

## SGXNET Announcement



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

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### **CLAIM BY AEM (SUZHOU) CO., LTD AGAINST AEM MICROTRONICS (SUZHOU) CO., LTD IN RELATION TO THE DISPOSAL OF PLATING BUSINESS IN 2016**

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The Board of Directors (the “**Board**”) of AEM Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 2 February 2016 and 23 February 2017 in relation to the disposal (the “**Sale**”) of both the plating business and 100% shareholding interest in AEM (Suzhou) Co., Ltd. (“**ASZ**”) to Yunyi Electric Co., Ltd (“**Yunyi**”), for an aggregate consideration of RMB6,630,000. As required by the Sale, the Group undertook the following actions in 2016:

- The Group transferred 100% of its shares in ASZ to Yunyi;
- The Company set up a new subsidiary to take over the non-plating business of ASZ, as this portion of the business was not purchased by Yunyi. This new subsidiary was formed as AEM Microtronics (Suzhou) Co., Ltd (“**AMSZ**”) and is wholly owned by the Company; and
- Yunyi and the Group subsequently transferred the assets and liabilities of the non-plating business of ASZ to the newly formed AMSZ subsidiary.

The Group has since received 2 notices of suits from ASZ claiming for: (1) RMB1,001,523 for non-payment of property, plant and equipment transferred from ASZ to AMSZ, and (2) RMB2,713,094 salaries and purchases which ASZ has made payment on behalf of AMSZ.

The Board and management have reviewed the claims together with legal counsel, and believe them to be wholly without merit. Accordingly, the Company has instructed its legal counsel to refute ASZ’s claims and defend the Company against the suits.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Charles Cher Lew Siang  
Chief Executive Officer  
31 August 2017