

SGXNET Announcement



AEM Holdings Ltd.
(Registration No. 200006417D)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (the “**Board**”) of AEM Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce the following which have occurred during the six months ended 30 June 2022:

1. Incorporation of Subsidiaries

- (i) The Company had incorporated a wholly-owned subsidiary known as AEM International (Korea) Ltd. (“**AEM Korea**”). Information relating to AEM Korea is set out as follows:

Name of company	: AEM International (Korea) Ltd.
Date of establishment	: 10 January 2022
Country of establishment	: Republic of Korea
Issue share capital	: 100,000,000 Korean Republic Won (“ KRW ”) comprising 10,000 shares held by the Company
Principal activities	: Design and engineering services, and procurement and sale of semiconductor test tools, equipment, and related parts

- (ii) The Company had incorporated a wholly-owned subsidiary known as AEM Americas, Inc. (“**AEM Americas**”). Information relating to AEM Americas is set out as follows:

Name of company	: AEM Americas, Inc.
Date of establishment	: 26 January 2022
Country of establishment	: United States of America
Issue share capital	: 100,000 United States Dollar (“ US\$ ”) comprising 100 shares held by the Company
Principal activities	: Manufacturing and sale of products for the semiconductor industry

2. Acquisition of Subsidiary

AEM Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, had acquired 53.3% of the outstanding share capital of Nestek Korea Co., Ltd. (“**Nestek**”), a company incorporated in the Republic of Korea (“**Acquired Shares**”), in 2Q2022. The consideration for the acquisition is KRW14.3 billion (approximately S\$16.2 million¹) (“**Consideration**”). Consequent to the initial investment, Nestek has become a subsidiary of the Company. As part of the investment agreement, the Group will in a future date

¹Based on an exchange rate of KRW884: S\$1

acquire further shares of Nestek from existing shareholders, which together with the Acquired Shares, will constitute up to 80% of the total outstanding share capital of Nestek on a fully-diluted basis. Consideration for the additional 26.7% shareholding, excluding the consideration of Acquired Shares, is KRW7.2 billion (approximately S\$8.1 million¹). In addition, the Group has an option to purchase from the existing shareholders of Nestek the remaining 20% shareholding for KRW4.8 billion (approximately S\$5.4 million¹) (“**Option Purchase Price**”).

The Consideration and Option Purchase Price were arrived at after negotiations on a willing buyer and willing seller basis, and the Company had taken into account, inter alia, the strategic merits of the partnership and the prevailing market conditions.

The acquisition will allow AEM to extend its offerings in the consumables business and enable the Group to further capture the socket market.

The book value and net tangible asset value of Nestek at acquisition date are KRW11.6 billion (approximately S\$13.1 million¹) and KRW11.3 billion (approximately S\$12.8 million¹) respectively.

The Consideration was satisfied in cash using the internal resources of the Group.

The above transactions are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2022.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Chandran Nair
Chief Executive Officer
12 August 2022

¹Based on an exchange rate of KRW884: S\$1