

SGXNET Announcement



AEM Holdings Ltd.
(Registration No. 200006417D)

RESPONSE TO SGX-ST QUERY ON FY2020 ANNUAL REPORT

The Board of Directors (“**Board**”) of AEM Holdings Ltd. (the “**Company**”) refers to the Company’s Annual Report for the financial year ended 31 December 2020 (“**FY2020 Annual Report**”) released on 15 April 2021 and wishes to respond to the query raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as follows:

SGX-ST’s Query:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1(a) of the Code with regards to the disclosure of exact remuneration of the CEO, and there were no explanations provided for in your FY2020 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

The Company’s response:

As disclosed on page 54 of the FY2020 Annual Report, the Company had disclosed that the Board has, on review, decided to disclose the remuneration of the former Executive Chairman, former CEO, current CEO and the top five Key Management Personnel in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration, given the competitive pressures in a specialised industry, potential for poaching of staff and other disadvantages that this might bring.

The Company had disclosed the names and remuneration of the former CEO and current CEO in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components on page 65 of the FY2020 Annual Report.

The Company had also disclosed the names, breakdown and the amounts of the directors’ fees of its Non-Executive Directors in absolute numbers on page 65 of the FY2020 Annual Report.

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On page 51 of the FY2020 Annual Report, the Company had disclosed that it adopts a remuneration framework that is responsive to the market conditions and performance of the Group. It is structured to link a significant proportion of rewards to the Group's and each individual's performance and value creation for the Company's stakeholders. The grant of performance shares and share options promotes ownership and accountability for the long-term success of the Company.

The Company has significantly enhanced its compensation reporting disclosure in the FY2020 Annual Report including (i) compensation policies and principles, (ii) compensation structure, (iii) cash incentive plan features and their linkage to performance and value creation and (iv) share plan award details and their linkage to performance and value creation. The Company's policy and criteria for setting remuneration are also enumerated under Provisions 7.1 to 7.3 of the Code on page 51 to 54 of the FY2020 Annual Report.

Accordingly, the Board believes that the current disclosures and practices are consistent with the intent of Principle 8 of the Code. The Board, with the assistance of Remuneration Committee, will periodically review the extent of disclosure of the remuneration of the Directors, CEO and top five Key Management Personnel, and the Board will determine the disclosure of more details of such remuneration in future annual reports of the Company.

By Order of the Board

Loke Wai San
Non-Executive Chairman
26 April 2021