SGXNET Announcement

AEM Holdings Ltd.
(Registration No. 200006417D)

PROPOSED BONUS ISSUE

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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 bonus issue of new ordinary shares in the capital of the Company (collectively, "**Bonus Shares**" and each, a "**Bonus Share**") on the basis of one (1) Bonus Share to be credited as fully paid for every two (2) existing ordinary shares in the capital of the Company ("**Shares**") held by shareholders of the Company ("**Shareholders**") as at a books closure date ("**Books Closure Date**") to be determined by the Directors for the purpose of determining the entitlements of Shareholders, fractional entitlements to be disregarded ("**Proposed Bonus Issue**").

2. Terms

2.1 As at the date of this announcement, the Company has an issued and paid-up share capital comprising 42,765,129 Shares (excluding treasury shares). Purely for illustration purposes, assuming there is no change in the number of issued Shares (excluding treasury shares) from the date of this announcement to the Books Closure Date, 21,382,564 Bonus Shares will be issued pursuant to the Proposed Bonus Issue. The actual number of Bonus Shares to be issued by the Company will depend on the total number of Shares (excluding treasury shares) as at the Books Closure Date.

2.2 The Bonus Shares will be issued pursuant to a share issue mandate approved by Shareholders at the annual general meeting of the Company held on 28 April 2016 ("**General Mandate**") which authorises the Directors to, *inter alia*, allot and issue new shares in the Company, on a *pro rata* basis to existing Shareholders, aggregating up to 50% of the total number of issued shares in the capital of the Company (excluding treasury shares) at the time of passing of the resolution approving the General Mandate.

The total number of issued Shares (excluding treasury shares) as at 28 April 2016 was 43,994,129. As at the date of this announcement, the Company has not issued any Shares under the General Mandate. Accordingly, the maximum number of Shares that the Company may allot and issue to existing Shareholders

on a *pro rata* basis under the General Mandate is 21,997,064. The proposed issue of 21,382,564 Bonus Shares falls within the General Mandate.

2.3 The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares and with each other, except that the Bonus Shares will not be entitled to such dividends, rights, allotments and other distributions the record date of which falls before the date of allotment and issue of such Bonus Shares.

2.4 The Bonus Shares will be issued to Shareholders whose names appear in the Register of Members or who have Shares entered against their names in the Depository Registrar as at the Books Closure Date. Notice of the Books Closure Date will be given at a later date, after the necessary approvals have been obtained.

3. Rationale

The Company is considering the Proposed Bonus Issue to increase the issued share capital base of the Company, to encourage trading liquidity of the Shares and to give due recognition to Shareholders for their continuing support for the Company.

4. Approval

The Proposed Bonus Issue is subject to the receipt of the approval-in-principle of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the Main Board of the SGX-ST. An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares on the SGX-ST.

5. Adjustments to Share Options / Awards

The Company will make necessary adjustments with respect to outstanding share options and share awards granted under its share incentive schemes in accordance with the rules of the schemes, after completion of the Proposed Bonus Issue.

6. Directors' Responsibility Statement

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

7. Caution in Trading

Shareholders and potential investors of the Company should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing in the Shares. 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

Charles Cher Lew Siang
Chief Executive Officer
23 February 2017