

SGXNET Announcement



AEM Holdings Ltd
(Registration No. 200006417D)

ACQUISITION OF 100% SHAREHOLDING IN DB DESIGN GROUP, INC.

The Board of Directors of AEM Holdings Ltd (the “**Company**” or “**AEM**”) announces that AEM has entered into an Equity Purchase Agreement (the “**EPA**”) dated 22 July 2020 for the acquisition of 100% shareholding (the “**Acquisition**”) in DB Design Group, Inc (“**DB Design**”), a U.S. company that provides design services and manufacturing of handler change kits, tester interfaces, test handlers, test related accessories, interconnects, enclosures, fixtures, connectors, and thermal solutions.

The consideration for the Acquisition is approximately US\$3.3 million (the “**Purchase Price**”) and AEM will receive 100% of the shareholding of DB Design upon the completion of the EPA. The consideration is arrived at after negotiation on a willing buyer and willing seller basis. The book value and net tangible asset value of DB Design as at 31 May 2020 are US\$428,000 and US\$119,000 respectively. 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 through a combination of payment of cash of approximately US\$2.7 million and issuance of shares in AEM worth US\$600,000. The Purchase Price in the form of cash shall be satisfied in three stages over the next three years through upfront cash payment of US\$1.9 million, a one-year holdback of US\$200,000 and a three-year performance earn-out of US\$600,000 based on targets and milestones achieved.

The Acquisition and cash consideration will be funded through internal resources and 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 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
22 July 2020