

SGXNET Announcement



AEM Holdings Ltd
(Registration No. 200006417D)

REPLY TO SGX'S QUERY ON THE COMPANY'S ANNUAL REPORT 2013

The Board of Directors of AEM Holdings Ltd (the "Company") refers to the queries raised by Singapore Exchange Securities Trading Limited ("SGX-ST") on its Annual Report 2013 and appends below its response:

SGX-ST Query (1):

Paragraph 9.3 of the Code of Corporate Governance 2012 (the "Code") states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please let us know whether the Company has complied with the Code paragraph 9.3 in relation to the disclosure of the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).

Company's response to Query (1):

As disclosed in the Annual Report, the remuneration of each of the top 5 key management personnel has been disclosed in bands of S\$250,000, with a breakdown of base salary, variable bonus and other benefits in percentage terms. The Board has, on review, decided not to disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO) because of the confidential and sensitive nature of such remuneration information, the competitive pressures in the industry, potential for poaching of staff and other disadvantages that this might bring.

The Board is of the view that the current disclosure on the remuneration of management provides a balance between detailed disclosure and confidentiality in the sensitive area of remuneration.

SGX-ST Query (2):

With reference to the audited Consolidated Cash Flow Statement on page 45 of the Annual Report, please disclose the reasons for the material difference in amounts for the (eg Cash flow from operations.....) as compared with the cash flow statement disclosed in the announced results of the Company dated 21 February 2014.

Company's response to Query (2):

The main reason for the difference in cash flows from operating activities as disclosed in the Annual Report (which was higher as compared to that as disclosed in the unaudited announced results of the Company dated 21 February 2014) was the treatment of about S\$3.5 million, formerly recorded as at 31 December 2012 as advance payment to equipment suppliers, but which has now been transferred and classified as property, plant and equipment after the equipment was received by the Company in FY2013. The Company had included this S\$3.5 million figure as an operating activities cash outflow in the unaudited announced results. However, upon finalization of the audit the Company has reflected this amount as an acquisition of property, plant and equipment and hence is not classified as operating cash outflow.

BY ORDER OF THE BOARD

Charles Cher
Chief Executive Officer
15 April 2014