



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

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**PROPOSED ALLOTMENT AND ISSUE OF 35,700,000 NEW ORDINARY SHARES  
IN THE CAPITAL OF ARTIVISION TECHNOLOGIES LTD  
AT S\$0.12222 PER SHARE (THE "PROPOSED PLACEMENT")**

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1. Introduction

- 1.1 The board of directors ("**Directors**") of Artivision Technologies Ltd. ("**Company**") wishes to announce that the Company had on 28 September 2013 entered into subscription agreements ("**Subscription Agreements**") with the persons as listed in the Appendix to this announcement ("**Subscribers**"), pursuant to which the Company has agreed to allot and issue an aggregate of 35,700,000 new ordinary shares in the capital of the Company ("**Subscription Shares**") to the Subscribers, and the Subscribers have agreed to subscribe for the Subscription Shares, at S\$0.12222 per Subscription Share ("**Subscription Price**"), for an aggregate amount of S\$4,363,254 ("**Proposed Placement**").
- 1.2 In consideration of the Subscribers agreeing to subscribe the Subscription Shares, the Company had, pursuant to each of the Subscription Agreements, granted options to the Subscribers to subscribe for an aggregate of 35,700,000 additional shares in the capital of the Company ("**Option Shares**") at S\$0.1222 per Option Share ("**Option Price**"), for an aggregate amount of S\$4,363,254 ("**Options**", and each an "**Option**"). The respective Option may be exercised, in respect of all, but not part of, the Option Shares, by each of the Subscribers at any time, but in any event no later than the date falling twenty-four (24) months from the date of each of the Subscription Agreements, as the case may be ("**Option Expiry Date**"), by giving written notice to the Company, provided always that such Subscriber intending to exercise an Option has completed the subscription of his/her own portion of the Subscription Shares in accordance with the respective Subscription Agreement. The Proposed Placement and the grant of the Options shall hereinafter be referred to as the "**Proposed Transaction**".
- 1.3 The Subscription Price and the Option Price both represent a discount of 10% to the volume weighted average price of S\$0.1358 per share in the capital of the Company ("**Shares**") for trades done on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 27 September 2013, being the market day preceding the date on which the Subscription Agreements were signed.
- 1.4 The Subscription Shares and the Option Shares (as the case may be) shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing issued Shares save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the completion of the Proposed Placement or the relevant subscription of the Option Shares (as the case may be). "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

## 2. Salient Terms

2.1 The conditions precedent to the Subscription Agreements are as follows:

- (a) listing and quotation notice for the listing of and quotation for the Subscription Shares and the Option Shares on the SGX-ST ("**Listing and Quotation Notice**") being obtained and not being revoked or amended;
- (b) any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the completion date of the Proposed Placement or the relevant subscription of the Option Shares (as the case may be) ("**Completion Date**") having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (c) the grant of all applicable governmental and regulatory approvals required in connection with the Proposed Placement, the grant of the Option and the issue and allotment of the Option Shares; and
- (d) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Subscription Agreements as if they were repeated on and as of the Completion Date.

2.2 If any of the conditions set out above is not satisfied (provided that the Subscribers may at their discretion, and subject to such conditions as it may impose, waive compliance with the condition set out in paragraph 2.1(d) above) on or before 31 December 2013 (or such later date as the Company and the Subscribers may agree in writing), the Company or the Subscribers shall be entitled to terminate the Subscription Agreements and in such event both the Company and the Subscribers shall be released and discharged from their respective obligations hereunder.

2.3 In respect of the condition set out in paragraph 2(a) above, the sponsor of the Company, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), will be submitting an application for the Listing and Quotation Notice to the SGX-ST on behalf of the Company. The Company will make the necessary announcement once the Listing and Quotation Notice has been obtained from the SGX-ST.

## 3. Details of the Subscribers

3.1 The details of the Subscribers and their entitlement to the Subscription Shares and Option Shares are set out in the Appendix to this announcement.

- 3.2 GMCM Asia Alpha Fund, GMCM Asia Special Situation Fund, GMCM Global Equity Opportunity Fund were introduced by Mr Tan Tze Ke Jason, an unrelated third party, while the other Subscribers are private investors introduced by Mr Soh Sai Kiang Philip, the Non-Executive Chairman of the Company. The commission payable to Mr Tan Tze Ke Jason for the introduction of GMCM Asia Alpha Fund, GMCM Asia Special Situation Fund, GMCM Global Equity Opportunity Fund is approximately S\$75,165. No commission was paid or is payable by the Company to Mr Soh Sai Kiang Philip for the introduction of the other Subscribers.
- 3.3 The Subscription Shares are placed and Options granted to each Subscriber as they have indicated an interest to invest in the Company, and the Subscription Shares and (if applicable) the Option Shares are issued purely for the purposes of investment.
- 3.4 Save as disclosed in this announcement (including the Appendix), the Company confirms that none of the Subscribers has any connection (including business relationships) with the Company, its Directors and substantial shareholders.

#### 4. Rationale of the Proposed Transaction and Use of Proceeds

- 4.1 Based on the Subscription Price, the estimated amount of proceeds from the Proposed Placement (net of the estimated expenses of approximately S\$98,165) is approximately S\$4,265,089 ("**Placement Proceeds**").

On 26 September 2013, the Company announced that it had entered into a conditional sale and purchase agreement ("**Sale and Purchase Agreement**") with Lee See Jui, Lee Kuan Kheng Candy and Lee Lin, Elijah for the proposed acquisition of the 25,000 existing ordinary shares in the share capital of Colibri Assembly Thailand Co., Ltd ("**CAT**"), representing the entire issued and paid-up share capital of CAT ("**Proposed Acquisition**"). As a condition to the completion of the Proposed Acquisition, CAT is required to enter into a settlement agreement with O.N.O. Flow Co., Ltd and Q.T.T. Co., Ltd for the settlement of all unpaid construction cost for the construction of the clean room and other facilities in the CAT's existing factory situated in Thailand for an aggregate amount of not more than S\$3,500,000 ("**Unpaid Construction Cost**").

The Company intends to utilise up to S\$3,500,000 of the Placement Net Proceeds for the settlement of the Unpaid Construction Cost, and the balance thereof for its working capital. In the event the Proposed Acquisition did not proceed to completion, the Placement Net Proceeds will be used entirely for the Group's working capital requirements and/or future expansion and acquisition opportunities.

The breakdown of the use of the Placement Proceeds (assuming the completion of the Proposed Acquisition) is set out below:

Use of Placement Proceeds	Amount (S\$)	Percentage
Settlement of Unpaid Construction Costs for the clean room and facilities in connection with the proposed acquisition of Colibri Assembly Thailand Co., Ltd	3,500,000	82.06%
General working capital	765,089	17.94%
<b>Total</b>	<b>4,265,089</b>	<b>100.00%</b>

- 4.2 Based on the Option Price and assuming the Options are fully exercised by all of the Subscribers, up to S\$4,363,254 will be raised by the Company (“**Options Proceeds**”). The Company intends to use the entire Options Proceeds towards its general working capital and/or future expansion and acquisition opportunities.
- 4.3 The Company will make periodic announcement(s) on the use of the Placement Proceeds and the Options Proceeds as and when such proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this announcement. The Company will also provide a status report on the use of the Placement Proceeds and the Options Proceeds in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4 Pending the deployment of the Placement Proceeds and the Options Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.
5. General Mandate for the issue of the Subscription Shares and Option Shares
- 5.1 The Subscription Shares and the Option Shares will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 30 July 2013 for the Directors of the Company to allot and issue Shares, make or grant offers, agreements or options (“**Instruments**”) whereby the aggregate number of Shares and Instruments to be issued, shall not exceed 100% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at 30 July 2013 (“**General Mandate**”) after adjusting for, amongst other, new Shares arising from the conversion or exercise of the Instruments or any convertible securities.

- 5.2 The total number of issued Shares (excluding treasury shares) as at the date of the General Mandate and as at the date of this announcement was 552,003,256 Shares and 552,077,256 Shares respectively.

The Subscription Shares and Option Shares, when allotted and issued in full, will represent approximately 12.93% of the Company's existing and paid-up capital of 552,077,256 Shares (excluding treasury shares) as at the date of this announcement, and approximately 11.45% of the enlarged issued and paid-up share capital of 623,477,256 Shares (excluding treasury shares) upon completion of the Proposed Placement and full subscription of the Option Shares (assuming no further Shares are issued prior thereto).

- 5.3 The offer of the Subscription Shares and the Option Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

## 6. Financial Effects

- 6.1 The financial effects of the Proposed Placement and the Options (if exercised in full) on the Company and its subsidiaries (collectively, the "**Group**") are prepared based on the audited financial statements of the Group for the financial year ended 31 March 2013 ("**FY2013**"). For the purpose of computing the loss per Share ("**LPS**") of the Group after the Proposed Placement and the Options (if exercised in full), it is assumed that the Proposed Placement and the exercise of the Options were completed on 1 April 2012. For the purpose of computing net tangible assets value ("**NTA**") per Share of the Group after the Proposed Placement and the Options (if exercised in full), it is assumed that the Proposed Placement and the exercise of the Options were completed on 31 March 2013.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Placement and the exercise of the Options (if exercised in full).

### 6.2 Share capital

	<b>As at 2 October 2013</b>	<b>After issuance of the Subscription Shares</b>	<b>After issuance of the Option Shares</b>
Issued share capital (S\$'000)	37,709	41,974	46,337
Total number of issued shares	552,077,256	587,777,256	623,477,256

6.3 Loss per Share ("LPS")

	<b>FY2013</b>	<b>After issuance of the Subscription Shares</b>	<b>After issuance of the Option Shares</b>
Net loss for the year (S\$)	4,846,121	4,846,121	4,846,121
Weighted average number of ordinary shares	537,005,722	587,777,256	623,477,256
LPS (cents)	0.90	0.82	0.78

6.4 NTA per Share

	<b>As at 31 March 2013</b>	<b>After issuance of the Subscription Shares</b>	<b>After issuance of the Option Shares</b>
NTA (S\$)	2,954,024	7,219,113	11,582,367
Number of ordinary shares	551,603,256	587,777,256	623,477,256
NTA per share (cents)	0.54	1.23	1.86

7. Directors' Opinion

The Directors are of the opinion that:

- (a) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into consideration the present bank facilities, the Placement Proceeds and the Option Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company had undertaken the Proposed Transaction to fund the construction of clean room and facilities in connection with the proposed acquisition of CAT and to strengthen the Group's financial position.

8. General

8.1 None of the Subscription Shares and Option Shares will be placed to any person or groups of persons as set out under Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). Pursuant to the Subscription Agreements, each of the Subscribers has represented that he does not fall within the class of persons as set out under Rule 812(1) of the Catalist Rules.

8.2 None of the Directors of the Company have any interest, direct or indirect, in the Proposed Transaction. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Transaction and has not received any notification of any interest in this transaction from any substantial shareholder.

8.3 The Proposed Transaction would not result in any transfer of controlling interest in the Company to any Subscribers.

9. Directors’ Responsibility Statement

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

10. Trading Caution

**Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement and the Options are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement and the Options will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

**BY ORDER OF THE BOARD**

**PHILIP SOH**

Non-Executive Chairman

2 October 2013



*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). 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 Mr Chia Beng Kwan, Deputy Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*

## APPENDIX

Name of Subscriber	Principal Occupation / Business	Number of Subscription Shares	As a percentage of the enlarged share capital of the Company (excluding treasury shares) after completion of the Proposed Placement <sup>(1)</sup> (%)	Total consideration payable for Subscription Shares (S\$)	Number of Option Shares available for exercise under the Options	As a percentage of the enlarged share capital of the Company (excluding treasury shares) after completion of Proposed Placement and full exercise of the Options <sup>(2)</sup> (%)	Total consideration payable for Option Shares (S\$)
GMCM Asia Alpha Fund	Investment fund	4,400,000	0.75	537,768	4,400,000	0.71	537,768
GMCM Asia Special Situation Fund	Investment fund	12,000,000	2.04	1,466,640	12,000,000	1.92	1,466,640
GMCM Global Equity Opportunity Fund	Investment fund	4,100,000	0.70	501,102	4,100,000	0.66	501,102
Lynette Le Mercier	Businesswoman	8,200,000	1.40	1,002,204	8,200,000	1.32	1,002,204
Tan Ah Lye	Chairman of Sin Heng Heavy Machinery Ltd <sup>(3)</sup>	2,500,000	0.43	305,550	2,500,000	0.40	305,550
TAL Capital Pte Ltd	Investment Holding Company	2,500,000	0.43	305,550	2,500,000	0.40	305,550
Andrew Ong Hock Sing	Lawyer	1,000,000	0.17	122,220	1,000,000	0.16	122,220
Chia Kee Neo Elsie	High net worth private investor	1,000,000	0.17	122,220	1,000,000	0.16	122,220
<b>TOTAL</b>		<b>35,700,000</b>	<b>6.07</b>		<b>35,700,000</b>	<b>5.73</b>	<b>4,363,254</b>



**Notes:**

- (1) Computed based on the Company's enlarged share capital of 587,777,256 Shares after the completion of the Proposed Placement and on the assumption that no further Shares are issued on or prior to the completion of the Proposed Placement.
- (2) Computed based on the Company's enlarged share capital of 623,477,256 Shares assuming that the 35,700,000 Subscription Shares and 35,700,000 Option Shares were fully issued and that no further Shares are issued on or prior to the completion of the Options.
- (3) The Company's Non-Executive Chairman, Mr Soh Sai Kiang Philip, is an independent director of Sin Heng Heavy Machinery Ltd and a fellow board member of Sing Heng Heavy Machinery Ltd with Mr Tan Ah Lye.