed Acquisition is an opportunity for the Company to acquire a New Business, thus meeting the requirements under Rule 1017 of the Catalist Rules and enhancing value for Shareholders;
- (g) the continued trading will allow Shareholders to be able to trade the Shares and avail themselves of the opportunity to exit through the open market and realise returns from their shareholdings in the Company; and
- (h) the continued trading will allow Shareholders and/or potential investors who are confident in the Company's future prospects and/or the Proposed Acquisition to invest in the Shares through the purchase of the Shares in the open market.

4. CONFIRMATION BY THE BOARD AND AUDIT COMMITTEE

The Board and the Audit Committee of the Company confirm that the Waiver is in the best interests of the Company and its minority Shareholders.

5. UNDERTAKINGS

The Board wishes to inform Shareholders that the Company is in the process of obtaining the undertakings from the controlling Shareholder and each of the Directors pursuant to paragraphs 2.2(d) and 2.2(e) above. The Company will update Shareholders on this matter in due course.

6. MISCELLANEOUS

The Company will continue to provide updates on any material developments in relation to the Proposed Acquisition to the SGX-ST and Shareholders via announcements to be released on the SGXNet.

7. CAUTION IN TRADING

Shareholders and investors of the Company are advised to exercise caution when dealing in the Shares of the Company. In the event of any doubt as to the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

By Order of the Board

HARRY NG

Non-Executive Chairman & Independent Director

5 April 2018



*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.