



PRESS RELEASE

AEM makes final S\$1.15 per share offer for CEI Limited, with option for all-cash or cash and new AEM shares

- **Opportunity for CEI shareholders to:**
 - **Realise investment now at a premium to historical 12 months¹ market price which may not otherwise be readily available for a stock with a historically low trading liquidity**
 - **Opt to participate in an enlarged AEM Group at a discount to the current market price²**
- **The Offer Consideration is final and will not be revised**

Singapore, 15 February 2021 - AEM Singapore Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of AEM Holdings Ltd. (“**AEM Holdings**” or “**AEM**”), has announced (the “**Offer Announcement**”) its firm intention to make a voluntary conditional offer (the “**Offer**”) for all the ordinary shares (the “**Shares**”) of CEI Limited (“**CEI**” or the “**Company**”)³. This is after AEM Holdings received approval-in-principle from the Singapore Exchange for the listing and quotation of new AEM Holdings shares - a pre-condition for the Offer to be made. Please note that the in-principle approval of the Singapore Exchange is not to be taken as an indication of the merits of the Offer, the new AEM Holdings shares, AEM Holdings and/or its subsidiaries.

Capitalised terms used herein (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Offer Announcement.

Recap of key terms of the Offer

The Offeror intends to provide each Offer Share with either one of the following options:

1. S\$1.15 in cash (the “**Cash Consideration**”); OR
2. S\$0.9775 in cash and 0.0486 New AEM Holdings Shares (the “**85/15 Cash Shares Consideration**”); OR
3. S\$0.8050 in cash and 0.0972 New AEM Holdings Shares (the “**70/30 Cash Shares Consideration**”⁴)

CEI shareholders **can only select one of the three options listed above**. Those who tender their acceptance of the Offer without electing their preferred mode of the Offer Consideration will be deemed to have chosen to receive the Cash Consideration.

The Offer Consideration is final and will not be revised. Full details can be found in the Offer Announcement released on 15 February 2021.

Mr Loke Wai San, Chairman of AEM, said, “We believe AEM and CEI will be stronger together. We want to give CEI shareholders a choice: They can decide to cash out of a stock with a historically low

¹ 12 months as of 8 January 2021, being the last full trading day of the Shares prior to the Pre-Conditional Offer Announcement Date.

² The issue price of S\$3.55 per New AEM Holdings Share represents a discount of approximately 17.44% to the last transacted price per AEM Holdings Share of S\$4.30 as at 11 February 2021.

³ Other than those Shares held by the Offeror as at the date of the Offer (the “**Offer Shares**”).

⁴ Option 3, together with the 85/15 Cash Shares Consideration, is referred to as the “**Cash Shares Consideration Options**”.



trading liquidity. Alternatively, they can opt for both cash and the opportunity to stay invested in the sector through AEM post-acquisition. Adding CEI to AEM's portfolio solidifies our leadership position in serving semiconductor and electronics companies in the advanced computing, 5G and artificial intelligence space. CEI's regional footprint and expertise in their field will strengthen AEM's resilience and allows us to be even more responsive to the needs of our global customer base."

Offeror's Rationale for the Acquisition

Opportunity for CEI Shareholders to realise their investment in the Shares at a premium to market prices, and exit a stock that has a historically low trading liquidity.

The Offer Consideration of S\$1.15 per Offer Share represents a premium of approximately 26.1% over the 12-month volume-weighted average price ("VWAP") up to and including 8 January 2021 (the "Last Trading Day"), before the date of the Pre-Conditional Offer Announcement which was made on 11 January 2021. It also exceeds the highest price for CEI shares in the three years preceding 8 January 2021.

Chart 1. Premium to 12-month historical share price⁵



Historically, the trading volume of CEI shares has also been low, with average daily trading volume during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day, as illustrated in the table below.

⁵ As of the Last Trading Day.



Table 1. Trading liquidity in CEI shares

Period	One-month	Three-month	Six-month	12-month
Average daily trading volume	24,786	21,418	20,649	25,958
As a % of total issued Shares (excl. treasury shares)	0.03%	0.02%	0.02%	0.03%

Source: Bloomberg L.P.

CEI shareholders therefore have an opportunity to realise their entire investment in the Shares at a premium to market price that may not otherwise be readily available, given the historically low trading liquidity of the Shares.

Opportunity for CEI shareholders to participate in an enlarged AEM Group at a discount to current market price

Through the Cash Shares Consideration Options, CEI shareholders have an opportunity to participate in the future prospects of an enlarged AEM Group, at a discount to current market prices for AEM Holdings Shares. For reference, the issue price of S\$3.55 for each New AEM Holdings Share represents a discount of approximately 17.44% to the last transacted price per AEM Holdings Share of S\$4.30 as at 11 February 2021.

“Win-Win” transaction will give you option to grow together with the combined, synergistic entity with lower costs

The Offeror believes that CEI’s business and operations are a strategic fit for AEM and will provide synergistic benefits. These include:

- Improved vertical integration with a higher level of control towards quality and agility over the entire supply chain through CEI’s printed circuit board assembly
- Increased level of service for customers by creating a site-resilient infrastructure via CEI’s regional infrastructure
- Enhanced service and product offering and in-house key capabilities through CEI’s assembly and box build capabilities
- Wider customer reach and extensive cross selling opportunities through AEM Group’s scale
- Improved manufacturing process and efficiency through sharing of know-how and best practices

Posting of Offer Document

Shareholders will receive the Offer Document between 14 and 21 days from 15 February 2021, which will set out the terms and conditions of the Offer and enclose the appropriate form(s) of acceptance. The Offer Document will also be uploaded to SGXNet.

The Offer will remain open for acceptances by Shareholders for at least 28 days from the date of posting of the Offer Document.



This Press Release should be read in conjunction with the full text of the Offer Announcement issued by PwC CF for and on behalf of the Offeror, on the SGXNet.

(END)



Media Contacts

Josephine Chew

WATATAWA Consulting

jchew@we-watatawa.com

+65 9061 0353

Hoong Huifang

WATATAWA Consulting

hhoong@we-watatawa.com

+65 9128 0762

About AEM Holdings Ltd.

AEM Holdings Ltd is listed on the main board of the Singapore Exchange. AEM Holdings is a global leader offering application specific-intelligent system test and handling solutions for semiconductor and electronics companies serving advanced computing, 5G, and AI markets.

AEM takes pride in providing innovative, engineering-focused solutions and developing strong partnerships with customers and associates to cater to their manufacturing needs through our global engineering service support network and innovative people. Currently, the AEM Group has operations in Asia, Europe and North and Central Americas.

For more information, please visit <https://www.aem.com.sg/>

Responsibility Statement

The Directors of the Offeror and AEM Holdings (including those who may have delegated detailed supervision of this Press Release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Press Release are fair and accurate and that no material facts have been omitted from this Press Release, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the CEI Group), the sole responsibility of the Directors of the Offeror and AEM Holdings has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Press Release.



IMPORTANT NOTICE

All statements other than statements of historical facts included in this Press Release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror, AEM Holdings nor PwC CF undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency