

SGXNET Announcement



AEM Holdings Ltd.
(Incorporated in the Republic of Singapore)
(Registration No. 200006417D)

PROPOSED ACQUISITION OF CEI LIMITED BY WAY OF A PRE-CONDITIONAL VOLUNTARY OFFER

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**") of AEM Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, AEM Singapore Pte. Ltd. (the "**Offeror**"), has today announced (the "**Pre-Conditional Offer Announcement**") that, subject to and contingent upon the satisfaction of the Pre-Condition (as defined in Section 2.1 below), the Offeror intends to make a voluntary conditional offer (the "**Offer**") for all the issued and paid-up ordinary shares (excluding any shares held in treasury) (the "**CEI Shares**") in the capital of CEI Limited ("**CEI**") other than those already held by the Offeror as at the date of the Offer, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers.
- 1.2. The Pre-Conditional Offer Announcement is set out in Appendix A to this Announcement. Shareholders of the Company (the "**Shareholders**") are advised to read the Pre-Conditional Offer Announcement in full as specific details of the Offer are contained therein. Capitalised terms in this Announcement (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Pre-Conditional Offer Announcement.
- 1.3. This Announcement is made in compliance with Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and should be read in conjunction with the Pre-Conditional Offer Announcement.

2. DETAILS OF THE OFFER

- 2.1. **Pre-Condition.** The making of the Offer will be subject to the approval in-principle of the SGX-ST for the listing and quotation of the New AEM Holdings Shares (as defined in Section 2.3) being obtained (the "**Pre-Condition**") on or before 5.00 p.m. on 15 February 2021 (or such other date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "**SIC**")) (the "**Long-Stop Date**"). The SIC has confirmed that it has no objection to the Pre-Condition.

If and when the Pre-Condition is satisfied, PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwC CF**"), for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror to make the Offer. **However, in the event that the Pre-Condition is not satisfied on or before the Long-Stop Date, the Offer will not be made and PwC CF will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable. Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.**

SHAREHOLDERS SHOULD NOTE THAT THERE IS NO CERTAINTY THAT THE PRE-CONDITION WILL BE SATISFIED AND THAT THE OFFER WILL BE MADE. SHAREHOLDERS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

- 2.2. **Offer Shares.** The Offer (if and when made) will be extended to all the CEI Shares, other than those already held by the Offeror as at the date of the Offer (the "**Offer Shares**").

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the CEI Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression "**Offer Shares**" shall include the aforesaid CEI Shares.

- 2.3. **Offer Consideration.** The consideration for each Offer Share will be S\$1.15 (the "**Offer Consideration**"), to be satisfied, at the option of the shareholders of CEI (the "**CEI Shareholders**") who validly accept the Offer, either in cash or a combination of cash and new ordinary shares in the capital of the Company (the "**New AEM Holdings Shares**") in the following proportions:

For each Offer Share, either:

- (a) **S\$1.15 in cash (the "Cash Consideration");**
- (b) **S\$0.9775 in cash and 0.0486 New AEM Holdings Shares (the "85/15 Cash Shares Consideration"); or**
- (c) **S\$0.8050 in cash and 0.0972 New AEM Holdings Shares (the "70/30 Cash Shares Consideration" and together with the 85/15 Cash Shares Consideration, the "Cash Shares Consideration Options").**

Fractions of a New AEM Holdings Share will not be issued to any holder of Offer Shares who accepts the Offer and elects either of the Cash Shares Consideration Options, and will be disregarded. The issue price for each New AEM Holdings Share pursuant to the Cash Shares Consideration Options above is S\$3.55.

The Offer Consideration is final and the Offeror does not intend to revise the Offer Consideration.

Please refer to Section 3(b) of the Pre-Conditional Offer Announcement for further details on the Offer Consideration.

- 2.4. **New AEM Holdings Shares.** The New AEM Holdings Shares will be listed on the SGX-ST and will, upon issue, be credited as fully-paid and free from all Encumbrances (as defined in the Pre-Conditional Offer Announcement) and will rank *pari passu* in all respects with the then existing shares in the Company as at the date of their issue, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the date of completion of the allotment and issuance of the New AEM Holdings Shares pursuant to the Offer.

Pursuant to the Offer and based on the terms of the Offer as at the date of this Announcement (the "**Announcement Date**"), the Company will issue (assuming full acceptance of the Offer and that all accepting CEI Shareholders elect to receive the 70/30 Cash Shares Consideration, save for the Individual Undertaking Shareholders and TIHT (each as defined below) who have undertaken to accept the Offer and have elected to receive the 85/15 Cash Shares Consideration and the Cash Consideration respectively) up to approximately 7,047,237 New AEM Holdings Shares representing approximately 2.56% of the total number of issued shares in the capital of the Company (excluding treasury shares) as at the Announcement Date and approximately 2.49% of the enlarged total number of issued shares in the capital of the Company¹. Such New AEM Holdings Shares will be allotted and issued pursuant to the general share issue mandate approved by the Shareholders by way of an ordinary resolution at the annual general meeting of the Company held on 21 May 2020.

- 2.5. **Minimum Acceptance Condition.** The Offer (if and when made) will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the CEI Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of CEI Shares carrying more than 50% of the voting rights attributable to the issued CEI Shares as at the close of the Offer (excluding treasury shares) (the "**Minimum Acceptance Condition**").

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

- 2.6. **Other Terms of the Offer.** Please refer to Section 3 of the Pre-Conditional Offer Announcement for information on the other principal terms of the Offer.
- 2.7. **Rationale for the Offer.** The Offeror's rationale for the Offer is stated in Section 7 of the Pre-Conditional Offer Announcement.
- 2.8. **Irrevocable Undertakings.** As stated Section 6 of the Pre-Conditional Offer Announcement, certain Shareholders, namely Mr. Tien Sing Cheong and Mr. Tan Ka Huat (the "**Individual Undertaking Shareholders**") and TIHT Investment Holdings Pte. Ltd. ("**TIHT**" and collectively with the Individual Undertaking Shareholders, the "**Undertaking Shareholders**"), have each on 11 January 2021 provided an irrevocable undertaking (collectively, the "**Irrevocable Undertakings**") to the Offeror to, amongst other things and subject to the satisfaction of the Pre-Condition, tender all of its/his respective CEI Shares (the "**Undertaking Shares**") in acceptance

¹ For the purposes of this Announcement, the enlarged total number of issued shares in the capital of the Company comprises 282,604,904 shares (excluding treasury shares).

of the Offer and to elect the 85/15 Cash Shares Consideration and the Cash Consideration, respectively, as the Offer Consideration for the Undertaking Shares.

3. INFORMATION ON CEI

3.1. CEI

CEI is a company incorporated in Singapore on 28 August 1999, and was listed on the Main Board of the SGX-ST in March 2000.

The principal activities of CEI and its subsidiaries (collectively, the "**CEI Group**") are those of contract manufacturing and design and manufacture of proprietary equipment. Contract manufacturing services include (a) assemblies of printed circuit board, box-build, prototype and equipment, and (b) value add engineering works such as circuit layout and functional design. CEI also designs and manufactures its own brand of proprietary equipment for the semiconductor industry. The CEI Group has operations in Singapore, Indonesia and Vietnam.

Based on information available to the Company and the Offeror as at the Announcement Date, CEI has an issued and paid-up share capital of approximately S\$23,572,686.36 comprising 87,934,213 shares (of which 86,698,463 are ordinary shares and 1,235,750 are treasury shares). Each of the Company and the Offeror does not hold any CEI Shares as at the Announcement Date.

Please refer to Section 5 of the Pre-Conditional Offer Announcement for further information on CEI.

3.2. Book Value

Based on the audited consolidated financial statements of the CEI Group for the financial year ended 31 December 2019, the book value of the CEI Group was approximately S\$39.5 million as at 31 December 2019. Based on the unaudited consolidated financial statements of the CEI Group for the six months ended 30 June 2020 ("**1H2020**"), the book value of the CEI Group was approximately S\$38.7 million as at 30 June 2020.

3.3. Asset Value

Based on the audited consolidated financial statements of the CEI Group for the financial year ended 31 December 2019, the net tangible asset value of the CEI Group was approximately S\$38.4 million as at 31 December 2019. Based on the unaudited consolidated financial statements of the CEI Group for 1H2020, the net tangible asset value of the CEI Group was approximately S\$37.6 million as at 30 June 2020.

3.4. Market Value

The market value of the Offer Shares, which has been calculated based on the volume weighted average price of approximately S\$0.99 per CEI Share for all trades transacted on the SGX-ST on 7 January 2021 (being the last full market day on which there were trades in the CEI Shares immediately preceding 8 January 2021, being the last full trading day prior to the Announcement

Date (the "**Last Trading Day**"), as no CEI Shares were traded on the Last Trading Day) is approximately S\$85.8 million.

3.5. **Net Profits**

Based on the audited consolidated financial statements of the CEI Group for the financial year ended 31 December 2019, the audited net profit before income tax, non-controlling interests and extraordinary items of the CEI Group was approximately S\$8.1 million for the financial year ended 31 December 2019. Based on the unaudited consolidated financial statements of the CEI Group for 1H2020, the unaudited net profit before income tax, non-controlling interests and extraordinary items of the CEI Group was approximately S\$3.7 million for 1H2020.

4. **CONSIDERATION FOR THE OFFER**

The Offer Consideration was arrived at taking into account, *inter alia*, the prevailing market conditions, financial position, financial performance, net asset value of the CEI Group and the prevailing and historical market prices of the CEI Shares and the Company's shares.

Assuming that (a) the total number of Offer Shares is 86,698,463 (excluding treasury shares) as at the Last Trading Day and (b) there is full acceptance of the Offer by the CEI Shareholders in respect of all the Offer Shares (the "**Maximum Acceptances Scenario**"), the maximum aggregate consideration for the acquisition of the Offer Shares pursuant to the Offer, based on the Offer Consideration, is S\$99,703,232.45.

The Offeror intends to fund the cash component of the Cash Consideration and the Cash Shares Consideration Options through internal cash resources.

5. **CHAPTER 10 OF THE LISTING MANUAL**

5.1. **Relative Figures under Rule 1006 of the Listing Manual**

Assuming the Maximum Acceptances Scenario and based on:

- (a) the unaudited consolidated financial statements of the Group for 1H2020 (being the latest announced consolidated accounts for the Group); and
- (b) the unaudited consolidated financial statements of the CEI Group for 1H2020 (being the latest announced consolidated accounts for the CEI Group),

the relative figures for the Offer computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾

- | | | |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| (b) | The net profits ⁽²⁾ attributable to the Offer Shares, compared with the Group's net profits | 5.49 ⁽³⁾ |
| (c) | The aggregate value of the consideration for the Offer, compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares) in the Company | 9.92 ⁽⁴⁾ |
| (d) | The number of equity securities to be issued by the Company as consideration for the Offer, compared with the number of equity securities of the Company previously in issue | 2.56 ⁽⁵⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves | Not applicable ⁽⁶⁾ |

Notes:

- (1) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.
- (2) Net profits means profit including discontinued operations that have not been disposed of and before income tax and non-controlling interests.
- (3) The relative figure for Rule 1006(b) has been computed based on (a) the CEI Group's unaudited net profits for 1H2020 of approximately S\$3.7 million; and (b) the Group's unaudited consolidated net profits for 1H2020 of approximately S\$67.3 million.
- (4) The relative figure for Rule 1006(c) has been computed based on (a) the maximum aggregate consideration for the acquisition of the Offer Shares pursuant to the Offer, based on the Offer Consideration, of S\$99,703,232.45; (b) the total number of Offer Shares being 86,698,463 (excluding treasury shares) as at the Last Trading Day; and (c) the Company's market capitalisation of approximately S\$1,005 million, which is based on its total number of issued ordinary shares ("**Shares**") of 275,557,667 (excluding treasury shares) and the weighted average price of S\$3.6469 per Share on 8 January 2021, being the last traded market day prior to the Announcement Date.
- (5) Assuming that (a) the total number of Offer Shares is 86,698,463 (excluding treasury Shares) as at the Last Trading Day; (b) there is full acceptance of the Offer by the CEI Shareholders in respect of all the Offer Shares; and (c) all the CEI Shareholders elect the 70/30 Cash Shares Consideration (save for the Individual Undertaking Shareholders and TIHT who have undertaken to elect the 85/15 Cash Shares Consideration and the Cash Consideration respectively), the maximum aggregate number of Shares to be issued pursuant to the Offer is 7,047,237.
- (6) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures under Rules 1006(b) and (c) of the Listing Manual exceed 5% but do not exceed 20%, the Offer will be classified as a discloseable transaction under Chapter 10 of the Listing Manual and, if undertaken and completed, will not constitute a transaction which requires Shareholders' approval for the purposes of Chapter 10 of the Listing Manual.

6. FINANCIAL EFFECTS OF THE OFFER

The unaudited pro forma financial effects of the Offer on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Group following the close of the Offer.

The pro forma financial effects set out below have been prepared based on (i) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2019 and (ii) the audited consolidated financial statements of the CEI Group for the financial year ended 31 December 2019, as well as the following bases and assumptions:

- (a) the terms of the Offer as at the Announcement Date;
- (b) the effects on the number of issued Shares and the enlarged issued share capital of the Company are computed based on the assumption that the Offer had been completed on 31 December 2019;
- (c) all references to the issued share capital of the Company exclude issued and paid-up ordinary shares held by the Company as treasury shares;
- (d) the financial effects on the consolidated net tangible asset ("**NTA**") per Share are computed based on the assumption that the Offer had been completed on 31 December 2019;
- (e) the financial effects on the consolidated earnings per Share ("**EPS**") are computed based on the assumption that the Offer had been completed on 1 January 2019;
- (f) assuming settlement of the Offer Consideration by way of the Cash Consideration only: all CEI Shareholders accept the Offer and elect to receive the Cash Consideration as consideration for all their Offer Shares, save for the Individual Undertaking Shareholders who have undertaken to accept the Offer and have elected to receive the 85/15 Cash Shares Consideration;
- (g) assuming settlement of the Offer Consideration by way of the 85/15 Cash Shares Consideration only: all CEI Shareholders accept the Offer and elect to receive the 85/15 Cash Shares Consideration as consideration for all their Offer Shares, save for TIHT who has undertaken to accept the Offer and has elected to receive the Cash Consideration; and
- (h) assuming settlement of the Offer Consideration by way of the 70/30 Cash Shares Consideration only: all CEI Shareholders accept the Offer and elect to receive the 70/30 Cash Shares Consideration as consideration for all their Offer Shares, save for the Individual Undertaking Shareholders and TIHT who have undertaken to accept the Offer and have elected to receive the 85/15 Cash Shares Consideration and the Cash Consideration respectively.

6.1. **Share Capital of the Company**

As at 31 December 2019	Number of Shares		
	All Cash Consideration	All 85/15 Cash Shares Consideration	All 70/30 Cash Shares Consideration
Total number of issued Shares (excluding treasury shares) prior to completion of the Offer	269,766,402	269,766,402	269,766,402
Number of New AEM Holdings Shares to be issued pursuant to the Offer	616,395	3,831,816	7,047,237
Enlarged issued share capital of the Company (excluding treasury shares and including the New AEM Holdings Shares to be issued pursuant to the Offer)	270,382,797	273,598,218	276,813,639

6.2. **NTA per Share**

As at 31 December 2019	Before completion of the Offer	After completion of the Offer		
		All Cash Consideration	All 85/15 Cash Shares Consideration	All 70/30 Cash Shares Consideration
NTA (S\$'000)	117,431	155,829	155,829	155,829
NTA per Share (cents)	43.53	57.63	56.96	56.29

6.3. EPS

Basic EPS

	Before completion of the Offer	After completion of the Offer		
		All Cash Consideration	All 85/15 Cash Shares Consideration	All 70/30 Cash Shares Consideration
Consolidated net profit attributable to the Shareholders (S\$'000)	52,763	59,928	59,928	59,928
Weighted average number of Shares (excluding treasury shares) – Basic	270,829,505	271,445,900	274,661,321	277,876,742
Consolidated EPS (cents) – Basic	19.48	22.08	21.82	21.57

Diluted EPS

	Before completion of the Offer	After completion of the Offer		
		All Cash Consideration	All 85/15 Cash Shares Consideration	All 70/30 Cash Shares Consideration
Consolidated net profit attributable to the Shareholders (S\$'000)	52,763	59,928	59,928	59,928
Weighted average number of Shares (excluding treasury)	272,317,311	272,933,706	276,149,127	279,364,548

shares) – Diluted				
Consolidated EPS (cents) – Diluted	19.38	21.96	21.70	21.45

7. **SGX-ST'S LISTING APPROVAL**

An application will be submitted by the Company to the SGX-ST to seek its approval-in-principle for the listing and quotation of the New AEM Holdings Shares to be issued in connection with the Offer, on the Main Board of the SGX-ST (the "**SGX-ST Listing Approval**"). An appropriate announcement on the outcome of such application will be made by the Company in due course.

Subject to receipt of the SGX-ST Listing Approval and compliance with such conditions (if any) imposed by the SGX-ST in connection therewith, the New AEM Holdings Shares shall, following allotment and issue on the terms and subject to the conditions of the Offer, be listed and quoted on the Main Board of the SGX-ST.

8. **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

As at the date hereof, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Offer (other than through their respective shareholdings in the Company, if any).

9. **SERVICE CONTRACTS**

As at the date of this Announcement, no person is proposed to be appointed as a director of the Company in connection with the Offer. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. **DOCUMENTS FOR INSPECTION**

Copies of the Irrevocable Undertakings will be made available for inspection during normal business hours at the Company's registered office at 52 Serangoon North Avenue 4, Singapore 555853 for three (3) months from the date of this Announcement.

11. **RESPONSIBILITY STATEMENT**

The Directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the CEI Group), the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The Directors jointly and severally accept responsibility accordingly

By Order of the Board

Loke Wai San

Non-Executive Chairman

11 January 2021

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "targets" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror and PwC CF undertakes any obligation to update publicly or revise any forward-looking statements.

APPENDIX A

PRE-CONDITIONAL OFFER ANNOUNCEMENT

PRE-CONDITIONAL VOLUNTARY OFFER

by

PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD

(Company Registration No.: 197501605H)

(Incorporated in the Republic of Singapore)

for and on behalf of

AEM SINGAPORE PTE. LTD.

(Company Registration No.: 199200362M)

(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

CEI LIMITED

(Company Registration No.: 199905114H)

(Incorporated in the Republic of Singapore)

PRE-CONDITIONAL OFFER ANNOUNCEMENT

1. INTRODUCTION

- 1.1 PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwC CF**") wishes to announce, for and on behalf of AEM Singapore Pte. Ltd. (the "**Offeror**") that, subject to and contingent upon the satisfaction of the Pre-Condition (as defined in Section 2.1 below), the Offeror intends to make a voluntary conditional offer (the "**Offer**") for all the issued and paid-up ordinary shares (excluding any shares held in treasury) (the "**Shares**") in the capital of CEI Limited (the "**Company**") other than those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

As at the date of this Announcement (the "**Announcement Date**"), the Offeror is a wholly-owned subsidiary of AEM Holdings Ltd. ("**AEM Holdings**"), a company incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Further information on the Offeror and AEM Holdings is set out in Section 4 of this Announcement.

The Offer will not be made unless and until the Pre-Condition has been satisfied by the Offeror on or before 5.00 p.m. on 15 February 2021 (or such other date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "SIC")) (the "Long-Stop Date"). Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when such Pre-Condition is satisfied.

Shareholders of the Company ("Shareholders") should exercise caution and seek appropriate independent advice when dealing in the Shares.

2. PRE-CONDITION TO THE MAKING OF THE OFFER

- 2.1 The making of the Offer will be subject to the approval-in-principle of the SGX-ST for the listing and quotation of the New AEM Holdings Shares (as defined in Section 3(b) below) being obtained (the “**Pre-Condition**”).
- 2.2 The SIC has confirmed that it has no objection to the Pre-Condition.
- 2.3 **Formal Offer Announcement.** If and when the Pre-Condition is satisfied, PwC CF, for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror to make the Offer (the “**Formal Offer Announcement**”). The Offer Document (as defined below) and the relevant form(s) of acceptance for the Offer will be despatched to the Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, or such other date permitted under the Code. **However, in the event that the Pre-Condition is not satisfied by the Offeror on or before the Long-Stop Date, the Offer will not be made and PwC CF will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable.**

SHAREHOLDERS SHOULD NOTE THAT THERE IS NO CERTAINTY THAT THE PRE-CONDITION WILL BE SATISFIED AND THAT THE OFFER WILL BE MADE. SHAREHOLDERS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

3. THE OFFER

Subject to and contingent upon the satisfaction of the Pre-Condition and subject to the terms and conditions of the Offer to be set out in the formal offer document to be issued in respect of the Offer (the “**Offer Document**”), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

- (a) **Offer Shares.** The Offer (if and when made) will be extended to all the Shares other than those already held by the Offeror as at the date of the Offer (the “**Offer Shares**”).

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

- (b) **Offer Consideration.** The consideration for each Offer Share will be S\$1.15 (the “**Offer Consideration**”), to be satisfied, at the option of Shareholders who validly accept the Offer, either in cash or a combination of cash and new ordinary shares in the capital of AEM Holdings (the “**New AEM Holdings Shares**”) in the following proportions:

For each Offer Share, either:

- (i) **S\$1.15 in cash (the “Cash Consideration”);**
- (ii) **S\$0.9775 in cash and 0.0486 New AEM Holdings Shares (the “85/15 Cash Shares Consideration”); or**

- (iii) **S\$0.8050 in cash and 0.0972 New AEM Holdings Shares (the “70/30 Cash Shares Consideration” and together with the 85/15 Cash Shares Consideration, the “Cash Shares Consideration Options”).**

Fractions of a New AEM Holdings Share will not be issued to any holder of Offer Shares who accepts the Offer and elects either of the Cash Shares Consideration Options, and will be disregarded. The issue price for each New AEM Holdings Share pursuant to the Cash Shares Consideration Options above is S\$3.55.

Shareholders can only elect one (1) out of the three (3) forms of the Offer Consideration set out above and not a combination thereof in respect of their Offer Shares.

If Shareholders fail to elect their preferred mode of the Offer Consideration, they will be deemed to have chosen to receive the Cash Consideration in respect of all of their Offer Shares tendered in acceptance of the Offer.

The Offer Consideration is final and the Offeror does not intend to revise the Offer Consideration.

By way of illustration:

- (A) a Shareholder who accepts the Offer and elects to receive the Cash Consideration will receive, for every 1,000 Offer Shares tendered in acceptance of the Offer, S\$1,150 in cash;
- (B) a Shareholder who accepts the Offer and elects to receive the 85/15 Cash Shares Consideration will receive, for every 1,000 Offer Shares tendered in acceptance of the Offer, S\$977.50 in cash and 48 New AEM Holdings Shares; and
- (C) a Shareholder who accepts the Offer and elects to receive the 70/30 Cash Shares Consideration will receive, for every 1,000 Offer Shares tendered in acceptance of the Offer, S\$805 in cash and 97 New AEM Holdings Shares.
- (c) **New AEM Holdings Shares.** The New AEM Holdings Shares will be listed on the SGX-ST and will, upon issue, be credited as fully-paid and free from all Encumbrances (as defined below) and will rank *pari passu* in all respects with the then existing shares in AEM Holdings as at the date of their issue, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the date of completion of the allotment and issuance of the New AEM Holdings Shares pursuant to the Offer.

Pursuant to the Offer and based on the terms of the Offer as at the Announcement Date, AEM Holdings will issue (assuming full acceptance of the Offer and that all accepting Shareholders elect to receive the 70/30 Cash Shares Consideration, save for the Individual Undertaking Shareholders and TIHT (each as defined below) who have undertaken to accept the Offer and have elected to receive the 85/15 Cash Shares Consideration and the Cash Consideration respectively) up to approximately 7,047,237 New AEM Holdings Shares representing approximately 2.56% of the total number of issued shares in the capital of AEM Holdings (excluding treasury shares) as at the Announcement Date and approximately 2.49% of the enlarged total number of

issued shares in the capital of AEM Holdings¹. Such New AEM Holdings Shares will be allotted and issued pursuant to the general share issue mandate approved by the shareholders of AEM Holdings by way of an ordinary resolution at the annual general meeting of AEM Holdings held on 21 May 2020.

- (d) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (“**Encumbrances**”), and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, the “**Distributions**”), the Record Date for which falls on or after the Announcement Date. For the purpose of this Announcement, “**Record Date**” means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such Distributions.
- (e) **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Consideration has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution, the Record Date for which falls on or after the Announcement Date. In the event of any such Distribution, the Offer Consideration payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer (the “**Offer Settlement Date**”) falls:
- (i) if the Offer Settlement Date falls on or before the Record Date and the Offeror is registered as the holder of the relevant Offer Shares as at the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Consideration of S\$1.15 for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
 - (ii) if the Offer Settlement Date falls after the Record Date, or if the Offer Settlement Date falls on or before the Record Date but the Offeror is not registered as the holder of the relevant Offer Shares as at the Record Date, the Offer Consideration payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.
- (f) **Minimum Acceptance Condition.** The Offer (if and when made) will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares as at the close of the Offer (excluding treasury shares) (the “**Minimum Acceptance**”).

¹ For the purposes of this Announcement, the enlarged total number of issued shares in the capital of AEM Holdings comprises 282,604,904 AEM Holdings Shares (excluding treasury shares).

Condition”).

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

- (g) **Further Details.** Further details of the Offer will be set out in the Offer Document.
- (h) **No Options Proposal.** Based on the latest information available to the Offeror, there are no outstanding options to subscribe for new Shares granted under any employee share scheme of the Company (“**Options**”) as at the Announcement Date. In view of the foregoing, the Offeror will not make an offer to acquire any Options.

4. INFORMATION ON THE OFFEROR AND AEM HOLDINGS

- 4.1 **Offeror.** The Offeror is a company incorporated in Singapore on 20 January 1992 and is a direct wholly-owned subsidiary of AEM Holdings. The Offeror is involved in the design and manufacturing of semiconductor manufacturing equipment and related tooling parts and precision machining of components.

As at the Announcement Date, the Offeror has an issued and paid-up share capital of S\$10,194,491 comprising 10,194,491 ordinary shares, of which 100% is held by AEM Holdings.

As at the Announcement Date, the Directors of the Offeror are as follows:

- (a) Mr. Chandran Ramesh Nair (Chief Executive Officer of AEM Holdings); and
- (b) Ms. Leong Sook Han (Chief Financial Officer and Joint Company Secretary of AEM Holdings).

The Offeror does not hold any Shares as at the Announcement Date.

- 4.2 **AEM Holdings.** AEM Holdings is a company incorporated in Singapore on 21 July 2000 and is listed on the Main Board of the SGX-ST. AEM Holdings is a global leader offering application specific intelligent system test and handling solutions for semiconductor and electronics companies serving advanced computing, 5G and AI markets. These activities are carried out through AEM Holdings’ subsidiaries (including the Offeror) (collectively, the “**AEM Group**”). Currently, the AEM Group has operations in Asia, Europe and North and Central Americas.

As at the Announcement Date, AEM Holdings has an issued and paid-up capital of S\$50,726,976.08 comprising 276,862,980 issued ordinary shares (the “**AEM Holdings Shares**”) (of which 1,305,313 are treasury shares).

As at the Announcement Date, the Directors of AEM Holdings are as follows:

- (a) Mr. Loke Wai San (Non-Executive Chairman and Director);
- (b) Mr. Chok Yean Hung (Non-Executive, Non-Independent Director);
- (c) Mr. Basil Chan (Independent Director);
- (d) Mr. Loh Kin Wah (Independent Director);

- (e) Mr. Adrian Chan Pengee (Lead Independent Director);
- (f) Mr. James Toh Ban Leng (Non-Executive, Non-Independent Director); and
- (g) Mr. Lavi Alexander Lev (Independent Director).

AEM Holdings does not hold any Shares as at the Announcement Date.

5. INFORMATION ON THE COMPANY

The Company is a company incorporated in Singapore on 28 August 1999, and was listed on the Main Board of the SGX-ST in March 2000.

The principal activities of the Company and its subsidiaries (collectively, the “**Company Group**”) are those of contract manufacturing and design and manufacture of proprietary equipment. Contract manufacturing services include (a) assemblies of printed circuit board, box-build, prototype and equipment, and (b) value add engineering works such as circuit layout and functional design. The Company also designs and manufactures its own brand of proprietary equipment for the semiconductor industry. The Company Group has operations in Singapore, Indonesia and Vietnam.

Based on information available to the Offeror as at the Announcement Date, the Company has an issued and paid-up share capital of approximately S\$23,572,686.36 comprising 87,934,213 Shares (of which 86,698,463 are ordinary shares and 1,235,750 are treasury shares).

As at the Announcement Date, the Offeror is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

As at the Announcement Date, the Directors of the Company are as follows:

- (a) Mr. Tien Sing Cheong (Executive Chairman);
- (b) Mr. Tan Ka Huat (Managing Director);
- (c) Mr. Tan Bien Chuan (Lead Independent Director);
- (d) Mr. Gan Chee Yen (Non-Executive Director);
- (e) Dr. Martin Tang Yue Nien (Independent Director);
- (f) Ms. Theng Siew Lian Lisa (Independent Director); and
- (g) Mr. Wang Ya Lun Allen (Alternate Director to Mr. Gan Chee Yen).

6. IRREVOCABLE UNDERTAKINGS

- 6.1 **Irrevocable Undertakings.** As at the Announcement Date, the Offeror has received irrevocable undertakings (the “**Irrevocable Undertakings**”) from certain Shareholders, namely

Mr. Tien Sing Cheong and Mr. Tan Ka Huat (the “**Individual Undertaking Shareholders**”) and TIHT Investment Holdings Pte. Ltd. (“**TIHT**” and collectively with the Individual Undertaking Shareholders, the “**Undertaking Shareholders**”) pursuant to which each of the Undertaking Shareholders has, amongst other things, unconditionally and irrevocably undertaken to the Offeror, subject to the satisfaction of the Pre-Condition, to tender all of its/his respective Shares (the “**Undertaking Shares**”) in acceptance of the Offer and to elect the 85/15 Cash Shares Consideration or the Cash Consideration (as stated below) as the Offer Consideration for the Undertaking Shares.

The names of the Undertaking Shareholders, the number of Shares owned by them as at the Announcement Date and the form of the Offer Consideration elected are as follows:

No.	Name of Undertaking Shareholder	No. of Shares which are the subject of the Irrevocable Undertaking	Percentage of Shares in issue (%)⁽¹⁾	Form of Offer Consideration
1.	Mr. Tien Sing Cheong ⁽²⁾	8,671,900	10.00	85/15 Cash Shares Consideration
2.	Mr. Tan Ka Huat ⁽²⁾	4,013,340	4.63	85/15 Cash Shares Consideration
3.	TIHT Investment Holdings Pte. Ltd.	7,840,800	9.04	Cash Consideration
Total		20,526,040	23.68	

Notes:

- (1) Based on a total number of 86,698,463 Shares (excluding 1,235,750 treasury shares) as at the Announcement Date.
- (2) Each of Mr. Tien Sing Cheong and Mr. Tan Ka Huat is a Director of the Company as at the Announcement Date.

6.2 **Termination of Irrevocable Undertakings.** Each of the Irrevocable Undertakings shall lapse and cease to have further force and effect:

- (a) if the Pre-Condition is not satisfied on or before the Long-Stop Date; or
- (b) if the Formal Offer Announcement is not released within 5 business days of the satisfaction of the Pre-Condition (or such later date as the Offeror may determine, and as agreed to in writing by the Undertaking Shareholders); or
- (c) on the date on which the Offer lapses or is withdrawn for any reason other than a breach of the Undertaking Shareholders’ obligations under their respective Irrevocable Undertakings; or
- (d) (in respect of the Irrevocable Undertakings provided by the Individual Undertaking

Shareholders only) on the date on which any bona fide competing offer for all the voting shares of the Company at a higher price than the Offer Consideration becomes or is declared unconditional (provided that the Individual Undertaking Shareholders have not accepted such competing offer),

whichever is the earliest.

- 6.3 **No Other Undertakings.** Save for the Irrevocable Undertakings, as at the Announcement Date, neither the Offeror nor any Relevant Person (as defined below) has received any other undertakings from any other party to accept or reject the Offer.

7. RATIONALE FOR THE OFFER

- 7.1 **Business Synergy.** The AEM Group believes that the business and operations of the Company are a strategic fit and will provide synergistic benefits to the business and operations of the AEM Group. Some of the synergistic benefits are as follows:

- (a) the Company's printed circuit board assembly capabilities will enable the AEM Group to have improved vertical integration with a higher level of control towards quality and agility over the entire supply chain;
- (b) the Company's regional infrastructure will enable the AEM Group to further increase the level of services to its customers by creating a site-resilient infrastructure that is essential as companies are rethinking the effectiveness of their current supply chain and manufacturing strategies as a result of the pandemic and increasing geo-political tensions;
- (c) the Company's assembly and box build capabilities will further enhance the AEM Group's service and product offering and in-house key capabilities;
- (d) the AEM Group's scale will provide wider customer reach and extensive cross selling opportunities as well as benefit the Company's branding and positioning in respect of semiconductor equipment; and
- (e) the acquisition of the Company by the AEM Group allows both the AEM Group and the Company to improve overall manufacturing process and efficiency through sharing of know-how and best practices.

- 7.2 **Opportunity for Shareholders to Realise their Investment in the Shares at a Premium to Market Price without incurring Brokerage Costs.** The Offer Consideration represents a premium of approximately 18.22%, 20.63%, 23.82% and 26.10% over the volume-weighted average price ("VWAP") per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods up to and including 8 January 2021, being the last full trading day of the Shares prior to the Announcement Date (the "**Last Trading Day**").

The Cash Consideration therefore presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

7.3 **Opportunity to Participate in an Enlarged AEM Group.** The Cash Shares Consideration Options provide Shareholders with an opportunity to participate in the future prospects of an enlarged AEM Group.

7.4 **Low Trading Liquidity.** The trading volume of the Shares has been low, with an average daily trading volume of approximately 24,786 Shares, 21,418 Shares, 20,649 Shares and 25,958 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day. These represent only 0.03%, 0.02%, 0.02% and 0.03% of the total number of issued Shares (excluding treasury shares) for the aforementioned relevant periods, respectively.

The Offer therefore provides Shareholders with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which may not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

7.5 **Costs of Maintaining Listing Status.** In maintaining its listed status, the Company incurs compliance and associated costs relating to continuing listing requirements under the Listing Manual of the SGX-ST (the "**Listing Manual**"). The Offeror is making the Offer with a view to delisting and privatising the Company. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses and costs relating to the maintenance of a listed status and channel such resources to its business operations.

8. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The Offeror intends for the Company to continue to develop and grow the existing businesses of the Company and its subsidiaries. The Offeror and the Company will continue to review, from time to time, the operations of the Company and its subsidiaries as well as the Company's strategic options. The Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the interests of the Offeror and/or the Company.

Save as disclosed above, the Offeror has no current intentions to (a) introduce any major changes to the existing business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the existing employees of the Company or its subsidiaries, in each case, other than in the ordinary and usual course of business.

9. COMPULSORY ACQUISITION AND LISTING STATUS

9.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**"), at a consideration equal to the Offer Consideration.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding Shares held in treasury). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

- 9.2 **Listing Status.** Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

10. FINANCIAL ASPECTS OF THE OFFER

The Offer Consideration represents the following premia over certain historical market prices of the Shares² as set out below:

Description	Benchmark Price (S\$)	Premium of Offer Consideration over Benchmark Price (%)
(a) Last traded price of the Shares on the SGX-ST on 7 January 2021 (being the last full market day on which there were trades in the Shares immediately preceding the Last Trading Day as	0.990	16.16

² The historical market prices of the Shares (rounded to the nearest three (3) decimal places) and the corresponding premia are computed based on data extracted from Bloomberg L.P..

no Shares were traded on the Last Trading Day)

(b) VWAP for the 1-month period up to and including the Last Trading Day	0.973	18.22
(c) VWAP for the 3-month period up to and including the Last Trading Day	0.953	20.63
(d) VWAP for the 6-month period up to and including the Last Trading Day	0.929	23.82
(e) VWAP for the 12-month period up to and including the Last Trading Day	0.912	26.10

The issue price of S\$3.55 per New AEM Holdings Share represents a discount of approximately 2.74% to the last transacted price per AEM Holdings Share of S\$3.65 as at the Last Trading Day.

11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

11.1 **No Holdings and Dealings in Company Securities.** As at the Announcement Date, based on the latest information available to the Offeror, none of (i) AEM Holdings, the Offeror and the wholly-owned subsidiaries of each of AEM Holdings and the Offeror, (ii) the Directors of each of AEM Holdings and the Offeror and (iii) PwC CF (collectively, the “**Relevant Persons**”):

- (a) owns, controls or has agreed to acquire any (A) Shares, (B) securities which carry voting rights in the Company, or (C) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the “**Company Securities**”); and
- (b) has dealt for value in any Company Securities during the three (3)-month period immediately preceding the Announcement Date (the “**Reference Period**”).

11.2 **Shareholdings and Dealings in AEM Holdings Securities.** Appendix A to this Announcement sets out, based on the latest information available to the Offeror, (i) the number of AEM Holdings Securities (as defined in Section 11.3(a) of this Announcement) owned, controlled or agreed to be acquired by the Relevant Persons as at the Announcement Date, and (ii) the dealings in the AEM Holdings Securities during the Reference Period by the Relevant Persons as at the Announcement Date.

11.3 **No Other Holdings and Dealings in AEM Holdings Securities.** Save as disclosed in this Announcement, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons:

- (a) owns, controls or has agreed to acquire any (i) AEM Holdings Shares, (ii) securities which carry voting rights in AEM Holdings, or (iii) convertible securities, warrants, options or derivatives in respect of the AEM Holdings Shares or securities which carry voting rights in AEM Holdings (collectively, the “**AEM Holdings Securities**”); and
- (b) has dealt for value in any AEM Holdings Securities during the Reference Period.

11.4 **Other Arrangements in respect of Company Securities and AEM Holdings Securities.** Save as disclosed in this Announcement, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the Company Securities and AEM Holdings Securities which might be material to the Offer, other than the Irrevocable Undertakings;
- (b) granted any security interest relating to any Company Securities and AEM Holdings Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Company Securities or AEM Holdings Securities from another person (excluding borrowed Company Securities and AEM Holdings Securities which have been on-lent or sold); or
- (d) lent any Company Securities or AEM Holdings Securities to another person.

11.5 **Further Enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer (if and when made). Further enquiries will be made of such persons after the Announcement Date and the relevant disclosures will be made in due course and in the Offer Document (if and when the Offer is made).

12. OFFER DOCUMENT

If and when the Offer is made, the Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document. **Shareholders are advised to exercise caution when dealing in the Shares.**

13. OVERSEAS SHAREHOLDERS

13.1 **Overseas Jurisdictions.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer (if and when made) will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer (if and when made) will be open to all Shareholders, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction (“**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer (if and when made) to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of CDP (as the case may be) (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

- 13.2 **Copies of the Offer Document.** Where there are potential restrictions on sending the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document to any overseas jurisdictions, the Offeror and PwC CF each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document and the relevant form(s) of acceptance from the office of the Company’s share registrar, RHT Corporate Advisory Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company’s share registrar at the above-stated address to request for the Offer Document and the relevant form(s) of acceptance to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) market days prior to the close of the Offer.

14. **RESPONSIBILITY STATEMENT**

The Directors of the Offeror and AEM Holdings (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed 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.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the Company Group), the sole responsibility of the Directors of the Offeror and AEM Holdings has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by
PricewaterhouseCoopers Corporate Finance Pte Ltd

For and on behalf of
AEM Singapore Pte. Ltd.
11 January 2021

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

PricewaterhouseCoopers Corporate Finance Pte Ltd
+65 6592 4719

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor PwC CF undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX A

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN AEM HOLDINGS SECURITIES

1. Interests in AEM Holdings Shares of the Relevant Persons

The interests of the Relevant Persons in the AEM Holdings Shares as at the Announcement Date are set out below:

Name	Direct Interests		Indirect Interests		Total Interests	
	No. of AEM Holdings Shares	% ⁽¹⁾	No. of AEM Holdings Shares	% ⁽¹⁾	No. of AEM Holdings Shares	% ⁽¹⁾
Mr. Loke Wai San ⁽²⁾	5,444,310	1.98	-	-	5,444,310	1.98
Mr. Chok Yean Hung ⁽²⁾	1,514,467	0.55	-	-	1,514,467	0.55
Mr. Basil Chan ⁽²⁾	150,000	0.05	-	-	150,000	0.05
Mr. Loh Kin Wah ⁽²⁾	525,000	0.19	-	-	525,000	0.19
Mr. Adrian Chan Pengee ⁽²⁾	85,000	0.03	-	-	85,000	0.03
Mr. James Toh Ban Leng ⁽²⁾⁽³⁾	12,225,020	4.44	2,196,772	0.80	14,421,792	5.23
Mr. Lavi Alexander Lev ⁽²⁾	25,000	0.01	-	-	25,000	0.01

Notes:

- (1) Based on a total number of 275,557,667 AEM Holdings Shares (excluding 1,305,313 treasury shares) as at the Announcement Date.
- (2) The individual is a Director of AEM Holdings.
- (3) Mr. James Toh Ban Leng is deemed to be interested in the 2,196,772 Shares held by A.C.T. Holdings Pte Ltd, pursuant to Section 4 of the Securities Futures Act (Chapter 289) of Singapore

The interests of the Directors of the Offeror and of AEM Holdings in (a) the options granted pursuant to the AEM Holdings Share Option Scheme (“**AEM Holdings Options**”) and (b) the awards granted pursuant to the AEM Holdings Performance Share Plan (the “**AEM Holdings Awards**”), which are convertible into AEM Holdings Shares, as at the Announcement Date are set out below:

Name	Number of AEM Holdings Options	Number of AEM Holdings Awards
Mr. Loke Wai San	2,472,000	560,667
Mr. Chok Yean Hung	1,352,000	306,666
Mr. Chandran Ramesh Nair	620,690	-

2. Dealings in AEM Holdings Securities by the Relevant Persons

The details of the dealings in the AEM Holdings Securities by AEM Holdings during the Reference Period are as set out below:

Name	Date	Nature of Transaction	Number of treasury shares in AEM Holdings Issued	Average Exercise Price per AEM Holdings Options (\$\$) ⁽¹⁾
AEM Holdings	14 October 2020	Transfer of treasury shares to employees of AEM Holdings pursuant to exercise of AEM Holdings Options	190,000	1.536
AEM Holdings	20 October 2020	Transfer of treasury shares to employees of AEM Holdings pursuant to exercise of AEM Holdings Options	60,000	1.536
AEM Holdings	26 October 2020	Transfer of treasury shares to employees of AEM Holdings pursuant to exercise of AEM Holdings Options	30,000	1.536
AEM Holdings	19 November 2020	Transfer of treasury shares to employees of AEM Holdings pursuant to exercise of AEM Holdings Options	60,000	1.536
AEM Holdings	24 November 2020	Transfer of treasury shares to employees of AEM Holdings pursuant to exercise of AEM Holdings Options	60,000	1.536
AEM Holdings	9 December 2020	Transfer of treasury shares to employees of AEM Holdings pursuant	65,000	1.536

to exercise of AEM
Holdings Options

Note:

(1) Rounded to the nearest three (3) decimal places.