**SGXNET Announcement**

**AEM Holdings Ltd**
(Registration No. 200006417D)

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**ACQUISITION OF 100% SHAREHOLDING IN AUTOMATED TEST EQUIPMENT (ATE) COMPANY – MU-TEST**

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The Board of Directors of AEM Holdings Ltd (the "**Company**" or "**AEM**") announces that AEM has entered into a Share Purchase Agreement (the "**SPA**") dated 27 December 2019 for the acquisition of 100% shareholding in Mu-TEST (the "**Acquisition**"), a French company that provides full test solutions for medium and high-end integrated circuits.

The consideration for the Acquisition is EUR 7.525 million (the "**Purchase Price**") and AEM will receive 100% of the shareholding of Mu-TEST upon the completion of the SPA. The consideration is arrived at after negotiation on a willing buyer and willing seller basis using an enterprise value of EUR 8 million and assuming an estimated net debt of EUR 475,000 as of 31 December 2019 that Mu-TEST has subject to an adjustment to the consideration upon finalization of the audited net debt amount as of 31 December 2019. The book value and net tangible asset value of Mu-TEST as at 30 September 2019 are EUR 2.6 million and EUR 773,000. In arriving at the Purchase Price, the Company has taken into account, *inter alia*, the strategic merits of the Acquisition.

As the relative figures under Rule 1006 of the Mainboard Listing Rules of the Singapore Exchange Securities Trading Limited do not exceed 5%, the Acquisition is considered a non-discloseable transaction under Chapter 10 of the Listing Manual.

The Purchase Price shall be satisfied in three stages over the next three years through a combination of payment of cash of EUR 4,890,314 immediately payable to the vendors upon completion of the Acquisition, a one-year holdback of EUR 913,912 and a three-year performance earnout of EUR 1,721,774 by way of cash or shares to and based on the choice of Mr. Mathieu Duprez, Mu-TEST's founder and CEO. The SPA further provides an incentive bonus of EUR 344,155 if Mu-TEST achieves certain revenue targets in FY2021 and FY2022. In addition, AEM will also provide a corporate loan of about EUR 0.5 million to Mu-TEST to repay its existing convertible bonds.

The Purchase Price will be funded through internal resources and is 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 ended 31 December 2020.

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction. The Directors are also not aware of any substantial shareholders of the Company who have any interest, direct or indirect (other than their shareholdings in the Company), in the aforesaid transaction.

**BY ORDER OF THE BOARD**

Loke Wai San
Executive Chairman
28 December 2019