

SGXNET Announcement



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

SALE OF PROPERTY AT P.T. 4624 (LOT 7), FREE INDUSTRIAL ZONE, PHASE 3, BATU BERENDAM, 75350 MELAKA, MALAYSIA

1. INTRODUCTION

The Board of Directors of AEM Holdings Ltd (the “Company”) is pleased to announce that Qualitek Electronics (M) Sdn Bhd (“QEM”), a wholly owned subsidiary of the Company has entered into an agreement (the “Agreement”) with Acculex Sdn. Bhd. (the “Purchaser”) in respect of the proposed sale (“Proposed Sale”) of QEM’s factory unit at P.T. 4624 (Lot 7), Free Industrial Zone, Phase 3, Batu Berendam, 75350 Melaka, Malaysia (the “Property”) for a cash consideration of RM8,000,000 (the “Sale Price”).

2. CONSIDERATION

The Sale Price of RM8,000,000 was arrived at on a willing buyer willing seller basis, after taking into consideration the condition of the factory building, current market condition and comparative sale prices and valuation of properties around the vicinity.

The Sale Price will be satisfied in the following manner:

(a) a deposit of RM800,000 that has been paid to the Company (being 10% of the Sale Price) to be held by the Company’s solicitors as stakeholders pending completion of the sale of the Property; and

(b) the balance of the Sale Price of RM7,200,000 (90%) shall be paid on the date of completion of the sale of the Property.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The property has been vacant since the shutdown of the Malacca operation in December 2010 and the Company has been trying to dispose the property so that the proceeds from the property sale can be used for other business requirements.

4. MAIN TERMS AND CONDITIONS OF THE AGREEMENT

Completion of the sale and purchase of the Property is conditional, upon the fulfilment of, inter alia, the written consent from State Authority of Malacca to transfer the title of the Property to the Purchaser.

5. USE OF SALE PROCEEDS

The Company intends to use the sale proceeds for its general working capital purposes.

6. FINANCIAL EFFECTS

The book value of the Property as at 30 June 2015 is RM5.93 million (equivalent to S\$2.12 million). The net proceeds from the proposed disposal after commission and legal cost will be approximately S\$2,841,000.

Financial impact on the net tangible assets (“NTA”)

Based on the audited consolidated results of the Group for the financial year ended 31 December 2014 and assuming the disposal had been completed on 31 December 2014, the NTA per share of the Group for FY2014 would have been 4.21 cents after the proposed disposal as compared to 4.05 cents before the proposed disposal as illustrated below.

	Before proposed Disposal	After proposed Disposal
NTA (S\$'000)	17,975	18,670
Weighted average no. of shares ('000)	443,476	443,477
NTA per share (cents)	4.05	4.21

Financial impact on the earnings per share (“EPS”)

Based on the audited consolidated results of the Group for the financial year ended 31 December 2014 and assuming the disposal had been completed on 31 December 2014, the loss per share of the Group for FY2014 would have been 7.65 cents after the proposed disposal as compared to 7.81 cents before the proposed disposal as illustrated below:

	Before proposed Disposal	After proposed disposal
Loss after income tax (S\$'000)	(34,603)	(33,901)
Weighted average no. of shares ('000)	442,875	442,875
Loss per share (cents)	(7.81)	(7.65)

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual in relation to the disposal are as follows:-

Net asset value of assets to be disposed of, compared with the Group's net asset value as at 31 March 2015	12.0%
Net profits attributable to the assets disposed of, compared with the Group's net profits	Not Applicable
Aggregate value of consideration received, compared with the Company's market capitalisation	15.5%
Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not Applicable

Based on the above, the disposal is a discloseable transaction for the purpose of Chapter 10 of the SGX-ST Listing Manual.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their shareholdings in the Company, none of the Directors of the Company has any personal interest, direct or indirect, in the proposed disposal. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the proposed sale of the Property other than that arising from its shareholding in the Company, and have not received any notifications of any interest in this transaction from any substantial shareholder.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at 52 Serangoon North Avenue 4, Singapore 555853 for three months from the date of this announcement.

BY ORDER OF THE BOARD

Charles Cher Lew Siang

Chief Executive Officer

4 August 2015