

## SGXNET Announcement



**AEM Holdings Ltd**  
**(Registration No. 200006417D)**

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### **PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE**

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#### **1. Introduction**

The board of directors (“**Directors**”) of AEM Holdings Ltd. (“**Company**”) hereby announces that the Company proposes to undertake a consolidation of every ten (10) existing ordinary shares in the capital of the Company held by shareholders of the Company (“**Shareholders**”) as at a books closure date to be determined by the Directors as they deem fit in their absolute discretion (“**Books Closure Date**”), into one (1) ordinary share in the capital of the Company (“**Consolidated Share**”), fractional entitlements to be disregarded (“**Proposed Share Consolidation**”).

#### **2. Details**

- 2.1 On the Books Closure Date, every ten (10) ordinary shares in the capital of the Company registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other and the Consolidated Shares will be traded in board lots of 100 ordinary shares.
- 2.2 The Proposed Share Consolidation will be made effective on the Books Closure Date whereupon the Register of Members of the Company and the Depository Register will be updated to reflect the number of Consolidated Shares held by each Shareholder based on the number of existing ordinary shares of the Company held by the Shareholder as at the Books Closure Date.
- 2.3 Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of the number of existing ordinary shares of the Company as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fraction of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. Fractions of Consolidated Shares arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

- 2.4 As at the date of this announcement, the Company has an issued and paid up capital of S\$39,737,095.37 divided into 451,126,760 ordinary shares (including 7,650,000 treasury shares). Assuming no new ordinary shares will be issued by the Company from the date of this announcement to the Books Closure Date, the Company will have an issued and paid up capital of S\$39,737,095.37 divided into 45,112,676 ordinary shares (including 765,000 treasury shares) on completion of the Proposed Share Consolidation.
- 2.5 The Proposed Share Consolidation will have no impact on the issued and paid up share capital of the Company and will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid up capital of the Company, and will have no effect on the shareholders' funds of the Company and/or its subsidiaries.
- 2.6 Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.
- 2.7 The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

### **3. Rationale**

- 3.1 As of 2 March 2015, companies listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are required to maintain a minimum trading price per share of S\$0.20. The volume weighted average price for the ordinary shares of the Company (“**Shares**”) for the six months prior to this announcement was S\$0.067. The Company seeks to satisfy such requirement of the SGX-ST by undertaking the Proposed Share Consolidation.
- 3.2 Further, the low trading price for the Shares may lead to relatively higher transaction costs for investors in their dealings in the Shares. The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding and this may serve to reduce the percentage transaction cost for investors in their dealings in the Shares.
- 3.3 However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results, if achieved, can be sustained in the longer term.

### **4. Conditions**

- 4.1 The Proposed Share Consolidation is subject to, *inter alia*, the following:
- (a) the receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Official List of the Main Board of the SGX-ST; and

- (b) Shareholders' approval for the Proposed Share Consolidation at an extraordinary general meeting of the Company ("**EGM**").
- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST. An announcement on the outcome of such application will be made in due course.

**5. Despatch of Circular**

Subject to the receipt of the approval-in-principle of the SGX-ST, a circular containing, *inter alia*, information on the Proposed Share Consolidation and the notice of the EGM will be despatched to Shareholders in due course.

**6. Caution in Trading**

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors should seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board  
**AEM Holdings Ltd.**

Charles Cher Lew Siang  
Executive Director and Chief Executive Officer  
2 March 2015