

## SGXNET Announcement



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

### **INCREASE IN SHAREHOLDING INTEREST IN ASSOCIATE - NOVOFLEX PTE. LTD.**

The Board of Directors of AEM Holdings Ltd ("AEM" or the "Company") refers to the query from the Singapore Exchange ("SGX-ST") regarding our announcement on the increase in shareholding interest in Novoflex Pte. Ltd. ("Novoflex") dated 9 December 2016. Our replies to SGX-ST queries are as follows:

*SGX's Question 1 - In accordance with Rule 704(17)(d) which made reference to Rule 1010(3) of the Listing Manual, please provide the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment; and*

Reply - The aggregate value of the consideration of the 666,667 subscribed rights shares is S\$666,667 based on the issue price of S\$1 for each rights share. The acquisition was settled in cash using internal resources.

*SGX's Question 2 - In accordance with Rule 704(17)(d) which made reference to Rule 1010(5) of the Listing Manual, please provide the value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation.*

Reply – As Novoflex was only incorporated in Singapore on 12 April 2016, the book value and net tangible asset value of the subscribed rights shares, based on the unaudited management accounts of Novoflex as at 31 October 2016, are S\$664,956 and S\$651,583 respectively. There is no available open market value for the assets being acquired nor was there any valuation being commissioned.

The relative figures for the rights shares subscription using the applicable bases of comparison under Rule 1006 of the Listing Manual based on the audited consolidated accounts of the Company for the period ended 31 December 2015 are as follows:

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Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not applicable
Rule 1006(b)	The net profits attributable to the proposed transaction of S\$798,000, compared with the Company's net profits of S\$5,782,000 in FY2015.	13.8%
Rule 1006(c)	The aggregate value of S\$4,666,667 (for the subscription amount of S\$4,000,000 paid to Novoflex in June 2016 <sup>(1)</sup> and S\$666,667 paid in December 2016 for the rights shares subscription) compared with the Company's market capitalization of S\$24,250,042 as at 16 November 2016 <sup>(2)</sup> .	19.2%
Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

Notes:

(1) – Please refer to the Company's announcements dated 8 May 2016 and 21 July 2016.

(2) – The letter of acceptance for the rights shares subscription was executed by the Company on 17 November 2016 while the rights shares subscription was completed on 9 December 2016.

The rights shares subscription is not expected to have a material impact on the Company's earnings per share and net tangible assets per share for the current financial year ending 31 December 2016.

By Order of the Board

Charles Cher Lew Siang  
Chief Executive Officer  
11 December 2016