



RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

AEM ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2026

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Singapore, 23 April 2026 - AEM Holdings Ltd. ("AEM" and the "Company") would like to thank our shareholders for submitting their questions in advance of the 2026 Annual General Meeting ("AGM"). The AGM will be convened and held on 28 April 2026 at 10:30 a.m. (Singapore time) in person at Stephen Riady Auditorium @ NTUC Centre, No. 1 Marina Boulevard, #07-01, One Marina Boulevard, Singapore 018989.

Please refer to our responses to the questions submitted by shareholders before 5:00 p.m. on Saturday, 18 April 2026. Substantial and relevant questions received after 5:00 p.m. on Saturday, 18 April 2026, which are not similar to the questions already addressed in this announcement, will be addressed at the AGM.

By Order of the Board

Samer Kabbani
Chief Executive Officer



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Question 1

Is AEM engaging with any hyperscaler (who design their own ASIC chip) for the adoption of AEM's solutions? Or is this covered under AEM's partnership with ASE Technology Holding Co., Ltd. ("ASE").

We are engaged with a broad range of hyperscalers, including those designing their own custom ASIC chips.

ASE, as the world's leading semiconductor assembly and test service provider, is a critical enabler for transitioning hyperscaler adoption from lab validation into high-volume manufacturing environments. This is where the partnership adds significant value, it provides the manufacturing infrastructure, customer relationships, and process credibility that accelerates our path to volume deployment with these customers.

Question 2

Could Management provide an update on the engagement with the memory customer, including the current status and any plans for further evaluation or future collaboration of AEM's solutions?

Our journey with this leading memory customer began in August 2021, when we were selected as their System Level Test solution provider for GDDR devices. While that initial engagement was relatively niche in terms of device volumes, it was strategically important as it gave us the opportunity to demonstrate our technical capabilities in automation and test solutions to a world-class memory manufacturer, which opened the door to a much broader conversation.

Building on that foundation, we subsequently engaged the customer on a significantly larger opportunity: a next-generation Final Test handler solution addressing their DDR, NAND flash, and broader packaged memory device test requirements. This is a meaningful expansion of scope and reflects the confidence this customer has placed in AEM's engineering and solutions capabilities.

We are pleased to share that the customer has placed a purchase order for the tool currently under evaluation. We expect to recognise early tool revenue from this engagement in late 2026, with a production ramp expected to follow in 2027.

We view this as a relationship with strong long-term potential. Memory is a large and growing market, and our ability to move from an initial niche engagement to a next-generation platform opportunity with a leading player in this space speaks to the strength of our technology and our team's execution.



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Question 3

How is the current engagement with AEM's first Artificial Intelligence ("AI") / High-Performance Computing ("HPC") customer progressing, and what is the outlook vs. AEM's new fabless AI / HPC customer for this year?

Our engagement with our first AI / HPC customer remains strong, and the relationship continues to deepen. Our incumbency reflects the trust the customer has placed in AEM's solutions and our track record of execution.

One highlight to note is that we were honoured to accept the 2026 Intel EPIC Supplier Award, Intel's highest level of supplier recognition, in recognition of our performance, innovation, and collaboration within their global supply chain. This is not a recognition we take lightly, and it speaks to the quality of the partnership we have built over the years.

With respect to outlook for the year, our first AI / HPC customer will remain a meaningful and growing revenue contributor. As their overall business continues on an upward trajectory, we expect their demand for our solutions to grow in tandem.

As communicated in our most recent FY2026 guidance, our new fabless AI / HPC customer is undergoing a significant ramp, and we expect them to become our number one customer by revenue this year. This is a reflection of the diversification of our customer base, giving us multiple significant contributors driving our top line. The growth of our new customer does not diminish the importance of our first AI / HPC customer, rather, together they represent a stronger more resilient revenue foundation for AEM.

Question 4

Regarding the 3 segments of the business, which revenue from the segment is one-off and which is recurring in nature?

Our three segments are Test Cell Solutions, Instrumentation, and Contract Manufacturing. Of these, Test Cell Solutions is the only segment that benefits from a true razor-and-razorblade business model, meaning it generates upfront revenue with a regular recurring revenue stream. Instrumentation and Contract Manufacturing are more order-driven in nature and do not share the same recurring revenue dynamic.

Within Test Cell Solutions, we break revenue down into three components – Test & Automation Equipment, Consumables, and Services. The Test & Automation Equipment is the "razor," which is capital equipment that is procured by our customers and is generally tied to capex cycles and ramp timelines. Consumables are the "razorblades," components that either wear out and require replacement, or more often, configure the tools to address each new device family being tested. Services include field support services and non-recurring engineering services.



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Question 5

What is the range of wallet share for each major customer? Does AEM have a global grip as the plan-of-record of its legacy customer or is it just a local partnership (i.e. Malaysia for Malaysia and so on)?

On wallet share, we are not in a position to provide specific quantitative breakdowns given our non-disclosure obligations with customers. However, we can provide a meaningful qualitative picture.

Importantly, for all of our major customers, our engagement is global in nature – we are not a localised or regional partner. When we win a customer, we win them at a global level, and our solutions are deployed across their worldwide operations. This is not a “Malaysia for Malaysia” arrangement.

With our first AI / HPC customer, a relationship we have built and deepened over many years, we are the incumbent solution for both client and data centre devices. Looking ahead, there is meaningful upside potential as this customer expands their foundry services to external customers beyond their own internal requirements. Whether our solutions are adopted in those expanded foundry engagements will depend on the willingness of their end customers to adopt the foundry’s full test services. We see this as a real and growing opportunity that is not yet reflected in our current wallet share.

With our fabless AI / HPC customer, we are currently plan-of-record globally for their next-generation GPU and data centre CPU Burn-In test insertion. This is a significant designation, as it means we are the qualified and committed solution for their most critical next-generation devices worldwide. It is important to note that this version of the Burn-In test insertion includes a portion of Final Test content.

This reflects both the technical sophistication of our solution and the expanded scope of value we are delivering to this customer.

Question 6

Global shipping is severely affected due to the closure of the Strait of Hormuz, are there any operational / executional risks for AEM that arise due to this? Secondly, did AEM’s customers communicate a delay / slow-down of future ramp-up due to the above?

While the closure of the Strait of Hormuz is a significant macro-level disruption, we have not experienced any material impact to our operations at this point. Our supply chain team has been actively monitoring the situation, and the resilience built into our supply chain framework has served us well in navigating similar periods of uncertainty in the past, most recently during the COVID-19 pandemic. We will continue to assess the situation dynamically and act swiftly should conditions warrant a more meaningful response.

With respect to customer demand, our regular engagements with customers have not indicated any delays or slowdown in their ramp-up plans. Demand signals from our customer base remain intact, and we are not seeing any pull-back in forward commitments at this stage.



Question 7

Which inventory management approach is Management considering for Penang, AEM’s main production site — “just-in-case” or “just-in-time”? Could Management elaborate on the rationale for this direction, the potential risks involved, and the measures in place to mitigate those risks?

We are progressively transitioning from a “just-in-case” to a more “just-in-time” inventory approach at our main production site in Penang.

We believe this is the right move at this stage of our growth because as our Penang facility scales and our demand visibility improves, it makes strategic sense to move towards a more demand-driven, synchronised inventory model. This allows us to optimise working capital, improve inventory turns, and reduce holding costs and obsolescence risk, all of which become increasingly important as we operate at greater volume and complexity.

We remain aware of the risks that come with a leaner inventory posture, particularly during a ramp-up phase. Supply chain disruptions, extended lead times, and demand volatility remain key considerations, and we are approaching this transition with a clear understanding of these challenges.

Our mitigation framework is built around three pillars. First, we are running a calibrated and risk-adjusted “just-in-time” model by maintaining strategic buffer stock for critical and long-lead time components. Second, we will continue to strengthen our supplier partnerships and are actively dual-sourcing where appropriate to reduce single-source dependency. Third, we are investing to enhance our demand forecasting and production planning capabilities to give us better real-time visibility and the flexibility to adjust buffers dynamically as conditions evolve.

The overarching principle here is balance, we want the efficiency gains that a leaner model delivers, but not at the expense of execution reliability or customer service levels. We are implementing this in a controlled, measured manner.

Question 8

With the expansion of the AEM’s customer base and activities, how is Management strengthening its operational and execution capabilities to ensure timely service turnaround and consistent delivery for customers?

This is something Management thinks about very deliberately, because as we scale, execution quality is what differentiates us and protects our customer relationships.

On the capacity and infrastructure front, we have continued to invest in expanding our operational capacity while simultaneously driving process standardisation and automation across key functions. The goal is to ensure that as volumes grow, our execution does not become more complex or slower, but instead greater scale should translate into greater efficiency and consistency.



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Supply chain coordination has also been a key area of focus. We have worked to improve responsiveness across our supply chain, reducing turnaround times and building more robust coordination mechanisms that give us better visibility and control, particularly as we manage a broader and more diverse customer base.

On the people and presence front, we have scaled our teams in line with business growth, and we have been deliberate about leveraging regional hubs to put us closer to our customers. This enables faster response times, stronger relationships, and more effective on-the-ground support.

Importantly, we maintain structured planning and forecasting cadences with our customers, which allows us to anticipate demand, allocate resources ahead of time, and avoid reactive execution. Internally, we track performance against defined service-level metrics to ensure accountability and continuous improvement.

Taken together, these measures are designed to ensure that operational complexity does not outpace execution capability as we grow.

Question 9

Why are the revenue trigger milestones for the detachable warrants of the ASE partnership set at only S\$30 million for Tranche 1 Warrant and an additional S\$20 million (i.e. cumulatively S\$50 million) for Tranche 2 Warrant? This seems too low to give up circa 10% of the company shares. How does Management foresee this to incentivise ASE to direct quality long-term sales and customers to AEM?

The partnership with ASE is strategic in nature. ASE is the world's largest semiconductor assembly and test services provider, with deep, trusted relationships across a broad base of global customers, including hyperscalers and leading fabless players. Gaining privileged access to that ecosystem, relationships and market channels that would take AEM many years and significant capital to develop organically, is where the real strategic value lies.

The S\$30 million and S\$50 million milestones are the gate to the long-term partnership, not our estimate of its steady-state contribution. The inherently "sticky" nature of our platform solutions means that early adoption of our platforms leads to higher chance of an increased demand, for a larger and longer-term opportunity. The said milestones were intended to serve as objective commercial milestones, such that any further equity participation by ASE through the exercise of the warrants would arise only if the collaboration translated into measurable commercial outcomes and generated reciprocal commercial value in an accretive manner for both parties.

Finally, the warrants are struck at 103% and 105% of the Volume Weighted Average Price ("VWAP") on signing day – above the market, not below. For ASE to realise any economic value, AEM's share price must first rise above these strike prices; ASE only benefits after AEM shareholders have already benefited. That is fundamentally designed to ensure ASE's interests remain aligned with AEM's long-term success.



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Question 10

In terms of capital management, why did AEM decide to clear out its debt instead of distributing more dividends to shareholders who have been patient in the past few years?

The decision to repay debt was part of a deliberate effort to strengthen the Group's balance sheet and enhance financial flexibility amid an evolving and still uncertain industry environment.

By reducing our debts and moving towards a net cash position, we have improved our balance sheet resilience, lowered interest costs and enhanced our ability to navigate cyclical volatility. This also provides us with greater agility to respond to growth opportunities without being constrained by leverage.

In the second half of FY2025 ("2H2025"), we began discussions with banks on renewing our credit facilities. Approaching these discussions with a strengthened balance sheet allowed us to secure more favourable and flexible financing terms, which supports the Group's longer-term funding strategy.

At the same time, we remain committed to returning value to shareholders. Our dividend policy provides for a payout of at least 25% of consolidated profit after tax (excluding non-recurring, one-off and exceptional items), offering a consistent baseline return while preserving the flexibility to reinvest in the business. In 2H2025, we also repurchased shares, returning S\$1.9 million to shareholders through share buybacks, reflecting a balanced and pragmatic approach to capital allocation while maintaining financial discipline.

Overall, capital allocation requires balancing near-term shareholder returns with long-term sustainability and growth. In the current phase, we prioritised strengthening balance sheet and reducing risk. With this stronger financial foundation now in place, we are better positioned to optimise capital returns over time while continuing to invest in growth opportunities that support sustainable shareholder value.



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Question 11

Does the Company have a clearly defined long-term strategic roadmap to navigate industry cycles proactively, rather than reacting to the peaks and troughs of the semiconductor sector passively? If so, would Management consider providing greater visibility on this roadmap to shareholders?

This question goes to the heart of how we think about building AEM for long-term success. We have developed a multi-faceted strategy to transform AEM into a strong, resilient company able to withstand the peaks and troughs inherent to the semiconductor industry.

The strategy is made up of four distinct pillars: customer diversification, technology leadership and adjacency expansion, ecosystem partnerships, and operational resilience.

Customer Diversification

Historically, our revenue was heavily concentrated with a single customer. That is no longer the case. We have made deliberate and significant progress in broadening our customer base so that our revenue foundation is supported by multiple growth vectors rather than a single relationship. This structural shift meaningfully reduces our cyclical exposure.

Technology Leadership and Adjacency Expansion

Despite our recent successes due to our expanded technology portfolio, we are not resting on our laurels. We are actively investing in next-generation test technologies and expanding into adjacent insertions that extend our addressable market and deepen our value proposition to both existing customers and prospective customers. Our engagement with our memory customer and our hyperscaler engagements are direct expressions of this strategy.

Ecosystem Partnerships

Our partnership with ASE is a strategic move to embed our solutions deeper into the global semiconductor supply chain through a partner with unparalleled customer reach and operating scale. This was a considered step to accelerate market penetration in segments we could not access as efficiently on our own. The reason ASE selected us over many other far more established test suppliers is our technology differentiation that comes from being highly strategic and not reactive.

Operational Resilience

We have embarked on a journey to shift our operations to an asset-light model that can perform across cycles. This means investing in scalable infrastructure, supply chain diversification, and a cost structure that gives us flexibility without sacrificing execution quality.

With respect to providing greater visibility to shareholders, we appreciate the feedback and will endeavour to provide shareholders with a clearer view of our roadmap, including milestones and growth vectors as part of our investor relations outreach.