

MARTIN AIRCRAFT COMPANY LIMITED
ASX ANNOUNCEMENT



INDUSTRY: Aviation

**MARTIN AIRCRAFT
COMPANY LIMITED**

A company registered in
New Zealand with company
number 901393
(ARBN 601 582 638)

39 Ballarat Way, Wigram
Christchurch 8042
New Zealand
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www.martinjetpack.com

COMPANY CONTACT

James West
CEO & CFO

ASX Code: MJP

BOARD OF DIRECTORS

Dr Luan Lin
Non-Executive Chairperson

Dr Liu Ruopeng
Non-Executive Director

Ran Elias
Non-Executive Director

Robert (Guailin) Luo
Non-Executive Director

Vincent Leung
Non-Executive Director

Further information

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Lodged by MJP

Notice of Special Meeting

13 April 2018

Notice is hereby given that a special meeting of shareholders of Martin Aircraft Company Limited NZCN 901393 (the **Company**) will be held at Martin Aircraft Company Limited, 39 Ballarat Way, Wigram, Christchurch on Tuesday, 1 May 2018 commencing at 4:00pm (New Zealand time).

The following business will be considered at the special meeting:

Resolution 1 – Delisting from the ASX

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for all purposes, shareholders approve the Company's removal from the official list of the ASX under ASX Listing Rule 17.11, subject to compliance with such conditions imposed by ASX, on a date to be decided by ASX (being a date no earlier than one month after the date this Resolution is passed), and that the Directors of the Company be authorised to do all things reasonably necessary to give effect to the removal of the Company from the official list of the ASX.

Please see Explanatory Notes for further information.

Resolution 2 - Revocation of the Company's existing constitution and adoption of a new constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

That, subject to the passing of Resolution 1 at the Special Meeting at which this Resolution is proposed, upon removal of the Company from the Official List of ASX, the existing constitution of the Company be revoked in its entirety and a new constitution, in the form described in the Explanatory Notes and made available to shareholders on request, be adopted with immediate effect.

Please see Explanatory Notes for further information.

Important Information

Record Date

Any person who is registered as a shareholder of the Company at 5pm (New Zealand time) on Friday, 27 April 2018 is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in their place.

Proxies

All shareholders are entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in their place.

Enclosed with this notice of special meeting is a proxy form. For the appointment of a proxy to be valid, the proxy form must be received by Link Market Services either by post to Link Market Services, Locked Bag A14, Sydney, South NSW 1235, facsimile +61 2 9287 0309 or via web site voting at www.linkmarketservices.com.au at least 48 hours before the start of the special meeting (that is by 4:00pm (New Zealand time) on Sunday, 29 April 2018).

Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person or persons as proxy to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. If the proxy form is returned without direction as to how the proxy should vote on the resolution then the proxy may vote as he or she thinks fit on that resolution.

All joint holders of a share must sign the proxy form.

A shareholder that is a corporation may sign under the hand of a duly authorised officer or by power of attorney. If the proxy form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be delivered to the Company with the proxy form.

Corporate Representatives

A shareholder that is a corporation may appoint a representative to attend the meeting on its behalf in the same manner as that which it could appoint a proxy. Corporate representatives should bring to the meeting evidence of their authority to act for the relevant corporation. Shareholders can download and fill out the Appointment of Corporate Representative form from the Link Market Services' website: www.linkmarketservices.com.au/corporate/resources/forms.html

Powers of attorney

Any person representing a shareholder(s) by virtue of a power or attorney must bring to the meeting a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company.

Postal Voting

Pursuant to the Company's constitution, a shareholder may not exercise his or her right to vote at the meeting by casting a postal vote.



By Order of the Board of Directors
13 April 2018

Explanatory Notes

These Explanatory Notes set out the details of the matters which are the subject of the resolutions required to be approved by the shareholders of the Company under the New Zealand *Companies Act 1993* (the **Companies Act**), the constitution of the Company (the **Constitution**) and, as applicable, the listing rules of the Australian Securities Exchange (**ASX**) (**ASX Listing Rules**).

Ordinary Resolution

The first resolution set out in this notice of special meeting (**Resolution 1**) is an ordinary resolution which requires approval by a majority of the votes of those shareholders entitled to vote and voting on the resolution.

Special Resolution

The second resolution set out in this notice of special meeting (**Resolution 2**) is a special resolution which requires approval by not less than 75% of the votes of those shareholders entitled to vote and voting on the resolution.

Resolution 1 – Delisting from the ASX

The Company has been listed on the official list of ASX (**Official List**) since February 2015. The Board believes that it is no longer in the best interests of the Company to continue to be listed on the Official List. Consequently, in accordance with ASX Listing Rule 17.11, the Board has voluntarily sought the removal of the Company from the Official List. Should the Company be removed from the Official List, it will instead become listed on the trading platform known as the Unlisted Securities Exchange (**USX**) in New Zealand.

Background to, and reasons for, the delisting proposal

For some time the Board has been considering ways of reducing the Company's costs. The Company continues to be in the development phase of its jetpack product and needs to ensure that its limited cash resources are used to maximise the development of its product, rather than to pay for administrative costs, including ASX listing fees.

The Company's shares have been thinly traded on ASX for some time. Despite the Company having over 396 million shares on issue, less than one million shares on average have been traded on a daily basis over the last seven months.

For these reasons the Board decided that it should investigate the possibility of removing the Company from the Official List, subject to the Company voluntarily seeking shareholder approval for the removal as a matter of good governance.

As part of investigating the removal of the Company from the Official List, the Company was keen to provide shareholders with an appropriate alternative that will provide the Company's shareholders with the opportunity to continue to trade their shares if they want to. On this basis, the Company has agreed that upon removal from the Official List, it will list its shares on the USX in New Zealand, a trading platform that allows unlisted shares to be traded publicly. The compliance costs of the USX platform are significantly less than the costs of an ASX listing. Further information on the USX platform is provided below.

Delisting process

The Company recently sought and obtained in-principle approval from ASX that ASX would likely agree to a voluntary request by the Company to be removed from the Official List pursuant to ASX Listing Rule 17.11. Following receipt of the in-principle approval, on 28 February 2018, the Company announced that it had made a formal request to ASX requesting ASX remove the Company from the Official List, subject to the Company voluntarily seeking shareholder approval for the removal. On 8 March 2018, ASX approved the Company's application, subject to certain conditions, being that the removal be approved by an ordinary resolution of shareholders and that the removal take place no earlier than one month from the date shareholder approval is granted.

The purpose of Resolution 1 is to seek the relevant shareholder approval. The approval is sought by way of an ordinary resolution of shareholders. The Company's largest shareholder, KuangChi Science Limited, which holds approximately 52% of the Company's issued share capital, has confirmed to the Company that it intends to vote in favour of Resolution 1 at the meeting.

Consequences of the removal of the Company from the Official List

If the Company is removed from the Official List it will no longer be subject to the ASX Listing Rules. Accordingly, the Company will no longer be subject to certain obligations and restrictions, such as continuous disclosure obligations, restrictions on certain private placements, and restrictions on certain related party transactions.

Removal of the Company from the Official List will not impact the terms of issue of the ordinary shares of the Company. The Company is and will remain subject to the Companies Act, which includes protections for shareholders, such as the duties imposed on directors and the requirement for shareholder approval for "major transactions" (as defined in the Companies Act, for example, any sale or acquisition of assets having a value greater than half of the market value of the Company's gross assets). The Takeovers Code Approval Order 2000 (**Takeovers Code**) will also continue to apply to the ownership of voting securities in the Company, which provides another form of protection (and processes) for the benefit of shareholders.

While shareholders will no longer be able to trade their shares on the ASX, shareholders will have the opportunity to trade their shares on USX should they wish to do so. Once the Company's removal from the Official List is completed, shareholders' shares held on the ASX CHESS register will be automatically transferred to the USX register and shareholders will be assigned a holder number and authorisation code (**FIN**) to enable trading on the USX. Shareholders will be sent these details once the register transfer has been completed and shareholders do not need to take any action to facilitate this process.

Unlisted Securities Exchange (USX)

One of the main benefits to shareholders of the ASX listing is the ability for shareholders to trade their shares on a public market. The Company will maintain a trading platform for the Company's shares from the date the Company is removed from the Official List by providing shareholders with the opportunity to trade their shares on USX. USX has approved the Company's application to become an issuer on USX. USX is not affiliated with the New Zealand Stock Exchange – it is, in essence, a well-established and inexpensive securities trading platform without the regulatory overlay of a licensed market.

The USX website states that:

"The Unlisted Securities Exchange (USX) is a Financial Product Market operating under an exemption from subpart 7 of Part 5 of the Financial Markets Conduct Act 2013 ("the Act") and certain conditions specified in the Exemption Notice. Investors trading in securities quoted on USX trade at their own risk and do not have the protections provided by Part 5 of the Act, in relation to: insider trading, market manipulation, continuous disclosure, substantial holding disclosure, relevant interest disclosures, and the monitoring of market obligations by the FMA. USX provides a facility for trading previously allotted securities. USX has its own Market Rules and monitors compliance by Issuers with those Rules.

Before an investor may trade (via a broker) in securities quoted on USX, the investor's broker will require the investor to sign the USX Information and Disclaimer form, which provides a fuller explanation about USX's status and what this means for investors." Further information about USX can be found at www.usx.co.nz.

Shareholders that wish to trade their shares on the USX after the transition from ASX to the USX will need to contact a USX broker participant. A list of broker participants can be found at www.usx.co.nz. The broker will require your holder number and FIN. These details will be sent to you following the transition.

Upon completion of a trade on USX your broker will attend to settlement by arranging for the shares to be transferred either using the NZ Clear electronic securities transfer system or via a signed share transfer form. You should provide your shareholder and FIN numbers to your broker at the time you place your order with them which will allow them to utilise the NZ Clear process.

Shareholders that hold shares on a Common Shareholder Number (**CSN**) are able to transfer their shares from the holder number to their CSN after the transition from ASX to USX. This can be facilitated by contacting the Company's share registry, Link Market Services Limited (**Link**).

If you have questions please contact Link in New Zealand on +64 9 375 5998 or in Australia on +61 1300 554 474.

Key advantages and disadvantages of the removal from the Official List

The following are some of the key advantages and disadvantages of the Company's removal from the Official List:

Advantages of removal from Official List	Disadvantages of removal from Official List
Simplification of rules and regulations governing the Company. Currently, the Company is subject to the ASX Listing Rules and the Corporations Act in Australia, and the Companies Act and the Takeovers Code in New Zealand. By being removed from the Official List, the Company will only be subject to a single regime. This will simplify the administration of the business.	ASX is a world class exchange and a delisting removes the immediate ability of the Company to raise capital on ASX.
There are significant costs to maintaining a public listing – listing fees, legal costs, registry costs, etc. – removal from the Official List will materially cut costs for the Company.	Liquidity in share trading depends on their being both willing sellers and willing buyers of shares. While the Company will provide shareholders with the ability to trade their shares on USX, no guarantee can be provided

Advantages of removal from Official List	Disadvantages of removal from Official List
	that there will be any liquidity in the shares on USX.
Cost savings from the reduced administrative and compliance costs of the removal from the Official List and subsequent listing on USX will allow the Company to prioritise its costs on developing the jetpack and potential related products and opportunities.	

Timetable to removal from Official List

If shareholders approve Resolution 1, following agreement with ASX, the Company's shares will cease trading on ASX from the close of trading on Friday, 1 June 2018, allowing shareholders who wish to sell their shares on ASX a period of time to do so before the removal takes effect.

If shareholders approve Resolution 1, an indicative timetable for various key events is as follows:

Event	Date (2018)
Date of Special Meeting	Tuesday, 1 May 2018
Last day of trading on ASX (and removal of Company from Official List at close of trading)	Friday, 1 June 2018
Despatch of holder numbers and authorisation codes (FIN)	Monday, 4 June 2018
Admission of the Company to USX and first day of trading	Tuesday, 5 June 2018

** Note: The timetable is indicative only and is subject to change at the sole discretion of the Company.*

All information provided

The Company confirms that all information concerning the Company which a reasonable person would expect to be disclosed and to have a material effect on the price or value of the Company's securities has been previously disclosed by the Company.

Professional advice

If any shareholder is not sure how to vote on this Resolution 1, or is not sure of the impact of Resolution 1 with respect to their own personal circumstances, including any tax consequences of this Resolution 1, the Board recommends that shareholders seek professional advice from their stockbroker, lawyer, accountant or other professional adviser before deciding how to vote.

Board recommendation

For the reasons outlined above, the Board recommends that shareholders vote in favour of Resolution 1.

Resolution 2 – Revocation of the Company's existing constitution and adoption of a new Constitution

The Company's existing constitution reflects a fairly typical New Zealand listed company constitution for a company listed on the ASX.

The Board proposes to adopt a new constitution which in effect will be substantially the same as the existing constitution but will remove all references to ASX, the ASX Listing Rules and related matters. The remainder of the constitution will, subject to the comment below on unmarketable parcels, simply reflect a widely-held company constitution. Minor amendments to certain clauses will also be made to reflect updated New Zealand legislation.

The unmarketable parcels provisions in clause 9 of the existing constitution have been retained in the new constitution. The definition of "Marketable Parcel" in the constitution has been changed from referring to the relevant definition in the ASX Listing Rules to being a parcel of shares with a value of NZ\$500 or more (based on the last 20 workings days' volume weighted average price or closest equivalent if the Company is not listed on the Unlisted Securities Exchange). Accordingly, the Company would be able to facilitate the sale of share parcels that are less than a Marketable Parcel to a third party if the relevant shareholder does not reject a request to sell when notified. Any proceeds from such a sale would go to the relevant shareholder.

Resolution 2 is conditional on Resolution 1 being passed as there would be no need to change the constitution if shareholders did not approve the removal of the Company from the Official List.

The Company will be removed from the Official List if Resolution 1 is passed, regardless of whether or not Resolution 2 is passed, because the existing constitution will remain effective if left unchanged since any references to ASX and the ASX Listing Rules will no longer be relevant in any event. However, the Board is seeking to have shareholders approve the new constitution primarily on the basis that it would be confusing moving forward for any person who reviewed a copy of the constitution to see irrelevant references to the ASX.

Please contact Ben Taylor (enquiries@martinaircraft.co.nz) if you would like to be sent a marked-up version of the Company's proposed new constitution showing all changes from the existing Company constitution, or if you would like to be sent a clean version of the Company's proposed new constitution.

Board recommendation

For the reasons outlined above, the Board recommends that shareholders vote in favour of Resolution 2.

ABOUT THE MARTIN AIRCRAFT COMPANY LIMITED

The Martin Aircraft Company has evolved to become the world leader in jetpack development and commercialisation. Initially conceived to be the ultimate in personal transportation, the Martin Jetpack's potential for alternative applications soon became clear and led the company to refocus its vision to include being part of the global crusade to save and improve lives.

The Martin Jetpack has the pedigree of design ingenuity and innovation for which New Zealand is renowned. Designed with the goal to be the world's safest light aircraft, its potential applications span first response, search and rescue, military operations and commercial operations. It has the capability to be used in both a manned and unmanned capacity, which makes it the world's smallest and most practical Optionally Piloted Hovering Air Vehicle (OPHAV).

More detailed information about Martin Aircraft and the Martin Jetpack is available at www.martinjetpack.com