

SGXNET Announcement



AEM Holdings Ltd
(Registration No. 200006417D)

ACQUISITION OF 100% SHAREHOLDING IN DB DESIGN GROUP, INC.

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as in the announcement dated 22 July 2020 (“**Announcement**”).*

The Board of Directors (the “**Board**”) of AEM Holdings Ltd (the “**Company**”) refers to the Company’s announcement dated 22 July 2020 in relation to the acquisition of 100% (the “**Acquisition**”) of the issued shares in the capital of DB Design Group, Inc (“**DB Design**”).

The Board is pleased to announce that the Company has received the in-principle approval from the Singapore Exchange Securities Trading Limited (“**SGX**”) for the listing and quotation of 262,960 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to be issued at S\$3.17 per Consideration Share in connection with the Acquisition of DB Design. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the then existing ordinary shares in the capital of the Company (the “**Shares**”). The Consideration Shares will be issued pursuant to the general mandate obtained by the Company at its annual general meeting (“**AGM**”) held on 21 May 2020. Please note that the SGX’s in-principle approval is not to be taken as an indication of the merits of the Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

In addition to the information provided in the announcement regarding the Acquisition on 22 July 2020, the Board wishes to provide the following additional information:

1 FINANCIAL EFFECTS

1.1 The financial effects of the Acquisition on the Group were prepared based on the audited consolidated accounts of the Company for the financial year ended 31 December 2019 (“**FY2019**”) and subject to the following key assumptions:-

1.1.1 The financial effects are purely for illustrative purposes only and do not represent any projection of the actual future financial performance or financial position of the Company after the Acquisition.

1.1.2 For the purpose of computing the consolidated earnings and consolidated earnings per Share (“**EPS**”) of the Company after the Acquisition, it is assumed that the Acquisition was effected on 1 January 2019; and

1.1.3 For the purpose of calculating the consolidated net tangible asset (“**NTA**”) per Share of the Company after the Acquisition, it is assumed that the Acquisition was completed on 31 December 2019.

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| | Earnings attributable to Shareholders (S\$) | Weighted average number of Shares | EPS (Cents) |
|--|---|-----------------------------------|-------------|
| Net profit of the Company before the Acquisition | 52,763,000 | 270,029,505 | 19.54 |
| Net profit of DB Design in FY2019 | 255,000 | - | - |
| Consideration Shares | - | 262,960 | - |
| Net profit of the Company after the Acquisition | 53,018,000 | 270,292,465 | 19.62 |

| | NTA as at 31 December 2019 (S\$) | Number of Shares as at 31 December 2019 | NTA per Share (cents) |
|---|----------------------------------|---|-----------------------|
| NTA of the Company before the Acquisition | 115,260,000 | 269,766,402 | 42.73 |
| NTA of DB Design | 161,523 | - | - |
| Consideration Shares | - | 262,960 | - |
| NTA of the Company after the Acquisition | 115,421,523 | 270,029,362 | 42.74 |

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2 DISCLOSURE OBLIGATIONS

The relative figures computed on the bases pursuant to the Mainboard Listing Rules 1006 (a) to (d) of the Singapore Exchange Securities Trading Limited in relation to the Acquisition are shown as follows and they do not exceed 5%:

| | | |
|-----|--|-------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value. | Not Applicable ⁽¹⁾ |
| (b) | Net profit ⁽²⁾ of S\$255,000 attributable to DB Design, compared with the Group's net profits ⁽²⁾ of S\$63,735,000, for FY2019. | 0.4% |
| (c) | Aggregate consideration of S\$4,585,000 ⁽³⁾ compared with the Company's market capitalization based on the total number of issued Shares excluding treasury shares as at 21 July 2020, being the last market day preceding the date of the Agreement. | 0.5% |
| (d) | Number of equity securities to be issued by the Company as consideration for the Acquisition (being 262,960 Shares), compared with the number of equity securities previously in issue of 274,302,707 Shares. | 0.1% |

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) "Net profit" means profit before income tax, minority interests and extraordinary items.
- (3) Based on the purchase price of US\$3.3 million and translated to Singapore dollars based on the exchange rate of US\$1: S\$1.39 as at 21 July 2020.

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3. ISSUE PRICE

The issue price of S\$3.17 per Consideration Share is computed based on the average closing price of the Shares for the 10 trading days immediately up to and inclusive of 17 July 2020 as agreed by the Sellers and the Company.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Equity Purchase Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 52 Serangoon North Avenue 4, Singapore 555853, for a period of three months from 22 July 2020.

By Order of the Board

Loke Wai San
Executive Chairman
2 September 2020