



AEM HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200006417D)

Directors:

Loke Wai San (*Non-Executive Chairman*)
James Toh Ban Leng (*Lead Independent Director*)
Loh Kin Wah (*Independent Director*)
Chok Yean Hung (*Non-Independent Non-Executive Director*)
Tham Min Yew (Russell) (*Non-Independent Non-Executive Director*)
Chou Yen Ning @ Alice Lin (*Independent Director*)
André Andonian (*Independent Director*)

Registered Office:

52 Serangoon North
Avenue 4
Singapore 555853

Date 7 April 2025

To The Shareholders of AEM Holdings Ltd.

Dear Sir/Madam

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 Please refer to:

- (a) the notice of annual general meeting of AEM Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 7 April 2025 (the “**Notice**”) accompanying the annual report for financial year ended 31 December 2024 (the “**Annual Report 2024**”), convening the annual general meeting of the Company (the “**2025 AGM**”) which is scheduled to be held on 23 April 2025; and
- (b) Ordinary Resolution 8 of the Notice, which is in relation to the renewal of the share purchase mandate.

1.2 The purpose of this letter (the “**Letter**”) is to provide shareholders of the Company (the “**Shareholders**”) with information relating to the above matters and to seek Shareholders’ approval for the same at the 2025 AGM.

1.3 Gateway Law Corporation is the legal adviser of the Company as to Singapore law in relation to the renewal of the share purchase mandate.

2. SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any statements made, opinions expressed, or reports contained in this Letter.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

3. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 The Existing Share Purchase Mandate

At the annual general meeting of the Company held on 24 April 2024 (the “**2024 AGM**”), the shareholders of the Company (the “**Shareholders**”) had approved, *inter alia*, the renewal of the share purchase mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) as permitted under and in accordance with the provisions of the Companies Act 1967 of Singapore (the “**Companies Act**”). The rationale for, authority and limitations on the Share Purchase Mandate were set out in the Company’s letter to Shareholders dated 8 April 2024 and Ordinary Resolution 8 set out in the notice of annual general meeting of the Company dated 8 April 2024.

3.2 Proposed Renewal of the Share Purchase Mandate

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 8 at the 2024 AGM until the date on which the next annual general meeting of the Company is held or is required by law to be held or until the date on which the authority conferred by the 2024 AGM is revoked or varied by the Company in general meeting, whichever is the earliest.

As the Share Purchase Mandate granted at the 2024 AGM is due to expire on 23 April 2025, being the date of the forthcoming 2025 AGM, the Directors of the Company (the “**Directors**”) as at the date of this Letter, will be seeking Shareholders’ approval for the proposed renewal of the Share Purchase Mandate at the forthcoming 2025 AGM.

The purpose of this Letter is to provide Shareholders with information relating to the proposal for the renewal of the Share Purchase Mandate to be tabled at the 2025 AGM.

If approved by Shareholders at the 2025 AGM, the authority conferred by the Share Purchase Mandate will continue in force until, *inter alia*, the next annual general meeting (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting).

3.3 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) the Directors and Management are constantly seeking to increase Shareholders’ value and to improve, *inter alia*, the return on equity of the Group. A share purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;
- (b) share purchases or acquisitions provide the Company with a mechanism to return surplus cash over and above the ordinary capital requirements, in an expedient and cost efficient manner. Share purchases or acquisitions also accord the Company with greater flexibility over its share capital structure and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per share (“**EPS**”) and/or net asset value (“**NAV**”) per share of the Company;
- (c) the Share Purchase Mandate will give the Company the flexibility to, subject to market conditions, undertake purchases or acquisitions of its Shares at any time during the period that the Share Purchase Mandate is in force; and
- (d) Shares purchased or acquired pursuant to the Share Purchase Mandate and which are held as treasury shares may be utilised by the Company in the manner provided in the Companies Act. The Share Purchase Mandate will allow the Directors to effectively manage and minimise the dilution impact (if any) associated with employee share schemes and shares issuance as consideration for merger and acquisition programs.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in Paragraph 3.4.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or result in the Company being de-listed from the SGX-ST.

- 3.4 Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the 2025 AGM, are the same as previously approved by the Shareholders at the 2024 AGM, and are as summarised below:

3.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the 2025 AGM at which the renewal of the Share Purchase Mandate is approved.

Purely for illustrative purposes, on the basis of a total of 313,021,486 issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST (the “**Listing Manual**”)) as at 14 March 2025, being the latest practicable date prior to the issue of this Letter (the “**Latest Practicable Date**”), the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 31,302,148 Shares, and also assuming that no further Shares are issued and there are no subsidiary holdings on or prior to the 2025 AGM. As at the Latest Practicable Date, the Company is holding 2,740,065 Shares as treasury shares and has no subsidiary holdings.

3.4.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2025 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated.

The Share Purchase Mandate may be renewed by the Shareholders at the next annual general meeting or at any other general meeting of the Company.

3.4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Listing Manual, the Constitution of the Company, the Companies Act and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same, except that there must be disregarded (1) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid and (3) differences in the offers introduced solely to ensure that each member is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed share purchases;
- (iv) the consequences, if any, of share purchases by the listed company that will arise under The Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) or other applicable take-over rules;
- (v) whether the share purchases, if made, could affect the listing of the listed company’s equity securities on the SGX-ST;
- (vi) details of any share purchase made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

3.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of Market Purchases, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of Off-Market Purchases, 110% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the purposes of this Letter:

“Average Closing Price” means the average of the Closing Market Prices of the Shares for the five (5) consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs during such five-market day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“Closing Market Price” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which must not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.5 Status of Purchased Shares. Shares purchased or acquired by the Company will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company is deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as treasury shares in accordance with Section 76H to 76K of the Companies Act.

3.5.1 Treasury Shares. Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain provisions on treasury shares under the Companies Act are summarised below:

- (a) **Maximum Holdings** – The aggregate number of Shares held by the Company as treasury shares must not at any time exceed ten per cent (10%) of the total number of issued Shares at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company must dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded.
- (b) **Voting and Other Rights** – The Company must not exercise any right in respect of the treasury shares. In particular, the Company must not exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company is to be treated as having no right to vote and the treasury shares are to be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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- (c) **Disposal and Cancellation** – Where Shares are held as treasury shares, the Company may at any time:
- (i) sell the treasury shares (or any of them) for cash;
 - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
 - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancel the treasury shares (or any of them); or
 - (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (A) the date of the sale, transfer, cancellation and/or use of such treasury shares, (B) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (C) the number of treasury shares which have been sold, transferred, cancelled and/or used, (D) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (E) the percentage of the number of treasury shares against the total number of shares outstanding (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (F) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.5.2 Purchased or Acquired Shares Cancelled

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company must:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which includes any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

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3.6 Source of Funds. In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore. Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal sources of funds (comprising bank balances and cash equivalents) to finance the Company's purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The Company has not obtained or incurred, nor does it intend to obtain or incur any borrowings to finance the purchase or acquisition of Shares under the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

3.7 Financial Effects. The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2024, are based on the assumptions set out below:

3.7.1 Purchase or Acquisition of Shares made out of Profits and/or Capital

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits available for distribution as dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced.

3.7.2 Number of Shares Acquired or Purchased

As of 31 December 2024, the Company was holding 2,740,065 Shares as treasury shares and has no subsidiary holdings. Based on 313,021,486 Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2024 and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and there are no subsidiary holdings on or prior to the 2025 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 31,302,148 Shares.

3.7.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 31,302,148 Shares at the maximum price of S\$1.39 for each Share (being the price equivalent to 105% of the average closing price of the Shares for the five (5) consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 31,302,148 Shares is S\$43,509,986.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 31,302,148 Shares at the maximum price of S\$1.46 for each Share (being the price equivalent to 110% of the average closing price of the Shares for the five (5) consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 31,302,148 Shares is approximately S\$45,701,136.

3.7.4 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2024, the Group has positive equity of approximately S\$485.7 million to effect purchases of its shares from the market. However, for illustrative purposes only, assuming that:

- (i) the Company purchases 31,302,148 Shares representing the maximum 10% of its total number of issued Shares excluding Treasury Shares, as at 31 December 2024;
- (ii) the aforesaid 31,302,148 Shares are purchased at the maximum price of S\$1.39 per Share, being a price representing 105% of the average closing price of the Shares for the five (5) consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date;
- (iii) the Share purchases were made out of Company's capital; and
- (iv) the Share purchases took place on 1 January 2024 and Shares purchased were (a) cancelled; or (b) held as Treasury Shares,

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and for purposes of this illustration, it is assumed that the Company is using only internal sources of funds to finance purchases of its Shares from the market and that the purchased Shares are cancelled or held in treasury, the financial effects of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2024 would be as set out below:

Scenario A

Market Purchases of up to 10% made out of Capital and cancelled

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2024				
(S\$'000)				
Shareholders' Funds	494,869	451,359	197,960	154,450
Treasury Shares	(9,171)	(9,171)	(9,171)	(9,171)
Total Shareholders' Funds	485,698	442,188	188,789	145,279
Net Asset Value ("NAV")	485,698	442,188	188,789	145,279
Current Assets	483,982	440,472	112,225	108,926
Current Liabilities	148,395	148,395	6,450	46,661
Working Capital	335,587	292,077	105,775	62,265
Total Borrowings	72,757	72,757	–	–
Cash and Cash Equivalents	43,775	265	3,299	–
Number of Shares ('000)				
Issued and paid-up share capital (net of treasury shares)	313,021	281,719	313,021	281,719
Weighted average number of issued and paid-up Shares	311,228	279,926	311,228	279,926
Financial Ratios				
NAV per Share (Singapore cents)	155.2 ⁽¹⁾	157.0 ⁽²⁾	60.3 ⁽¹⁾	51.6 ⁽²⁾
Gearing Ratio (times) ⁽³⁾	0.15	0.16	0.00	0.00
Current Ratio (times) ⁽⁴⁾	3.26	2.97	17.40	2.33
EPS – Basic (Singapore cents)	3.68 ⁽¹⁾	4.09 ⁽²⁾	(0.05) ⁽¹⁾	(0.78) ⁽²⁾

Notes:

- ⁽¹⁾ The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 313,021,486 at the end of FY2024 and the weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 311,228,484 for FY2024 respectively before adjusting for the share purchase.
- ⁽²⁾ The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 281,719,338 at the end of FY2024 and weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 279,926,336 for FY2024 respectively after adjusting for the share purchase.
- ⁽³⁾ Gearing ratio is computed using total borrowings divided by Total Shareholders' Fund at the end of FY2024.
- ⁽⁴⁾ Current Ratio is computed using current assets divided by current liabilities.

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Scenario B*Market Purchases of up to 10% made out of Capital and held in treasury*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2024				
(S\$'000)				
Shareholders' Funds	494,869	494,869	197,960	197,960
Treasury Shares	(9,171)	(52,681)	(9,171)	(52,681)
Total Shareholders' Funds	485,698	442,188	188,789	145,279
Net Asset Value ("NAV")	485,698	442,188	188,789	145,279
Current Assets	483,982	440,472	112,225	108,926
Current Liabilities	148,395	148,395	6,450	46,661
Working Capital	335,587	292,077	105,775	62,265
Total Borrowings	72,757	72,757	–	–
Cash and Cash Equivalents	43,775	265	3,299	–
Number of Shares ('000)				
Issued and paid-up share capital (net of treasury shares)	313,021	281,719	313,021	281,719
Weighted average number of issued and paid-up Shares	311,228	279,926	311,228	279,926
Financial Ratios				
NAV per Share (Singapore cents)	155.2 ⁽¹⁾	157.0 ⁽²⁾	60.3 ⁽¹⁾	51.6 ⁽²⁾
Gearing Ratio (times) ⁽³⁾	0.15	0.16	0.00	0.00
Current Ratio (times) ⁽⁴⁾	3.26	2.97	17.4	2.33
EPS – Basic (Singapore cents)	3.68 ⁽¹⁾	4.09 ⁽²⁾	(0.05) ⁽¹⁾	(0.78) ⁽²⁾

Notes:

- ⁽¹⁾ The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 313,021,486 at the end of FY2024 and the weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 311,228,484 for FY2024 respectively before adjusting for the share purchase.
- ⁽²⁾ The NAV per Share and basic EPS were calculated based on the number of Shares in issue (excluding treasury shares and subsidiary holdings) of 281,719,338 at the end of FY2024 and weighted average number of Shares in issue (excluding treasury shares and subsidiary holdings) of 279,926,336 for FY2024 respectively after adjusting for the share purchase.
- ⁽³⁾ Gearing ratio is computed using total borrowings divided by Total Shareholders' Fund at the end of FY2024.
- ⁽⁴⁾ Current Ratio is computed using current assets divided by current liabilities.

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As at 31 December 2024, the Group and Company had cash and bank balances of S\$43.8 million and S\$3.3 million respectively. In order to effect a Share Purchase of up to 31,302,148 shares at the Maximum Price computed at the Latest Practicable Date, cash reserves by the Company of S\$43.5 million will be required. Assuming the full exercise of the Share Purchases, the Company currently does not have sufficient cash to purchase all the Shares. Hence, for illustration purposes, it is assumed the Company received internal funding from subsidiaries to finance the Share Purchases.

As illustrated above, the purchase of Shares will (i) reduce the working capital from S\$335.6 million to S\$292.1 million, (ii) increase the NAV per Share of the Group as at 31 December 2024 from 155.2 Singapore cents per Share to 157.0 Singapore cents per Share and (iii) decrease the NAV per Share of the Company as at 31 December 2024 from 60.3 Singapore cents per Share to 51.6 Singapore cents per Share respectively assuming that all share purchases are funded through internal sources.

Assuming that the purchase of Shares had taken place on 1 January 2024, the consolidated basic earnings per Share of the Group for FY2024 would increase from 3.68 Singapore cents per Share to 4.09 Singapore cents per Share as a result of the reduction in the number of issued Shares.

Shareholders should note that the financial effects set out in this section are purely for illustrative purposes only and are not necessarily representative of the Company's future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.

The Directors would emphasise that they do not intend to exercise the Share Purchase Mandate to such an extent that would result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

- 3.8 Tax Implications.** Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

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- 3.9 Listing Manual.** Under Rule 886(1) of the Listing Manual, a listed company must notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m. (a) in the case of Market Purchases, on the market day (i.e. a day on which the SGX-ST is open for securities trading, “**Market Day**”) following the day of purchase or acquisition of any of its shares; and (b) in the case of Off-Market Purchases under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such notification must include such details that the SGX-ST may prescribe, such as details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the board of directors of the Company until the price sensitive information has been publicly announced.

In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full year financial statements (if the Company does not announce its quarterly financial statements) or, if the Company announces its quarterly financial statements (whether required by the SGX-ST or otherwise), during the period of two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

- 3.10 Listing Status of Shares.** Under Rule 723 of the Listing Manual, a listed company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word “public” is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are 204,723,590 issued Shares, representing approximately 65.40% of the total number of issued Shares (excluding treasury shares) of the Company, held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares (excluding treasury shares) from public Shareholders, based on information available as at the Latest Practicable Date, the percentage of the Company’s public float would be reduced to approximately 61.56% of the total number of issued Shares (excluding treasury shares). Accordingly, based on information available as at the Latest Practicable Date, the Company is of the view that there is a sufficient number of Shares in issue (excluding treasury shares) held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company’s issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. The Directors will also use their best efforts to ensure that, notwithstanding any share purchases by the Company, a sufficient number of Shares remain in the hands of the public so that the share purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the shares.

3.11 Certain Take-over Code Implications arising from the Share Purchase Mandate. Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below:

3.11.1 Obligations to make a Take-over Offer

If as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

3.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes; and
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages.

For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

3.11.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the percentage of voting rights held by such Directors and persons acting in concert with them increases to 30% or more, or in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentage of voting rights under the Take-over Code referred to above.

Information on the Directors' interests in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate and the interests of the substantial Shareholders in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate is set out at Paragraph 4 below.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholdings of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code as a result of any intended purchase by the Company of the maximum limit of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, pursuant to the Share Purchase Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3.12 Details of Shares bought by the Company pursuant to the Share Purchase Mandate obtained at the 2024 AGM

As at the Latest Practicable Date, the Company had not purchased or acquired any Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Purchase Mandate obtained at the 2024 AGM.

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4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 Directors' Interests. Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the Directors' interests in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, (d) there are no subsidiary holdings, and (e) no Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and are held by the Company as treasury shares on or prior to the 2025 AGM, will be as follows:

Director	Number of Shares Held			% Before Share Purchase ⁽¹⁾	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Loke Wai San	832,240	6,897,266	7,729,506	2.47%	2.74%
James Toh Ban Leng	10,100,000	1,208,739	11,308,739	3.61%	4.01%
Chok Yean Hung	1,102,044	—	1,102,044	0.35%	0.39%
Loh Kin Wah	—	530,250	530,250	0.17%	0.19%
André Andonian	272,700	—	272,700	0.09%	0.10%
Chou Yen Ning @ Alice Lin	—	5,050	5,050	0.00%	0.00%

Note:

⁽¹⁾ Based on 313,021,486 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

4.2 Substantial Shareholders' Interests. Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the substantial Shareholders in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the substantial Shareholders have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, (d) there are no subsidiary holdings, and (e) no Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and held by the Company as treasury shares on or prior to the Latest Practicable Date, will be as follows:

Substantial Shareholder	Number of Shares Held			% Before Share Purchase ⁽¹⁾	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Venezio Investments Pte. Ltd. (" Venezio ")	39,012,563	—	39,012,563	12.46%	13.85%
Napier Investments Pte. Ltd. (" Napier ") ⁽²⁾	—	39,012,563	39,012,563	12.46%	13.85%
Tembusu Capital Pte. Ltd. (" Tembusu ") ⁽²⁾	—	39,012,563	39,012,563	12.46%	13.85%
Temasek Holdings (Private) Limited (" Temasek ") ⁽²⁾	—	39,012,563	39,012,563	12.46%	13.85%
Employees Provident Fund Board (" EPF ")	—	29,774,844	29,774,844	9.51%	10.57%
abrdn plc (" abrdn ") ⁽³⁾	—	18,562,200	18,562,200	5.93%	6.59%

Notes:

⁽¹⁾ Based on 313,021,486 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

⁽²⁾ Temasek, Tembusu and Napier are deemed interested in the Shares held by Venezio. Venezio is a wholly-owned subsidiary of Napier, which is a wholly-owned subsidiary of Tembusu, which is a wholly-owned subsidiary of Temasek.

⁽³⁾ abrdn is the parent company of its subsidiaries (the "**abrdn Group**") on behalf of the accounts managed by the abrdn Group. abrdn is deemed interested in the Shares held under the accounts managed by the abrdn Group.

5. DIRECTORS' RECOMMENDATION

The Proposed Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 being the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate, at the 2025 AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter 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 Letter in its proper form and context.

7. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Yours faithfully
For and on behalf of the Board of Directors
AEM Holdings Ltd.

Leong Chunyi Yin (Amy)
Chief Executive Officer