

AVI-TECH HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 202002889W)
(the “**Company**”)

ENTRY INTO TERM SHEET IN RELATION TO PROPOSED TRANSACTION (AS DEFINED BELOW)

1. INTRODUCTION

- 1.1 The Board of Directors of the Company wishes to announce that the Company has on 15 December 2025 entered into a term sheet (“**Term Sheet**”) with Create Technologies Pte. Ltd. (“**Create**”) (the Company and Create each a “**Party**” and together, the “**Parties**”), pursuant to which the Company will subscribe for new ordinary shares in Create. The Term Sheet further sets out a framework of option arrangements among the Parties and the Existing Shareholders (as defined below), including put and call options, which are conditional on Create achieving certain revenue and/or profitability targets over relevant periods. These options may, upon satisfaction of the relevant conditions, be exercised by the Company or the Existing Shareholders such that the Company increases its shareholding interest in Create, potentially up to 100% (“**Proposed Transaction**”)
- 1.2 As at the date of this announcement, Create has an issued and paid-up share capital of S\$200,000 comprising 200,000 ordinary shares. Ge Weifeng (“**Ge**”) and Huai, Chaohui (“**Huai**”) hold 100% of the total issued and paid-up capital of Create. Ge and Huai shall collectively be referred to as the “**Existing Shareholders**”.
- 1.3 The Proposed Transaction, if undertaken and completed, is expected to constitute a major transaction under Chapter 10 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and is conditional upon, *inter alia*, the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened.

2. INFORMATION RELATING TO CREATE

- 2.1 Create is an exempt private company limited by shares incorporated in Singapore with its registered address at 10 Ubi Crescent, #03-58, Ubi Techpark, Singapore 408564.
- 2.2 Create is engaged in the business of research and experimental development on electronics. Create aims to be a pioneer and technology leader in high-precision positioning and tracking systems and building deformation monitoring systems. Create also develops proprietary algorithms and products to deliver complete high-precision location and monitoring solutions based on Global Navigation Satellite System (**GNSS**), Ultra-Wideband (**UWB**), and inertial navigation technologies.

3. FINANCIAL ADVISOR

W Capital Markets Pte. Ltd. is the financial adviser to the Company in connection with the Proposed Transaction.

4. RATIONALE FOR THE PROPOSED TRANSACTION

- 4.1 Create operates in a technological field that is experiencing strong and sustained growth, driven by increasing demand for high-precision positioning, tracking and structural-monitoring solutions across multiple industries. With rising global adoption of smart-infrastructure and advanced monitoring systems, Create is well-placed to capture emerging opportunities and scale as the

sector expands.

- 4.2 The Proposed Transaction, with the positive business outlook for Create, may allow the potential for growth in the market capitalisation of the Company, an overall increase in investor interest and consequently, improvement in trading liquidity of the shares of the Company. The Proposed Transaction represents an opportunity for the Company to venture into a new business segment that would enable the Company to diversify and enlarge its earnings base.

5. KEY TERMS OF THE PROPOSED TRANSACTION

- 5.1 **Conditions Precedent.** Completion of the Proposed Transaction shall be conditional upon the satisfaction or waiver (in accordance with the definitive documentation (“**Definitive Documentation**”) in respect of the Proposed Transaction and ancillary transactions in connection thereto and/or set out in the Term Sheet) of conditions precedent customary for transactions of this nature (“**Conditions Precedent**”), including the following key Conditions Precedent:

- (a) the Company being satisfied with its due diligence investigations into Create;
- (b) the Company, Create and the Existing Shareholders entering into a legal and binding shareholders’ agreement to regulate the affairs of Create and the rights and obligations of its shareholders, together with any other incidental or ancillary agreements as may be necessary to give effect to the transactions contemplated under the Term Sheet;
- (c) all regulatory approvals, if any, having been obtained in relation to the transactions contemplated under the Term Sheet, and where such approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Company; and
- (d) approval from the Company’s shareholders having been obtained at the EGM of the Company in respect of the Proposed Transaction and such other corporate actions which shall be required for the Proposed Transaction, if required.

5.2 General Structure of the Proposed Transaction

Phase 1

The Company shall subscribe for, and Create will issue and allot, 85,714 new ordinary shares in the capital of Create for a cash consideration of S\$2 million. The Company shall hold approximately 30% of the issued and paid-up capital of Create after completion of Phase 1.

Phases 2 to 4

In Phases 2 to 4, if Create meets certain revenue and/or profitability targets for the various relevant periods, the Company will be granted various call options and the Existing Shareholders will be granted various put options. The exercise of any of such call options or put options would result in the Company increasing its shareholding in Create.

If the revenue and/or profitability targets are not met, the Company will instead be granted discounted call options or may choose not to proceed further.

Through the exercise of the various options set out above, the Company may, across different phases, acquire more shares in Create on an incremental basis up to 100% of Create’s share capital.

Depending on the relevant phase, the shares in Create may be paid for either entirely in cash or through a combination of cash and via issuing of ordinary shares of the Company (“**Avi-Tech Shares**”) to the Existing Shareholders. Where Avi-Tech Shares are used, they will be issued at reference prices of S\$0.30 or S\$0.33 per share. Across Phases 2 to 4, the maximum aggregate valuation payable for the acquisition is approximately S\$16.87 million.

For the avoidance of doubt, across Phases 1 to 4, the maximum aggregate consideration payable under the Proposed Transaction is approximately S\$18.87 million.

- 5.3 **Due Diligence Assistance.** Create shall use its best endeavours to give reasonable access and make available to the Company, all information and documents in relation to Create which the Company may reasonably require to facilitate the Proposed Transaction and the preparation and execution of the Definitive Documentation.
- 5.4 **Completion.** Completion of the Proposed Transaction shall take place on the date falling no later than fourteen (14) business days (being a day on which the SGX is open for trading) after the last in time of the Conditions Precedent is satisfied or waived, or such later date as the Company and Create may agree in writing.
- 5.5 **Long-Stop Date.** Completion of the Proposed Transaction shall be no later than six (6) months from the date the Definitive Documentation relating to the Proposed Transaction is entered into between the Company and Create, or as otherwise agreed between the Company and Create in writing.
- 5.6 **Non-Binding Term Sheet.** Save in respect of certain clauses in the Term Sheet (*Costs, Non-Binding Term Sheet, Definitive Documentation; Term Sheet Period, Exclusivity, No Circumvention, Confidentiality, Counterparts, Governing Law*) which shall be legally binding, the Parties agreed that until they enter into Definitive Documentation which are expressed to be legally binding, the negotiations between the Parties and the exchange of correspondence and documentation prior to the entry into of such Definitive Documentation shall not give rise to legal relations between the Parties and the Parties had, pursuant to the Term Sheet, waived (to the fullest extent permitted by law) any rights they may have in tort or under statute or otherwise arising in respect thereof.
- 5.7 **Definitive Documentation; Term Sheet Period.** The Parties had agreed to finalise and enter into Definitive Documentation in relation to the Proposed Transaction no later than three (3) months from the date of the Term Sheet or such other date as may be agreed between the Company and Create ("**Term Sheet Period**"), failing which the Term Sheet will terminate. The termination of the Term Sheet shall be without prejudice to any rights or liabilities which may have accrued prior to such termination or which are expressed to survive such termination.
- 5.8 **Exclusivity.** During the Term Sheet Period, each Party (including their respective shareholders, directors, officers, employees, agents, representatives, and any person acting on their behalf) shall not, directly or indirectly, solicit, encourage, initiate, discuss, negotiate, facilitate, or enter into any agreement or arrangement with any third party in respect of any transaction or arrangement that is similar in nature or effect to the transactions contemplated in the Term Sheet. Each Party agrees to deal exclusively with the other Party in good faith and to commit the necessary time, resources, and efforts to progress the contemplated transaction during the Term Sheet Period.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, to the best of the knowledge of the Board, none of the Directors and substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction, other than through their shareholdings in the Company, if any.

7. CAUTIONARY STATEMENT

The Board would like to emphasise that there is no certainty or assurance that the Definitive Documentation will be entered into or that the Proposed Transaction will be consummated or completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should refrain from taking any action with respect to their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement (including information relating to Create or the Existing Shareholders) has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Lim Eng Hong
Chief Executive Officer &
Executive Chairman

15 December 2025