

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

Jon Mayson
Non-Executive Chairman

Steve Bayliss
Non-Executive Director

Hamish Bell
Non-Executive Director

Dr Liu Ruopeng
Non-Executive Director

Dr Luan Lin
Non-Executive Director

Further information
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on the Repayment Date.

Update on Funding Support from Majority Shareholder and Completion of Audited Financial Statements

19 September 2017

NZ \$10.0 million Loan Facility

Martin Aircraft Company Limited (**Company**) is pleased to announce today that it has entered a HKD \$57.28 million (approximately NZ \$10.0 million) loan facility with its majority shareholder, KuangChi Science Limited (**KCS**), to provide adequate funds to the Company to enable continued development and commercialisation of jetpacks.

The loan is an unsecured, binding commitment that underpins the execution of the Operational Budget Plan for the next 12 months. The loan is drawn down quarterly in equal instalments subject to Martin Aircraft Board approval of a quarterly drawdown request in accordance with the Operational Budget Plan.

All interest is payable at the repayment date and calculated at a rate of the 12-month HIBOR (Hong Kong Interbank Offered Rate) rate + a margin of 3%.

Repayment

The loan repayment date is:

- 12 months from the date of the agreement; or
- In the event of a capital raising or if the capital raising has not successfully been completed, 60 days following the 12-month repayment date, or
- Any such date as mutually agreed between the parties

The Company has agreed to use its best endeavours to complete a capital raising to enable it to repay the loan and any accrued interest.

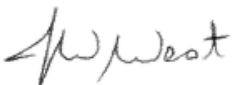
As part of the agreement KCS will assist with the facilitation of the Company's capital raising programme, which is anticipated to be completed within 12 months. If the Company is unable to complete a capital raising within 12 months to repay the loan, the repayment date will be automatically extended to the date that is 14 months from the date of the agreement. If a capital raising is not successful KCS has agreed to work with the Company to proactively explore and identify alternative financing options, including the potential conversion of the loan to equity subject to all necessary regulatory, legal and shareholder approvals.

Annual Financial Statement Completion Update

The KCS loan facility enables the Directors to form a view that the Company will now have adequate resources to continue operations for the next 12 months, enabling the Company's financial statements to 30 June 2017 to be prepared on a going concern basis.

With respect to the carrying value of intangible assets, the Directors believe there is value inherent within the intangible assets. However, the value in use of intangible assets was determined with reference to future cash flows which are based on subjective and highly sensitive assumptions, the Directors have decided to take a prudent view and will fully impair the NZ \$17.6 million value of the intangible assets to nil in the 30 June 2017 Financial Statements.

The Company is in the process of now finalising the 30 June 2017 Financial Statements and will release its preliminary report to the market as soon as possible.



James West
CEO

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