



Pre-Quotation Disclosure

The following information is provided to ASX Limited for release to the market in connection with the official quotation of the fully paid ordinary shares (**Shares**) in Martin Aircraft Company Limited ARBN 601 582 638 (**MJP** or **Company**).

Capitalised terms not defined in this document have the meanings given to them in the prospectus lodged by MJP with the Australian Securities and Investments Commission on 27 October 2014 (**Prospectus**).

1 Oversubscriptions and scale back

The Company confirms that the Offer was ultimately oversubscribed and in accordance with the terms of the Prospectus, the Directors have had to scale back applications. The Directors implemented a scale back process that they considered to be fair in the circumstances and that tried to reward shareholders who invested into the Offer in its early stages, while maintaining the overall requirement to satisfy the ASX spread requirements for a listing. The Company's share registry, Link Market Services Limited, has written to each shareholder advising them of their final allocation under the Offer and provided a holding statement of their initial holding in the Company (see section 2 below). Refund cheques for application monies not applied towards Shares have also been despatched to applicants on 19 February 2015.

2 Despatch

The Company confirms that the despatch of:

- (1) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
- (2) in relation to all other holdings, issuer sponsored holding statements; and
- (3) any refund money,

occurred on 19 February 2015.

3 Distribution schedule

A distribution schedule of the numbers of holders of Shares is set out in **Annexure A**.

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4 Statement of 20 largest holders

A statement of the 20 largest holders of Shares is set out in **Annexure B**.

5 ASX restricted securities

The following securities are subject to ASX imposed restriction from the date of quotation of MJP on ASX:

| Restriction period | Number of securities | Release date |
|--|---|-------------------|
| 24 months from quotation | 67,389,024 Shares | 24 February 2017 |
| 24 months from quotation | 1,800,000 Options exercisable at NZ\$0.43 | 24 February 2017 |
| 24 months from quotation | 316,670 Options exercisable at NZ\$0.24 | 24 February 2017 |
| 24 months from quotation | 3,000,000 Options exercisable at NZ\$0.24 | 24 February 2017 |
| 12 months from the date of issue of the securities | 58,056 Shares | 5 June 2015 |
| 12 months from the date of issue of the securities | 110,000 Shares | 24 June 2015 |
| 12 months from the date of issue of the securities | 472,014 Shares | 14 July 2015 |
| 12 months from the date of issue of the securities | 20,368 Shares | 18 July 2015 |
| 12 months from the date of issue of the securities | 66,202 Shares | 17 August 2015 |
| 12 months from the date of issue of the securities | 100,834 Shares | 28 August 2015 |
| 12 months from the date of issue of the securities | 163,197 Shares | 2 September 2015 |
| 12 months from the date of issue of the securities | 2,989,818 Shares | 30 September 2015 |

6 Voluntary escrow

The total number of Shares subject to voluntary escrow is 46,691,060. The Shares in voluntary escrow are in addition to the ASX restricted securities in section 5 above.

The escrow period applying to the Shares subject to voluntary escrow is from the date of quotation of the Shares on ASX to 1 December 2015.

7 Axstra Capital – IPO lead advisor

- 7.1 As noted in section 9.3.1 of the Prospectus, in its capacity as IPO lead advisor to MJP, Axstra Capital Pty Ltd (**Axstra**) is entitled to a success fee, payable partly in cash and partly in equity at Axstra's election. As a result of the maximum subscription proceeds of A\$27,000,000 being raised under the Offer and the resulting market capitalisation of the Company on admission to ASX, Axstra is entitled to a success fee of approximately A\$752,000 in total, which will be paid partly in cash and partly in new Shares.
- 7.2 Axstra has agreed to the issue of 665,000 Shares to its related entity Teldar Capital Pty Ltd (**Teldar Capital**) in part satisfaction of its proportion of the success fee. The remaining balance of the success fee payable to Axstra will be paid by the Company in cash.
- 7.3 Pursuant to the arrangements between Axstra and John Diddams set out in section 12.2 of the Prospectus, Axstra has directed the payment of the remaining proportion of its success fee in cash and new Shares to related entities of John Diddams as follows:
- Whitfield Investments Pty Ltd (**Whitfield Investments**) – 725,000 Shares
 - Galdarn Pty Ltd (**Galdarn**) – 125,000 Shares

The balance of the Axstra success fee payable by Axstra to John Diddams will be paid in cash.

- 7.4 All Shares issued to Whitfield Investments, Galdarn and Teldar Capital pursuant to the success fee arrangement for the IPO are classified as restricted securities and will be subject to an ASX escrow period of 24 months from the date of quotation of the Shares on ASX.

8 Options on issue

A table setting out the options on issue as at the date of listing, together with exercise periods is set out in **Annexure C**.

In addition to the options set out in **Annexure C**, the Board has granted a total of 800,000 options as part of an incentive package to fill the vacant position within the Company of Manager of Flight Operations. The Company is aiming to fill that position following the listing of the Company and the options will be formally allocated to the recipient of that role at the time of employment.

There are also 500,000 warrants on issue, exercisable at NZ\$0.20 per warrant on or before 28 May 2015.

9 Kuang-Chi Science Limited – purchase of existing shares and Convertible Notes

In accordance with the terms of the Investment Agreement between Kuang-Chi Science Limited (**KCS**) and MJP (as disclosed in the Third Supplementary Prospectus dated 14 January 2015), prior to listing KCS has completed the purchase of 14,950,000 Shares from existing shareholders in MJP.

As a result of the purchase of 14,950,000 Shares, the maximum value of Convertible Notes which KCS may subscribe for in the future is A\$23,020,000 convertible into Shares at A\$0.40 per Share.

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10 Confirmation that ASX listing rule 10.1 does not apply to potential acquisition of joint venture interest

- 10.1 As disclosed in the Third Supplementary Prospectus, KCS may sell its 51% interest in a Hong Kong incorporated joint venture company (**HKCo**) to MJP within 30 months of MJP's admission to the official list of ASX, in consideration for the issue of up to 89,250,000 fully paid ordinary shares at A\$0.40 each, and otherwise in accordance with the terms specified in the Third Supplementary Prospectus (the **Potential Acquisition**).
- 10.2 ASX has confirmed to MJP in writing that ASX listing rule 10.1 will not apply to the Potential Acquisition, on the condition that the terms of the Potential Acquisition are not varied.

Annexure A– Distribution Schedule

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MARTIN AIRCRAFT COMPANY LIMITED

**INVESTOR RANGES
 FRIDAY 20 FEBRUARY 2015**

| <u>Ranges</u> | <u>Investors</u> | <u>Securities</u> | <u>% Issued Capital</u> |
|---------------|------------------|-------------------|-------------------------|
|---------------|------------------|-------------------|-------------------------|

Security Group: ORD ORD SHARES

Holding Type : Issuer

| | | | |
|-----------------|------------|--------------------|--------------|
| 1 to 1000 | 0 | 0 | .00 |
| 1001 to 5000 | 240 | 1,200,000 | .49 |
| 5001 to 10000 | 288 | 1,677,539 | .69 |
| 10001 to 100000 | 113 | 5,669,470 | 2.32 |
| 100001 and Over | 108 | 230,758,958 | 94.46 |
| Total | 749 | 239,305,967 | 97.96 |

Holding Type : CHESSE

| | | | |
|-----------------|------------|------------------|-------------|
| 1 to 1000 | 0 | 0 | .00 |
| 1001 to 5000 | 157 | 785,000 | .32 |
| 5001 to 10000 | 52 | 360,903 | .15 |
| 10001 to 100000 | 28 | 857,291 | .35 |
| 100001 and Over | 6 | 2,984,947 | 1.22 |
| Total | 243 | 4,988,141 | 2.04 |

Totals for Security Group ORD

| | | | |
|-----------------|------------|--------------------|---------------|
| 1 to 1000 | 0 | 0 | .00 |
| 1001 to 5000 | 397 | 1,985,000 | .81 |
| 5001 to 10000 | 340 | 2,038,442 | .84 |
| 10001 to 100000 | 141 | 6,526,761 | 2.67 |
| 100001 and Over | 114 | 233,743,905 | 95.68 |
| Total | 992 | 244,294,108 | 100.00 |

end of report

Annexure B – Largest 20 Shareholders

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MARTIN AIRCRAFT COMPANY LIMITED

FIRST 20 INVESTORS REPORT FRIDAY 20 FEBRUARY 2015

| Rank | Investor | Current Balance | % Issued Capital |
|-------------------------------------|--|-----------------|------------------|
| Sec. Group: ORD - ORD SHARES | | | |
| 1 | KUANGCHI SCIENCE LIMITED | 55,763,636 | 22.83% |
| 2 | NO8 VENTURES NOMINEES LTD | 46,691,060 | 19.11% |
| 3 | GLENN NEIL MARTIN | 38,658,642 | 15.82% |
| 4 | STEPHEN PAUL JOHN MATTHEWS | 14,019,780 | 5.74% |
| 5 | THE DAVID HUNTER SUPERANNUATION FUND | 12,129,450 | 4.97% |
| 6 | REORIENT FINANCIAL MARKETS LIMITED | 11,686,364 | 4.78% |
| 7 | MINTO GLOBAL LTD | 7,040,000 | 2.88% |
| 8 | OSCAR TIME LIMITED | 3,333,334 | 1.36% |
| 9 | HAIYIN EQUITY INVESTMENT FUND LP | 2,875,000 | 1.18% |
| 10 | ZDENEK RICAR OPATOVICKA 1315/1 1100 PRAHA 1 | 2,683,340 | 1.10% |
| 11 | WHITFIELD INVESTMENTS PTY LTD | 1,450,000 | .59% |
| 12 | RICHARD JOHN LAUDER | 1,388,760 | .57% |
| 13 | EMDACO (JEAN-LUC DOURSON) | 1,361,470 | .56% |
| 14 | JANE ELIZABETH MASKILL | 1,147,400 | .47% |
| 15 | JOHN GERALD MASKILL | 1,147,400 | .47% |
| 16 | JOHN MCCONNELL | 1,095,000 | .45% |
| 17 | JOHN MCCONNELL MCCONNELL SUPERANNUATION PTY LTD | 1,064,773 | .44% |
| 18 | HARRY DEVONISH | 1,000,000 | .41% |

Annexure C – Options on issue

| Number of options | Exercise price (NZ\$) | Exercise period |
|--------------------------|-----------------------|-------------------------|
| 400,000 | 0.20 | 21/12/2011 – 21/12/2015 |
| 400,000 | 0.20 | 21/12/2012 – 21/12/2015 |
| 116,670 | 0.24 | 25/1/2012 – 25/1/2016 |
| 200,000 | 0.24 | 25/1/2013 – 25/1/2016 |
| 1,400,001 | 0.43 | 30/8/2014 – 30/8/2017 |
| 1,400,001 | 0.43 | 30/8/2015 – 30/8/2018 |
| 1,399,998 | 0.43 | 30/8/2016 – 30/8/2019 |
| 150,000 | 0.24 | 11/7/2013 – 11/7/2017 |
| 150,000 | 0.24 | 11/7/2014 – 11/7/2017 |
| 150,000 | 0.24 | 11/7/2015 – 11/7/2017 |
| 1,000,000 | 0.24 | 15/4/2014 – 15/4/2018 |
| 1,000,000 | 0.24 | 15/4/2015 – 15/4/2018 |
| 1,000,000 | 0.24 | 15/4/2016 – 15/4/2018 |
| Total – 8,766,670 | | |

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