

AEM HOLDINGS LTD.

Minutes of 2019 Annual General Meeting of the Company
held on 29 April 2019

MINUTES OF 2019 ANNUAL GENERAL MEETING OF THE COMPANY HELD ON:

DATE & TIME : 29 APRIL 2019 AT 3.00 P.M.

VENUE : BLOCK 52 SERANGOON NORTH AVENUE 4, #03-01,
SINGAPORE 555853

PRESENT : PLEASE REFER TO THE ATTENDANCE SHEET

Mr Loke Wai San, the Executive Chairman of the Company, welcomed all present to the Company's 2019 Annual General Meeting ("AGM"). Chairman then introduced the Chief Executive Officer, Mr Chok Yean Hung, General Manager - Test and Measurement Solutions, Mr Harshang Nileshkumar Pandya and Managing Director – Afore Oy, Mr Vesa Henttonen and all Directors of the Company.

The Chairman welcomed the two new directors, Mr Loh Kin Wah and Mr Lev Lavi Alexander on board and requested the new directors to give a brief self-introduction to the shareholders present at the AGM of the Company.

The Chairman then presented the 2018 Financial Review, the overview of AEM's strategic direction and business units updates and the AGM meeting resolution. A copy of the presentation, which was released to the Singapore Exchange Securities Trading Limited ("SGX-ST") via SGXNet is annexed to these Minutes.

The Chairman also presented the financial highlights for FY2018 that the guidance delivered for the revenue growth supported by increased deliveries of test handlers and pans/kits. Revenue had increased by 18.4% for the financial year ended 31 December 2018. The Chairman highlighted that there was an increase in income from engineering projects. The Group has been constantly hiring engineers so that the Group can meet with the demand from its customers.

The Chairman was pleased to share that the Board had proposed a final dividend of 1.9 cents payable on 31 May 2019 including an interim dividend of 1.5 Singapore Cents, which is a 25% payout of operating net profit of the Company.

The cash and cash flow in relation to the operations (before working capital changes and the positive cash generated). The cash balance at S\$58.9M as of end of 2018 after using S\$23M on acquisitions, dividends, buybacks and taxes.

The Chairman also updated that the Group had entered into new businesses, namely System Level Test handlers, cable and RF test measurement systems, MEMs and Cryogenic prober solutions.

The Chairman also briefed the shareholders on the growth journey of the Company from the point of SGX listing till the acquisitions of Afore Oy and IRIS as well as the different phases of the transformation into a global leader in the tests handling and inspection space.

Phase I A LONG TERM VIEW

2011-2016 – Re-build the foundation
Management of Key account and win new projects
Restructure operations and refine business focus
Invest in R&D to support new projects

Phase II A SHARED VISION

2016-2018 – Refine the vision and develop core competencies
Generate profits and free cash flow
Deepen key account relationships
Develop and execute on a corporate investment plan in operations, R&D and M&A

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Phase III CONTINUED INNOVATION

2018 and beyond to apply core competencies to grow

The Chairman highlighted the expansion opportunities with key customers of existing and for the acquired businesses. Afore for MEMs wafer level testing and cryogenic equipment; SLTi for system level testing which the Company is looking to work with tester companies; and TMS for cabling, optics and future RF.

The Chairman briefed that the current generation of test handlers is expected to hit maturity in 2019. Earnings will be driven by new handler platforms, consumables, new account programs, and new business units from 2019 and beyond.

The Chairman then requested the CEO, Mr. Chok to give a presentation of the SLTi. Mr Chok shared about the rising complexity of SiP devices and thus the increasing need for SLT.

The Chairman then requested Mr. Harshang to present on the TMS business segment to the shareholders. Mr. Harshang briefed on the Huawei's engagement on wideoptix for 5G cable tester. Mr. Harshang also shared with the shareholders about other products and markets served by AEM-TMS.

Mr. Vesa Henttonen was requested by the Chairman to present on the MEMs business segment of the Company. He shared the positive effect of being part of the bigger enterprise for which it has increased Afore's credibility for new customers and opportunities. Afore benefitted from AEM's global presence and field services, example in China and USA. There is also shared marketing and sales activities, common research and development activities and also financial backing for Afore.

The Chairman also provided update on Novoflex to the shareholders where the sAil™ customized cards have unique logos, more security and produced based on simpler manufacturing processes.

Chairman then passed the meeting to the Joint Company Secretary, Mr. Soh Wai Kong ("WK") to assist him with the meeting proceedings. He informed the shareholders that he would declare whether the motion has been carried or not based on the results of the poll.

NOTICE OF MEETING

With the consent of the shareholders, the Notice of Meeting was taken as read.

QUORUM

On behalf of the Chairman, WK informed with the presence of the quorum, the meeting was called to order at 4.20 p.m.

Wai Kong informed the shareholders that pursuant to Rule 730(2) of the SGX Listing Manual, all resolutions tabled at the AGM would be put to vote by way of poll. Polling was conducted in a paperless manner using a wireless hand-held device. Ms Victoria Paul of Boardroom Corporate Advisory Services explained the electronic poll voting procedures, after which, the proceedings of the meeting were handed back to Wai Kong.

ORDINARY BUSINESS

1. DIRECTORS' STATEMENT AND THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE AUDITORS' REPORT

The first item of the Agenda was to receive and consider the Directors' Statement and Audited Financial Statements for the year ended 31 December 2018 and the Auditors' Report thereon.

Before putting the resolution to vote, WK invited questions from the shareholders.

1. Mr Sim Boon Chuah asked whether the dropped in PCS revenue by segment was in relation to the Huawei Technologies Co., Ltd. business venture.

The Chairman replied that the decrease of the segmental revenue was in relation to the fall of tools/machine kits and it has no impact in relation to Huawei Technologies Co., Ltd. as the business was not captured for the financial year ended 2018.

2. Mr Gary Lim raised questions in relation to the time lag in the issuance of treasury shares for the award of performance shares and the non-disclosure of Chief Executive Officer's interest in the annual report pursuant to the Companies Act and Monetary Authority of Singapore requirement of the Company.

WK explained that there is administrative process involved in awarding the performance shares to the eligible participants or employees and thus will not be credited immediately to the participants.

In relation to the disclosure of interest, it is not a requirement for Chief Executive Officer to disclose his shareholding interest in the annual report as Mr Chok is not a director. Mr Chok's shareholding has been disclosed to the SGX-ST via SGXNet whenever there is a change in his shareholding as required by law.

Mr Gary Lim then sought clarification on the discrepancies on the disclosure of share options interest of 1 share for Mr Cher Lew Siang, Charles arising from the bonus issues of the Company.

WK explained that the Remuneration Committee has the authority to decide on the required share options adjustment. The necessary approval has been obtained from the committee with the supporting evidence and calculation presented to the committee.

3. Mr Prem Prakash gave credit to the Board for the good performance of the Company. He asked about the stability in the Research and Development division of the Company. Mr Chok replied that there is no major staff movement since the restructuring exercise of the Company.

Mr Prem then asked if the chief executive officer's shareholdings are made known to the public.

Mr Chok assured that there was timely disclosure on his shareholding interest via SGX announcement made by the Joint Company Secretary for compliance purposes. The Chairman added that the current shareholding of Mr Chok is as per the latest announcement released to SGX-ST.

Mr Prem then asked what was the revenue forecast of the year 2019 based on.

The Chairman explained to the shareholders that the forecast was based on the sales orders and pipeline that the Company is working on and that the Management is aware of the unfavorable market situation.

4. Ms Tan Wey Ling enquired if there is any potential impact on the Group as Intel has exited the 5G mobile modem market.

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The Chairman informed shareholders that there is no immediate impact as 4G is still the main platform in the market. The 5G mobile business is not the core business of Intel and therefore, there should be minimal impact to AEM's business in the short term.

5. Mr Daniel Wong enquired if the Company will be prospecting for other customers and not just relying on Intel.

The Chairman and Mr Chok explained to the shareholders that the Company has made a few acquisitions in the last 2 years and it is working on increasing the revenue of its system level test solution.

Mr Daniel Wong also enquired on the sales contribution of the TMS business to the Company.

Mr Harshang replied that he believes that TMS business should be able to have higher contribution to the Group's revenue in the next financial year.

6. Mr Pang Sing Chiew asked about the acquisition and investment in test engineering capability for the Company.

The Chairman explained the Group's investment approach is to invest in future businesses or increase our technology capability.

There being no further question, the motion was duly proposed by WK and seconded by Shiao Chng Chiang and put to vote by a way of poll:

The results of Resolution 1 taken on a poll, were as follows:-

For	Against
90,553,201	265,600

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED that the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2018 together with the Auditors' Report thereon be received and adopted.

2. FINAL DIVIDEND

The second item of the Agenda was to approve the payment of final tax-exempt dividend of 1.90 cents per ordinary share for the financial year ended 31 December 2018.

Before putting the resolution to vote, WK invited questions from the shareholders.

There being no further question, the motion was duly proposed by WK and seconded by Shiao Chng Chiang and put to vote by way of a poll.

The results of Resolution 2 taken on a poll, were as follows:-

For	Against
90,816,801	0

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That the payment of the second and final dividend of 1.90 cents per share tax-exempt (one-tier) for the year ended 31 December 2018 be approved.

3. RE-ELECTION OF DIRECTOR

- Mr. LOKE WAI SAN

Before proceeding with the re-election of Directors, WK informed the shareholders that the profile of the individual directors including their directorship are set out in the addendum to the Notice of AGM and in pages 8 to 10 of the Annual Report.

WK then informed the Meeting that Resolution 3 dealt with the re-election of Mr. Loke Wai San as a Director of the Company.

Mr. Loke Wai San, would upon re-election as a Director of the Company, continue his office as the Executive Chairman and a member of the Nominating Committee of the Company.

The motion, duly proposed by WK and seconded by Juliana Tan, was put to vote by way of a poll.

The results of Resolution 3 taken on a poll, were as follows:-

For	Against
86,816,801	2,530,500

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That Mr. Loke Wai San be re-elected as a Director of the Company.

4. RE-ELECTION OF DIRECTOR

- MR. LOH KIN WAH

Mr Loh Kin Wah will upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company.

The motion, duly proposed by WK and seconded by Andy Tan, was put to vote by way of a poll.

The results of Resolution 4 taken on a poll, were as follows:-

For	Against
89,956,301	605,000

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That Mr Loh Kin Wah be re-elected as a Director of the Company.

5. RE-ELECTION OF DIRECTOR

- MR. LAVI ALEXANDER LEV

Mr. Lavi Alexander Lev will upon re-election as a Director, continue his office as an Independent Non-Executive Director of the Company.

The motion, duly proposed by WK and seconded by Shiao Chng Chiang, was put to vote by way of a poll.

The results of Resolution 5 taken on a poll, were as follows:-

For	Against
89,922,301	435,000

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That Mr. Lavi Alexander Lev be re-elected as a Director of the Company.

6. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

Before putting the motion to vote, WK invited questions from the floor.

As there were no questions, the motion to approve the payment of Directors' fees of S\$305,000 for the financial year ending 31 December 2019 payable quarterly in arrears was proposed by WK and seconded by Shiao Chng Chiang, was put to vote by way of a poll.

The results of Resolution 6 taken on a poll, were as follows:-

For	Against
89,698,801	605,800

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That the Directors' fees of S\$305,000.00 for the year ending 31 December 2019 was approved for payment and it is payable quarterly in arrears.

7. RE-APPOINTMENT OF AUDITORS

WK informed the Meeting that Messrs KPMG ("KPMG") had expressed their willingness for re-appointment as Auditors of the Company.

Before putting the motion to vote, WK invited questions from the shareholders.

There being no further questions from the floor, the motion to re-appoint KPMG as Auditors was duly proposed by WK and seconded by Shiao Chng Chiang, was put to vote by way of a poll.

The results of Resolution 7 taken on a poll, were as follows: -

For	Against
89,692,201	269,000

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That Messrs KPMG LLP be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

ANY OTHER ORDINARY BUSINESS

As there were no notice of any other ordinary business has been received, WK carried on with the Special Business of the meeting.

SPECIAL BUSINESS

WK proceeded to deal with the special businesses of the meeting.

8. GENERAL AUTHORITY TO ISSUE SHARES

Before putting the motion to vote, WK invited questions from the floor.

As there were no questions, the motion to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual was proposed by WK and seconded by Sum Chee Who, was put to vote by way of a poll.

The results of resolution 8 taken on a poll, were as follows:

For	Against
52,682,047	36,306,154

By a clear majority of voted cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED:

That pursuant to Section 161 of the Companies Act, Cap. 50. and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorized and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (A) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below);
- (B) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (A) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;

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- (ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares;

(C) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(D) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held whichever is earlier.

9. GRANT OF OPTIONS AND/OR SHARES AWARDS AND ISSUE OF ADDITIONAL SHARES PURSUANT TO AEM HOLDINGS EMPLOYEE SHARE OPTION SCHEME 2014 AND AEM PERFORMANCE SHARE PLAN 2017.

Before putting the motion to vote, Chairman invited questions from the floor.

The motion, duly proposed by WK and seconded by Shiao Chng Chiang was put to vote by way of a poll.

As there were no questions, the motion to authorise the Directors to purchase the Company's shares pursuant to the renewed share buyback mandate was proposed. The results of Resolution 9 taken on a poll, were as follows:-

For	Against
63,009,606	27,116,395

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That:

- (a) approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the AEM Holdings Employee Share Option Scheme 2014 and/or grant awards in accordance with the provisions of the AEM Performance Share Plan 2017; and
- (b) approval be and is hereby given to the Directors to exercise full powers of the Company to issue and allot shares in the capital of the Company as may be required to be issued and allotted, in connection with or pursuant to the exercise of the options granted under the AEM Holdings Employee Share Option Scheme 2014 and/or the vesting of awards under the AEM Performance Share Plan 2017;

provided that the aggregate number of shares to be issued and allotted pursuant to the AEM Holdings Employee Share Option Scheme 2014 and the AEM Performance Share Plan 2017 shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

10. SHARE PURCHASE MANDATE

Before putting the motion to vote, Chairman invited questions from the floor.

There being no question, the motion, duly proposed by WK and seconded by Ton Kok Yong Warren, was put to vote by way of a poll.

The results of Resolution 10 taken on a poll, were as follows:-

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For	Against
72,733,847	17,875,454

By a clear majority of votes cast in favour of the motion, the Chairman declared the motion carried.

IT WAS RESOLVED That:

for the purposes of the Companies Act of Singapore, Chapter 50 (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:-

- (i) market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may from the time being be listed and quoted ("**Other Exchange**"); and/or
- (ii) off-market purchase(s) if effected otherwise than on the SGX-ST or, as the case may be, other Exchange in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-

- (i) the date on which the next annual general meeting of the Company is held; and
- (ii) the date by which the next annual general meeting of the Company is required by law to be held;

- (c) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

In this Ordinary Resolution 10:

"Maximum Limit" means that number of issued Shares representing ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this Resolution; and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, one hundred and five per centum (105%) of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per centum (110%) of the Average Closing Price of the Shares

where:-

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"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five day period; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off market purchase."

CONCLUSION

There being no other business, the Meeting concluded at 5.38 p.m. with a vote of thanks to the Chair.

Confirmed as a true record of proceedings



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Loke Wai San
EXECUTIVE CHAIRMAN