

SGXNET Announcement



AEM Holdings Ltd.
(Registration No. 200006417D)

ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2021 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

AEM Holdings Ltd. (“**AEM**” and the “**Company**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting (“**AGM**”) to be held by electronic means on 30th April 2021 at 3.00 p.m. (Singapore time).

Due to the high volume of questions received resulting in overlaps in many of the questions asked, the Company will not be providing responses to every question received. Questions which overlap or are related to the same theme are addressed in the same response.

The Company has set out the responses to all substantial questions which are relevant to the resolutions tabled for approval at AGM and the business of the Company in this announcement.

Q1. Can the Company share the view of the semiconductor industry in terms of its growth trajectory and the challenges ahead?

COVID-19 has accelerated global digitalization by 6-8 years, driving significant investment into digital infrastructure for Cloud, 5G, AI, Autonomous Vehicles, etc., that are powered by next-generation semiconductor devices. We have started to see this growth in demand for advanced semiconductors and expect to see this growth in demand continue in its general trend for the foreseeable future.

On challenges, the next generation semiconductor devices will need to perform at mission-critical levels that are beyond the mainly consumer grade levels that we see today. This will be made even more challenging with the introduction of Heterogeneous Integration in advanced semiconductor packages. This will require a fundamental rethink of how devices are manufactured and a tighter integration of front-end fabrication and back-end assembly & test processes.

Q2. Being listed in Singapore, is AEM getting support from the Singapore government to position itself for future growth by playing a key role in the exponential growth of the semiconductor business worldwide? This question references the Singapore government's desire to grow its manufacturing footprint by 100% in 2030.

AEM has grown over the years through investing our retained earnings to grow our innovation capabilities to solve real market needs. It goes beyond our manufacturing footprint and into our innovation footprint that spans three continents. We are proud that while many of our R&D staff is based in Singapore in close proximity to our main manufacturing plant, our collaboration with our customers is global with our R&D teams across the world.

Singapore also has a strong base of companies that participate in semiconductor back-end assembly & test. There is definitely room for AEM to collaborate further with local companies, and the government has been supportive.

Q3. What is the long-term road map for AEM in terms of technology and business?

Due to competitive reasons, we will not divulge the details of our long-term roadmap for either our technologies or our business. We believe that the semiconductor market is at an inflection point and will require a rethink of the traditional material flows used in today's semiconductor manufacturing processes, which will end up blurring the lines between the front-end and back-end. We believe that AEM is uniquely poised to be able to deliver application-specific solutions at the price-point and with the lead times required to make our customers successful.

Q4. Where is the growth potential - will AEM be able to support foundries from TSMC and Samsung?

Today, AEM plays in the back-end test space. If and when traditional foundry players like TSMC expand into the back-end assembly and test space as a result of the unique requirements resulting from heterogeneous packaging technologies, AEM has the technology pillars and solution platforms to be able to address such customers' needs.

Q5. How is AEM contributing towards “GREEN Mark” manufacturing or sustainability?

AEM's detailed contributions towards sustainability can be found in the Sustainability Report within its 2020 Annual Report. Additionally, AEM's solutions enable Industry 4.0 practices within its customers facilities which contribute to achieving long-term benefits in terms of environmental, social, and economic.

Q6. What is AEM's vision for AEM in 2030?

AEM will be the leading solutions provider for the paradigm shift that we term Assembly & Test 2.0, delivering solutions that enable our customers to be closer to reaching our vision of a zero-failure world.

Q7. How big is the current market size for memory test handler solutions as compared to the test handler solutions for non-memory semiconductor solutions? What is the current and projected growth rate for memory as well as non-memory semiconductor test handler solutions?

Based on VLSI Research data, the non-memory test handler solution market (not SLT specific) is forecasted to be about US\$980m in 2021 and is forecasted to grow from 2019 to 2024 at a CAGR of 3.9%. Conversely, the memory test handler solution market (not SLT specific) is forecasted to be about US\$195m in 2021 and is forecasted to grow from 2019 to 2024 at a CAGR of 2.1%.

Q8. CEI, which AEM is acquiring, has a list of reputable customers in the life science industry. What technical capabilities does the AEM group possess that will enable it to increase the cross-sell of new products and technical solutions to the booming life science industry?

AEM is built as a custom-native company, delivering application - specific solutions that are built upon a set of core technologies - robotics, thermal arrays, instrumentation, precision manufacturing, vision, and software. As you can imagine, these capabilities can be applied to create solutions that address any number of industries. Part of the post-merger integration activities with CEI will be to explore how best we can use our capabilities to address the needs of the customers and industries that CEI currently serves.

By Order of the Board

Loke Wai San
Non-Executive Chairman
28 April 2021