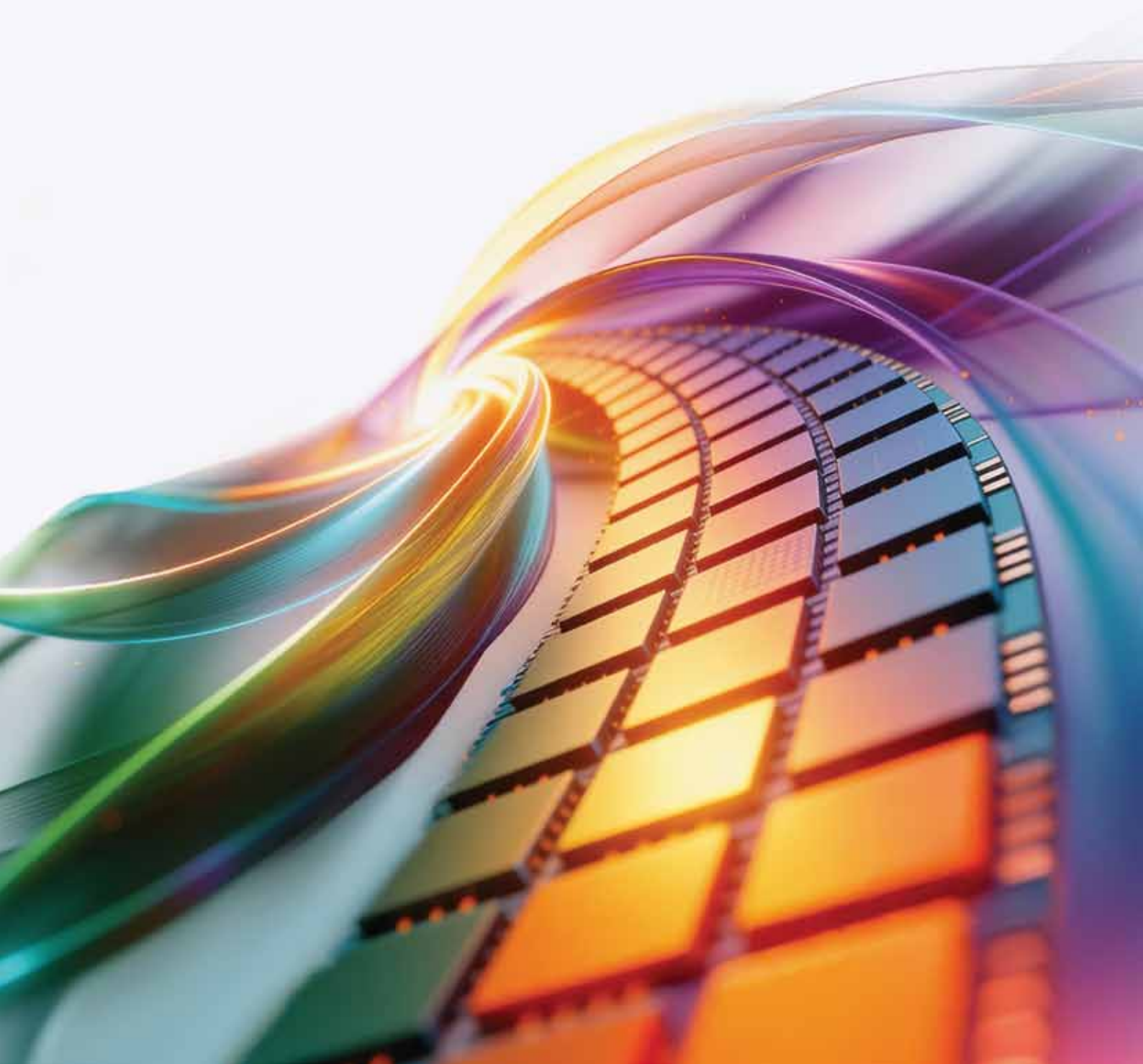




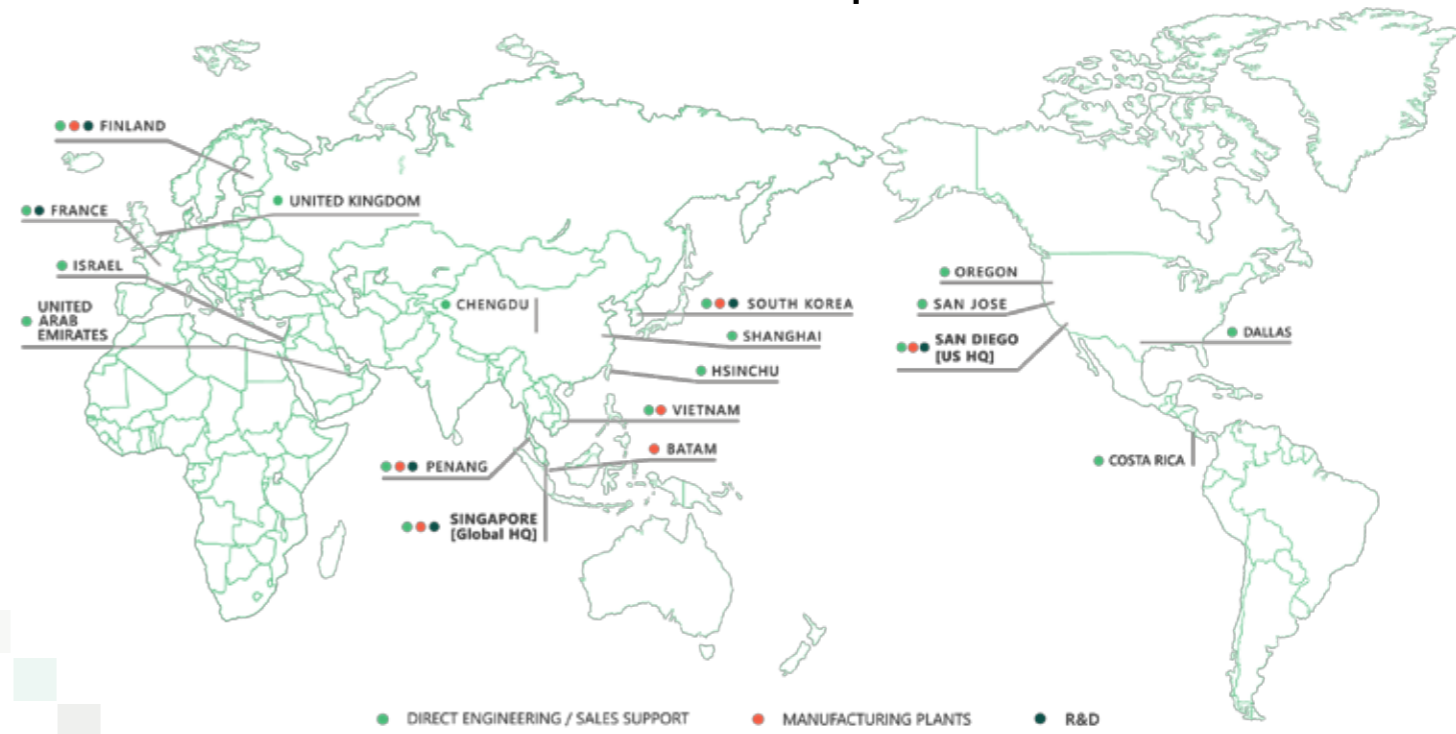
AEM Holdings Ltd.

Annual Report 2025





Our Global Footprint



At AEM, our values are our **Guiding Principles**



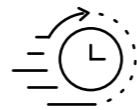
An innovative organisation is a resilient one



Customer and employee intimacy for a unified organisation



Ethical and trustworthy



Agility and operational excellence for a strong execution

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About AEM

AEM is a global leader in test innovation. We provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support. AEM has a global presence across Asia, Europe, and the United States. AEM's R&D centres are situated in Singapore, Malaysia, Finland, France, South Korea and the US and a global network of engineering support, sales offices, associates, and distributors, we offer our customers a robust and resilient ecosystem of test innovation and support.


AEM Holdings Ltd. is listed on the Mainboard of the Singapore Exchange (SGX: AWX, Reuters: AEM.SI, Bloomberg: AEM: SP)

Vision

A Zero Failure World

Mission

To provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support.

 For more information, please visit aem.com.sg



Business Snapshot

18

market presence across regions

2,288

employees

Revenue

in S\$ Million

\$399.3

FY2025 revenue,
an increase of 5.0% over FY2024

Profit Before Tax

in S\$ Million

\$21.3

FY2025 Profit Before Tax,
an increase of 51.6%
over FY2024

Dear Shareholders and Readers,

It has been slightly over 3 years since ChatGPT came onto the world stage and started the Artificial Intelligence ("AI") paradigm shift that is rippling across many industries. At its core, the semiconductor industry continues to undergo structural transformation driven by massive investments into AI infrastructure, and the investments continue to shift across the AI stack—from the core to the edge, from training to inference, from logic to memory and advanced packaging. Increasingly, semiconductor test has come to the fore with the rise in complexity, power consumption and application specificity of AI chips, requiring more and new ways of testing.

Shareholders who have followed us over the years know that we have championed new ways of testing and implemented such with our key customer in High Performance Computing ("HPC"). However, with the first few years of hyper demand of GPUs, we did not have the intercept window to get our solutions fully adopted by other industry players, until now. In 2025, we announced an initial win with a second HPC customer for their burn-in requirements, and we expect to see that customer scale meaningfully in 2026. We also announced a pilot win at a major advanced memory customer, and we expect initial commercial revenues in late 2026.

I believe that in 2025, AEM hit several important milestones. It is the year that AEM evolved from a custom test solutions provider serving a single key customer into a diversified technology partner supporting AI/HPC, advanced memory and the Outsourced Semiconductor Assembly and Test ("OSAT") ecosystem with scalable, semi-custom platforms.

Loke Wai San
Non-Executive
Chairman

This transformation is more than diversification. It reflects our commitment to position AEM at the heart of enabling the performance, reliability and economics of next-generation AI silicon.

During the past 12 months, we continued ramping with our major AI/HPC customer and advanced evaluation programmes with a leading-edge memory customer.

We further strengthened our industry position in March this year through the formalisation of a strategic partnership with ASE Technology Holding Co., Ltd. ("ASE"), the world's largest OSAT. ASE's equity investment in AEM underpins the strong industry conviction towards our test solutions and positions us to scale through the integration of AEM's solutions into ASE's global manufacturing network.

Complementing our expanding presence in ASE's network, AEM maintains a strong partnership with Intel. We are honoured to receive the 2026 Intel EPIC Supplier Award, which represents Intel's highest recognition for supplier excellence in performance, innovation and collaboration within their global supply chain. These engagements deepen our participation in critical segments of the AI value chain.



At the same time, we reinforced our internal operating model. Moving from bespoke engineering to scalable platforms requires stronger programme management, supply chain discipline and organisational alignment. I am proud of the resilience and focus shown by our teams across the Group to scale our internal systems.

Financial Discipline and Leadership

While the AI investment cycle remains robust, volatility and competition persist. We maintain a healthy net cash position, providing flexibility to support working capital needs as we scale production, while preserving financial discipline.

In July 2025, the Board promoted Samer Kabbani to Chief Executive Officer. Since joining AEM in 2020, Samer has played a central role in shaping our technology roadmap. His appointment shows our commitment to grow AEM as a global technology leader in the AI semiconductor value chain.

Recognising CEI

I would also like to recognise the contribution of CEI, our wholly-owned subsidiary. CEI continues to deliver high-performance electronics and system solutions that complement the Group's capabilities. Their expertise in advanced electronics and system design supports demanding applications across industries and strengthens AEM's overall technical depth. I thank the CEI leadership and team for their dedication and steady performance.

Looking Ahead

AEM now operates at critical nodes of the AI ecosystem—from GPU accelerators to next-generation memory and advanced packaging. The future of AI will depend not only on design innovation, but on yield stability, thermal control and cost discipline at scale. Testing is foundational to that outcome. Our priorities remain clear - to deepen technological differentiation, broaden customer engagement, execute with operational discipline, and allocate capital prudently. We are mindful of cyclical risks, yet confident in our strategic direction. The continued engagement of leading semiconductor players affirms the relevance of our capabilities.

Appreciation

AEM's intentional evolution over the past 5 years required the entire company to pull together in an exceptionally fast changing environment. We had to push ourselves in almost all aspects of our capabilities, from technology innovation and leading-edge solutions to operational excellence at scale. Our strategic engagements with our AI/HPC, Memory and OSAT customers are the start of a new horizon for AEM, and it would not have been possible without the trust of our customers and immense dedication of our management team and employees.

On behalf of the Board, I extend my sincere appreciation to our customers, talented employees, partners and shareholders. Your continued trust enables us to position AEM for sustainable long-term value creation in the age of AI. Thank you!

Sincerely,
Loke Wai San
Non-Executive Chairman



Dear Shareholders and Readers,

AEM has built its position in the semiconductor test industry by focusing on differentiated capabilities that address rising device complexity. Over the past several years, we have systematically strengthened our intellectual property portfolio and invested in advanced thermal, high-parallel test, and in-house instrumentation technologies. These investments were made with a clear objective: to support customers as compute and memory devices become larger, more power-dense, and more difficult to test at scale.

In 2024, we reached an important inflection point. As customer requirements evolved and the demand for complex test solutions accelerated, the emphasis shifted from capability building to execution. In 2025, revenues grew 5% year-on-year, driven primarily by the successful ramp-up to high-volume manufacturing for AEM's second Artificial Intelligence ("AI") and High-Performance Compute ("HPC") customer. This progress is encouraging and reflects growing customer confidence in AEM's ability to support both current and next-generation test requirements. In early 2026, we announced a strategic partnership with the world's largest Outsourced Semiconductor Assembly and Test ("OSAT"), ASE Technology Holding Co., Ltd ("ASE"). This partnership represents far more than a commercial agreement. ASE's decision to take an ownership stake in AEM underscores the strategic nature of the relationship and reflects a shared commitment to accelerating next-generation test solutions through deeper technology and customer collaboration across ASE's global operations, including ISE Labs.

We closed the year with S\$399.3 million in revenue and profit before tax of S\$21.3 million. Revenue in the second half of 2025 was driven by a sustained production ramp with a new major AI/HPC customer. This represents a meaningful step forward in customer diversification. Looking ahead, we expect this momentum to continue into 2026, with this customer projected to become our largest revenue contributor.

Samer Kabbani
Chief Executive Officer



Our Technological Edge

AI and HPC are reshaping the semiconductor landscape in a structural way. Devices are increasing in size, power density, and architectural complexity, while product lifecycles continue to compress. In this environment, test can no longer function as a downstream checkpoint. It must become an enabler of yield, throughput, and time-to-market.

AEM's differentiation lies in the combination of capabilities we bring under one roof. Our advanced thermal technologies, expertise in high-parallel test systems, and proprietary test instrumentation allow us to address the most demanding test challenges across AI, HPC, and advanced memory.

Our patented PiXL™ thermal architecture enables precise, device-specific thermal control for high-power processors and advanced packages. By supporting multiple tightly controlled temperature zones within a single test environment, PiXL™ allows customers to shorten test cycles and improve repeatability under mission-mode operating conditions.

As AI devices move into multi-kilowatt power envelopes with steep thermal gradients across a single module, this level of control is becoming increasingly critical. When deployed across our Test platforms, PiXL™ delivers measurable reductions in test time versus conventional solutions.

Parallelism is another core pillar of our differentiation. As factory space, power availability, and cost-of-test constraints intensify, high degrees of parallelism are no longer optional. AEM's solutions enable customers to shift more test content into efficient, highly parallel test cells, increasing output without expanding factory footprint.

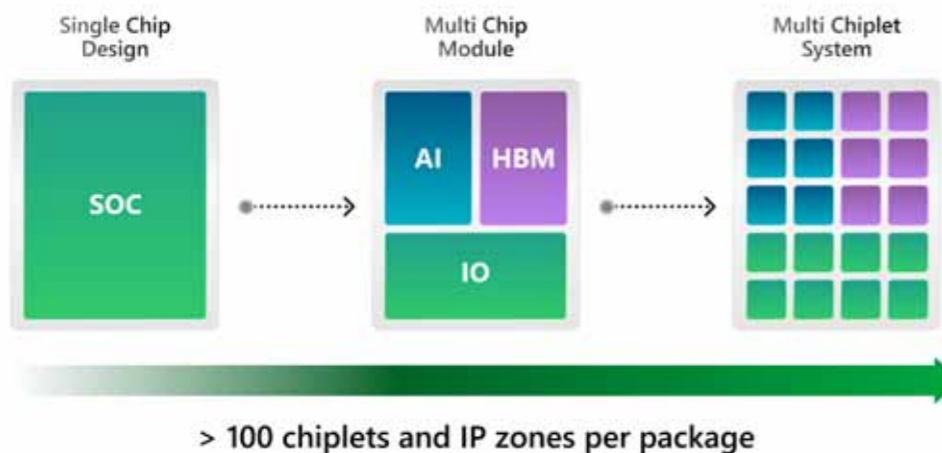


Cost of Test and Performance Trade Offs



Complementing this is our in-house test instrumentation capability. By tailoring instrumentation to specific device types and test insertions, we deliver application-optimised solutions that allow customers to place test content at the most cost-effective point in the flow. This flexibility supports a broad range of customer factory strategies, from incremental upgrades to next-generation high-parallel deployments, and creates a strong foundation for long-term customer relationships.

At the same time, innovation cycles across CPUs, GPUs, and AI accelerators have shortened to <12 months. This compression intensifies pressure on manufacturing and test capacity, reinforcing the need for scalable, optimised, high-parallel solutions that reduce cost while accelerating time-to-market.



AI-driven Demand for our Solutions

The semiconductor industry is entering a new phase of growth driven by AI and HPC workloads. To meet unprecedented requirements for performance, bandwidth, and energy efficiency, the industry is transitioning rapidly towards chiplet-based and heterogeneous architectures. These designs significantly increase module-level power and thermal complexity, placing new demands on test capability and scalability.

These industry dynamics are translating into tangible results for AEM. Since the second half of 2025, we have seen a sustained production ramp with a new major AI/HPC customer, with revenue expected to grow meaningfully in 2026. In parallel, equipment evaluations with a leading memory customer are progressing towards production deliveries in late 2026, followed by a ramp in 2027. As we deepen engagement with these customers, our focus remains on becoming their plan-of-record partner for future AI roadmaps.

Operational Resilience Beyond Test Cell Solutions

Beyond Test Cell Solutions, our Contract Manufacturing segment continues to provide resilience and flexibility to the Group. In 2025, CM contributed 35% of Group revenue and supported a diversified customer base across industries including life sciences, aerospace, and defence.

CEI's manufacturing footprint across Singapore, Vietnam, and Indonesia enables high-mix, low-volume production while maintaining cost discipline and continuity. Importantly, these capabilities also support AEM's ability to deliver full-stack test solutions through in-house PCBA capabilities.

Looking Ahead

As we enter 2026, our priorities are clear: disciplined execution, deeper customer engagement, and continued focus on scalable platforms aligned with the AI era. The progress made in 2025 reflects the strength of our strategy and the commitment of our teams.



While 2025 presented challenges from weakening demand and evolving trade policies, including U.S. tariffs on Chinese semiconductors, we leveraged our Southeast Asian footprint to mitigate impact and continue serving customers effectively. As we move into 2026, we remain cautiously optimistic amid ongoing macroeconomic uncertainty.

I would like to thank our employees, customers, partners, Board of Directors, and shareholders for their continued support. With strong foundations in place and growing traction across new customers, AEM is well positioned to deliver long-term value in an industry undergoing profound transformation.

Sincerely,
Samer Kabbani
Chief Executive Officer

Board of Directors

Loke Wai San

Non-Executive Chairman, Chairman of the Strategy Committee, and Member of the Nominating Committee



Mr. Loke Wai San has been the Chairman of AEM since 2011 and served as Executive Chairman from 2017 to 2020. He is also the founder and CEO of private equity and advisory firm Novo Tellus Capital Partners. With over 28 years of global technology management and investment experience, Mr. Loke helped transform AEM from a regional automation company into an emerging global technology provider of semiconductor backend test solutions. He has also provided leadership for AEM's acquisitions. Mr. Loke serves as Chairman of the Board of Temasek Polytechnic and serves on the boards of several other public and private companies in the region.

James Toh Ban Leng

Lead Independent Director, Chairman of the Remuneration Committee, Member of the Audit and Risk Management Committee, and Member of the Nominating Committee



Mr. James Toh is a founding director of Novo Tellus Capital Partners, a Singapore-based private equity firm. James started his career in management consulting at Booz Allen & Hamilton, in strategy consulting, and subsequently at A.T. Kearney, Inc. For the last three decades, he has been investing in property development in Asia and the US, via his family company, A.C.T. Holdings Pte. Ltd.. An avid supporter of the local arts scene, James has financed numerous award winning films and plays, and received the Patron of the Arts Award from the National Arts Council in 2023. He has also been the patron of vocal group Resonance of Singapore since its inception.

Loh Kin Wah

Independent Non-Executive Director, Member of the Nominating Committee, Member of the Remuneration Committee, and Member of the Strategy Committee



Mr. Loh Kin Wah has extensive leadership experience in the semiconductor industry. He is a Member of the Supervisory Board and Chairman of the Technology Committee at AMS Osram AG, Non-Executive Chairman at Kinergy Corporation Ltd. and Director and Chairman of the Strategy Committee at Shenzhen Original Advanced Compounds Co. Ltd. Over the last 30 years, his appointments include Vice Chairman of Ampeon BV, Executive Vice President, Global Sales and Marketing of NXP Semiconductors BV, President and CEO of Qimonda AG, and Executive Vice President, Communications Group of Infineon Technologies AG.

Dr. Yeo Yee Chia

Independent Non-Executive Director, and Member of the Strategy Committee



Dr. Yeo Yee Chia brings extensive experience in semiconductor research and development, innovation management, and engineering leadership. He has held senior leadership roles at the Agency for Science, Technology and Research (A*STAR), including Deputy Chief Executive, Innovation & Enterprise, and currently leads national initiatives such as the National Semiconductor Translation and Innovation Centre. Prior to this, Dr. Yeo served as Director of Research and Development at TSMC from 2014 to 2022. He is also a Professor in the Department of Electrical and Computer Engineering at the National University of Singapore.

Chou Yen Ning @ Alice Lin

Independent Non-Executive Director, and Chairman of the Audit and Risk Management Committee



Ms. Chou Yen Ning @ Alice Lin brings a wealth of leadership experience that spans the corporate, investments, and philanthropic sectors globally and in the Asian region. She served as CFO of Oracle Asia-Pacific, managing finance, strategy and M&A integration for the multi-billion dollar technology company in the region. She is a Non-Executive Director at Certis (a wholly owned Temasek subsidiary), shareholder and Director of Green Mountains Investments Ltd., which invests in a broad range of late-stage and listed companies, and was a founding board member of Asian University for Women Support Foundation in Singapore and Hong Kong.

André Andonian

Independent Non-Executive Director, Chairman of the Nominating Committee, and Member of the Strategy Committee



Mr. André Andonian has over 35 years of experience in consulting companies across the Semiconductors, Industrials & Electronics, Automotive & Assembly, and Aerospace & Defence industries on strategic, operational, and organisational topics. He has extensive experience in transforming companies into global leaders and in the assessment and development of top talent. He has held multiple executive leadership roles across Europe, the US, and Asia over his 34 years at McKinsey & Company, such as Managing Partner of McKinsey Japan, Global and Americas Leader of McKinsey's Advanced Industries Sector, and most recently, the Managing Partner of McKinsey Korea. He continues to support McKinsey as Senior Advisor / Senior Partner Emeritus and is the Chair of Asia Pacific of Flagship Pioneering, a biotechnology company that creates AI enabled first-in-class platform companies such as Moderna. Mr. Andonian also serves as the Chair of the Compensation & Talent Committee on the Board of US listed Analog Devices (ADI), a global leader in the design and manufacturing of analog, mixed signal and DSP integrated circuits, empowering the Intelligent Edge.

Chok Yean Hung

Non-Independent Non-Executive Director, Member of the Audit and Risk Management Committee, and Member of the Strategy Committee



After helping the company as its Chief Executive Officer, Mr. Chok Yean Hung joined AEM's Board of Directors in 2020. As a board member, Mr. Chok continues to provide his insights, management, and technical experience. With over 30 years of experience in the semiconductor industry, he is highly recognised for his foresight and aptitude to build and grow start-up companies into sustainable, independent, publicly-listed companies. Before his tenure with AEM, Mr. Chok successfully co-founded OSAT companies, UTAC and Ellipsis Test/EEMS Asia.

Tham Min Yew

Non-Independent Non-Executive Director, Member of the Nominating Committee, Member of the Remuneration Committee, and Member of the Strategy Committee



Mr. Tham Min Yew is Head of Emerging Technologies at Temasek, focused on investing globally in deep tech ventures grounded in STEM innovation. Prior to joining Temasek in 2020, Mr. Tham was President of New Enterprises and Ventures at ST Engineering. Mr. Tham has over two decades of experience building and scaling new markets for Applied Materials, a Silicon Valley headquartered technology MNC, where he was President, Applied Materials Southeast Asia and concurrently held global corporate-level business development responsibilities for new markets. Mr. Tham oversaw the company's Singapore infrastructure expansion into manufacturing, supply chain, R&D and product development for global markets. In addition, Mr. Tham sits on multiple public and private boards, including as Chairman of the Infocomm Media Development Authority (IMDA) Board. Mr. Tham holds a Bachelor of Mechanical Engineering from the National University of Singapore.

Executive Leadership Team

Driving innovation, execution, and sustainable growth

Mark Yaeger
Senior Vice-President,
Global Sales

Chua Tat Ming
Chief Operating Officer

Samer Kabbani
Chief Executive Officer

Kwek You Cheer
Chief Financial Officer

Samir Mowla
Chief of Staff



Management Team



Samson Mah
General Counsel



Tan Chee Keong
Vice-President,
Group Head of
Human Resources



Lim Kim Hua
Vice-President,
Group Finance



Tham Chee Woh
Vice-President,
Operations, CEI



Mac Zhang
Vice-President,
Global Core Engineering



Sid Chan
Vice-President,
Test Solutions

Driving Scalable Growth Through **Intelligent Test Innovation**

The rapid expansion of artificial intelligence (AI) is reshaping the semiconductor industry, driving demand for higher-performance chips and significantly increasing testing complexity and costs. As manufacturers scale production to meet this demand, efficient and reliable testing has become a critical determinant of profitability, yield, and time-to-market.

AEM addresses these challenges through the strategic integration of PiXL™, its patented intelligent thermal management technology, with High Parallel Testing. This combination enables customers to test a significantly larger number of devices simultaneously while maintaining precise and stable test conditions—delivering measurable improvements in throughput, cost efficiency, and operational scalability.

By ensuring consistent thermal control across multiple devices under test, PiXL™ allows manufacturers to expand test parallelism without sacrificing quality or reliability. When deployed across high-volume manufacturing environments, this approach maximises the utilisation of test assets, reduces cost per unit, and accelerates production ramp-up for advanced AI and high-performance computing devices.

AEM's differentiated test architecture transforms testing from a cost centre into a strategic enabler of growth. Through intelligent thermal control and highly parallel test capabilities, AEM supports customers in scaling efficiently, improving margins, and sustaining competitiveness in an increasingly complex semiconductor landscape.



- 3 AEM Differentiation**
 Innovating high parallel test solutions that deliver cost-efficient, leading-edge capabilities to address test needs.

- 2 Test Complexity**
 Increasing AI/HPC device complexity leads to rising testing requirements and increasing test intensity.

- 1 AI/HPC Growth**
 Agentic AI is driving structural growth with 50% year-on-year growth forecasted by BofA¹ for AI semiconductor devices.

¹ BofA 2026 Semiconductor Outlook: AI Infrastructure Upgrade as a Key Midpoint." Futunn News, 2025, <https://news.futunn.com/en/post/66356665/bofa-2026-semiconductor-outlook-ai-infrastructure-upgrade-as-a-key> 18 December 2025

Operational Highlights

Key Events 2025

Throughout 2025, AEM continued to leverage its core technology capabilities and progressive ways of working to drive operational excellence and industry leadership. We remained actively engaged across the semiconductor ecosystem, participated in key industry platforms to exchange insights, strengthened collaboration, and advanced innovative solutions.



Quobly & AEM Bluefors Collaboration

AEM partnered with Quobly and Bluefors to develop a high-throughput characterisation chain to support quantum processor unit (QPU) development and future volume production. As quantum computing progresses towards commercialisation, reliable cryogenic cooling and scalable test infrastructure are becoming important. The collaboration combines AEM's experience in high-throughput semiconductor test solutions with Bluefors' expertise in cryogenic systems to address the reliability, precision, and scalability requirements of quantum devices.



Semiconductor Wafer Test Conference (SWTest) 2025

AEM participated in SWTest 2025 in Carlsbad, California, a leading forum focused on wafer- and die-level testing. Karan Maniar, Senior Applications Engineer, chaired a Technical Session on "High Speed and RF Solutions", reinforcing AEM's leadership in advanced test technologies.



SEMICON Taiwan

AEM continued its participation at SEMICON Taiwan, leveraging the platform to engage industry leaders, exchange insights on emerging technologies, and strengthen collaboration across the semiconductor value chain.



Annual General Meeting 2025

An annual platform for leadership to share performance highlights, strategic priorities and growth plans with shareholders. The AGM reinforced AEM's focus on disciplined growth and long-term value creation, and bolstered the company's commitment to transparency.



SEMICON SEA Technical Forum

At SEMICON SEA, Stuart Pearce, Senior Director of Test 2.0 Solutions, presented on next-generation testing approaches. The session highlighted advancements in high parallelism, intelligent data management, and Test 2.0 innovations supporting AI and high-performance computing applications.



I.S.E.S. USA Silicon Valley

At I.S.E.S. USA 2025, industry leaders convened for a high-level exchange on the evolving realities of semiconductor testing in the AI era. The session brought together decision-makers and pioneers from across the testing ecosystem, with AEM represented by current CEO Samer Kabbani alongside a distinguished group of global test leaders.

Discussions centered on the rapid shift towards chiplet architectures, high-bandwidth memory (HBM), heterogeneous integration, and AI-specific design challenges—underscoring the growing importance of collaboration across the semiconductor value chain. The dialogue sets a forward-looking tone, highlighting how collective innovation will define the next phase of industry advancement.



Appointment of New Board Member

The Board welcomed the appointment of Dr. Yeo Yee Chia as an Independent Non-Executive Director with effect from 13 May 2025. Concurrently, Dr. Yeo was appointed to the Strategy Committee, enhancing the depth of the Board's strategic oversight and supporting the Board in its review of the Group's long-term strategic priorities.



CEI Partnered with MedTech Catapult

CEI was honoured to partner with MedTech Catapult, a national initiative by A*STAR, established to accelerate the development and commercialisation of high-value life science instruments and medical devices in Singapore by bridging innovators with local contract manufacturers.



World Cable & Wire Harness Competition 2025

At the World Cable & Wire Harness Competition 2025, CEI's Cable Harness Process Engineer, Hendra, secured first place, emerging as the overall winner and representing the region at the Final Championship in India.



Advancing Global Semiconductor Partnerships Through Strategic Dialogue

(from left to right: Loke Wai San, AEM Non-Executive Chairman; Ang Wee Seng, SSIA Executive Director, and Dr. Himanta Biswa Sarma, Chief Minister of Assam.)

AEM was honoured to host Dr. Himanta Biswa Sarma, Chief Minister of Assam, together with his distinguished delegation, including H.E. Dr. Shilpak Ambule, High Commissioner of India to Singapore, and Dr. Randhir Thakur, CEO and Managing Director of Tata Electronics, for a high-level strategic dialogue focused on strengthening cross-border collaboration and advancing opportunities between India's semiconductor ambitions and Singapore's technological leadership.



(from left to right: Dr. Himanta Biswa Sarma, Chief Minister of Assam; Dr. Randhir Thakur, CEO and MD of Tata Electronics; Loke Wai San, AEM Non-Executive Chairman, and Mac Zhang, AEM VP Global Core Engineering.)

During the visit, AEM showcased its cutting-edge technologies, including a walkthrough of its production facilities to demonstrate its comprehensive test solutions. Discussions highlighted AEM's proprietary PiXL™ thermal testing technology, which delivers intelligent multi-zone control and supports the advancement of high-precision, high-performance semiconductor testing standards.



Production floor walkthrough at AEM Singapore

AEM's Innovative Thermal Testing Technology



Strengthening Industry-Academia Collaboration to Advance Semiconductor Innovation

In October 2025, Newcastle University in Singapore (NUS) partnered with AEM to support innovation and talent development within Singapore's advanced manufacturing ecosystem. The collaboration is supported by funding from the Economic Development Board under the Industrial Postgraduate Programme (EDB-IPP).

Precision Cable Test Team's Global Outreach

Our Precision Cable Test (PCT) team continued to engage partners and customers through leading global summits, conferences, and industry events by presenting its latest test solutions and technology advancements.



Employee and Community Engagement

ONE AEM reflects our commitment to operating as One Team with One Purpose, navigating challenges together while enabling growth and excellence across the organisation. By accelerating innovation and actively engaging our customers and communities, AEM continues to move forward sustainably—

balancing performance, responsibility, and long-term value creation. This shared mindset strengthens collaboration, supports disciplined execution, and ensures that our growth is aligned with the evolving needs of our stakeholders and the broader ecosystem.

O **One Team, One Purpose**
Building unity, collaboration, and shared identity across regions

N **Nurture People & Partnerships**
Supporting employee growth, mobility, and organisational development

E **Empower Through Education & Equality**
Promoting inclusion, well-being, and access to opportunity



Festival Celebrations
i. Lunar New Year
ii. Deepavali
iii. Christmas

Small Networking Session with the Tempe FSE Team and Singapore Engineers

Empowering Women in Leadership



Health Talk: Understanding Sleep and Mental Wellness



International Women's Day Celebration

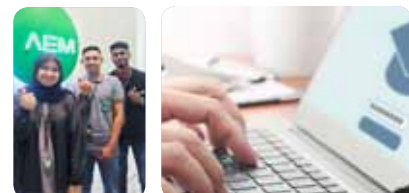
A **Advance Sustainable Innovation**
Enabling future-ready operations and long-term growth

E **Engage Stakeholders Responsibly**
Connecting with industry and educational institutions

M **Make a Meaningful Impact**
Giving back to society



AEM supported a local school by donating furniture and stationery to enhance the learning environment.



Training Programme
i. Sustainability Talk
ii. Assembly Trainee
iii. AEM e-Learning Platform

Strengthening our local talent pipeline, AEM participated in Semiconductor Awareness Day across three premier institutions—NUS, NTU, and SIT—fostering greater industry interest among future engineers.

AEM partnered with local social enterprises to support artisans with disabilities by promoting their handcrafted gifts during corporate events.

AEM Team Bonding

A team-building day, team lunch, and marathon run were among the many initiatives designed to reinforce organisational synergy, deepen professional relationships, and cultivate a unified company spirit.



Singapore



Malaysia



Costa Rica



Korea



Singapore



Finance Department Team Building (Singapore)

AEM Wellness Day

We believe that a resilient organisation starts with a refreshed team. Each AEM office celebrated Wellness Day by providing a collective "wellness day", to ensure every employee had the space to prioritise their mental and physical health.



Finland



Vietnam



France



Health Screening and Health Talk

Under the AEM Cares framework, we continue to prioritise the health of our people as a core pillar of our ESG strategy. By providing complimentary basic health screenings and educational health talks, we encourage our employees to take a proactive approach to preventive care and sustainable well-being.



Health Talk: Understanding Sleep and Mental Wellness



Health Checkup



AEM Cares





Corporate Governance & Anti Corruption

Zero significant instances of non-compliance with applicable laws and regulations in the jurisdictions where we operate.

Zero cases of corruption.




Customer Health & Safety


Zero significant incidents of non-compliance with regulation and/or voluntary codes concerning the health and safety impacts of our products and services.




Training


35 Hours of training provided to each employee on average.

TRAINING

Customer Privacy

Zero substantiated complaints concerning breaches of customer privacy and/or loss of customer data.




Gender Diversity

Continual improvement in workforce gender diversity ratio, with female employees representing

59% of the workforce





Sustainable Supplier Management

100% of key suppliers internally screened for negative social and environmental impacts, in compliance with the AEM Code of Business Conduct and industry standards.




We recognise that our company's achievements are closely linked to the sustainable development of the communities and environments where we do business worldwide.

Our sustainability initiative is based on three main pillars, which have been fundamental to our dedication to sustainability.

Revenue
(in S\$ Million)

399.3

FY2025

380.4

FY2024

Profit
Before Tax
(in S\$ Million)

21.3

FY2025

14.1

FY2024

Net Asset Value
Per Share
(in Singapore Cents)

157.0

FY2025

155.2

FY2024

Diluted Earnings
Per Share
(in Singapore Cents)

5.35

FY2025

3.65

FY2024

Performance Summary

Profit or Loss Statement	FY2025 S\$'000	FY2024 S\$'000	FY2025 vs FY2024 Change
Revenue	399,338	380,410	5%
Cost of sales	(296,822)	(282,796)	5%
Gross profit	102,516	97,614	5%
Research and development expenses	(23,890)	(23,684)	1%
Selling, general and administrative expenses	(55,228)	(56,376)	(2%)
Foreign exchange (loss)/gain, net	(3,988)	4,291	NM
Other income/(expenses), net	2,589	(3,873)	NM
Finance costs, net	(669)	(3,575)	(81%)
Share of equity-accounted investee's loss, net of tax	-	(326)	NM
Profit before tax	21,330	14,071	52%
Tax expense	(4,182)	(2,465)	70%
Profit for the year	17,148	11,606	48%

NM: Not meaningful

Financial Position

Balance Sheet Highlights	31 Dec 2025 S\$'000	31 Dec 2024 S\$'000
Property, plant and equipment	35,683	35,834
Right-of-use assets	14,155	21,094
Intangible assets	130,252	129,828
Inventories	226,969	296,773
Trade and other receivables	133,757	142,658
Cash and cash equivalents	77,334	43,775
Total assets	621,603	673,175
Loans and borrowings	16,374	94,379
Trade and other payables	67,640	54,018
Total liabilities	122,279	180,861
Net asset value per share (Singapore cents)	157.0	155.2

Cash Flows

Cash Flows Statement Highlights	FY2025 S\$'000	FY2024 S\$'000
Net cash generated from/(used in) operating activities	135,958	(17,539)
Net cash used in investing activities	(20,506)	(8,791)
Net cash used in financing activities	(80,713)	(31,753)
Net increase/(decrease) in cash	34,739	(58,083)
Cash & cash equivalents as at 31 Dec	77,334	43,775

Introduction

AEM Holdings Ltd. ("AEM" or the "Company") is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") (SGX: AWX, Reuters: AEM.SI, Bloomberg: AEM:SP). A key player in the semiconductor and electronics test solutions industry, AEM and its group of companies (the "Group") operates globally across Americas, Asia, and Europe, supported by a strong network of engineering, sales offices, and distributors. The Group's manufacturing facilities are strategically located in Singapore, Malaysia, Indonesia, Vietnam, Finland, Republic of Korea, and the United States of America.

Overview

FY2025 marked a transitional year for AEM, characterised by the shift from technology development to early-stage production ramp and execution, particularly in the Artificial Intelligence ("AI") / High-Performance Computing ("HPC") segment. During the year, it successfully ramped up to high-volume manufacturing for its second AI/HPC customer. This milestone underscores the scalability of the Group's solutions, the deepening of customer partnerships, and its ability to convert innovation and customer wins into recurring production revenue.

The Group delivered revenue of S\$399.3 million (+5.0% YoY) and profit before tax of S\$21.3 million (+51.6% YoY), alongside a significant improvement in operating cash flow to S\$136.0 million.

Performance was underpinned by continued ramp with a major AI/HPC customer, initial commercialisation of next-generation test platforms and strong working capital release, particularly in inventory.

The year also reflects a clear inflection in profitability and cash generation, underpinned by a stronger product mix, advancing customer diversification and the tangible realisation of operational leverage.

Operational and Strategic Developments

FY2025 marked the transition to production deployment of next generation test solutions and increasing customer adoption across AI/HPC and memory segments.

AEM's "Follow the Chiplet" ethos, based on its advanced thermal management capabilities that are offered in Test 1.5 upgrade form and underpin its Test 2.0, high-parallel test solutions, define AEM's differentiation. These capabilities are increasingly critical as chiplet-based designs scale (>100 chiplets per package), power density and thermal challenges intensify, resulting in significant increases in the cost of test.

The Group continued to make progress in diversification via a deepening engagement with its second AI/HPC anchor customer, alongside advancements in a memory customer evaluation program, with initial revenues expected in late FY2026.

In FY2025, the Group welcomed new leadership to management. Mr. Kwek You Cheer was appointed on 2 January 2025 as Group Chief Financial Officer. Mr. Samson Mah joined in January 2025 as General Counsel. Mr. Tan Chee Keong joined in December 2025 as Vice-President, Group Head of Human Resources. Mr. Samer Kabbani was appointed in July 2025 as Chief Executive Officer after a 5-year period as the Group's President and Chief Technology Officer, marking a shift towards execution, scaling focus and commercialisation of internally developed technologies.

In March 2026, AEM entered into a strategic partnership with ASE Technology Holding Co., Ltd. ("ASE"), the world's largest Outsourced Semiconductor Assembly and Test ("OSAT") provider, strengthening the Group's long-term strategic positioning within the global semiconductor test ecosystem. Beyond the immediate capital investment by ASE, the partnership is expected to enable technology co-development, broaden market access and enhance collaboration opportunities across advanced test and packaging solutions. Management believes the strategic alignment will support AEM's medium to long-term growth objectives and improve resilience amid evolving semiconductor industry demand trends.

Revenue

Group revenue increased modestly by 5.0% YoY to S\$399.3 million (FY2024: S\$380.4 million), reflecting strong growth in Test Cell Solutions ("TCS"), particularly from AI/HPC deployments, offset by softer Contract Manufacturing ("CM") and Instrumentation ("INS") demand amid global trade uncertainties.

TCS remained the dominant contributor at 63.0% of Group revenue (S\$251.4 million) growing 8.8% year over year, driven primarily by equipment sales and initial adoption of high-parallel test solutions while CM and INS segments accounted for the remaining 37.0% (FY2024: 39.3%).

Production ramp of AI/HPC test solutions, increased demand for high-parallel, high-power test capabilities were the main drivers of this growth. This segment also benefited from industry trends such as increasing chiplet architectures, rising thermal and power density challenges requiring higher test coverage and throughput. These trends drove increased test intensity and content per system positioning AEM favourably in the evolving test landscape.

In the second half of FY2025 ("2H2025"), the Group delivered a marked improvement in performance compared with the first half ("1H2025"), supported by higher shipment volumes and enhanced operational execution. Revenue increased sequentially 9.9% in 2H2025 to S\$209.1 million from S\$190.3 million in 1H2025. TCS revenue grew sequentially 11.9% to S\$132.8 million in 2H2025 when compared to 1H2025, reflecting stronger deliveries towards year-end and sustained demand from key customers.

Profitability

Profit before tax ("PBT") for FY2025 rose significantly to S\$21.3 million, up 51.6% from S\$14.1 million in FY2024, reflecting improved operating leverage and disciplined cost management. PBT margin improved 1.6 percentage points to 5.3% (FY2024: 3.7%). Profitability strengthened meaningfully in 2H2025 to S\$17.4 million, from a modest PBT of S\$3.9 million recorded in 1H2025 driven primarily by improved operating leverage and margin expansion. The stronger second-half performance underpinned a substantial year-on-year increase in PBT, reflecting a recovery trajectory following earlier order timing effects and close engagement with customers in the first half of the year.

Net profit attributable to shareholders increased 47.8% to S\$17.1 million (FY2024: S\$11.6 million), supported by both revenue growth and a reduction in finance costs following deleveraging efforts. Basic earnings per share ("EPS-basic") grew 46.7% to 5.40 Singapore cents (FY2024: 3.68 cents).

Gross profit increased to S\$102.5 million (FY2024: S\$97.6 million) with gross margins broadly stable at 25.7% in both FY2024 and FY2025, with a 0.5 pts improvement in 2H2025 at 25.9% as compared to 25.4% in 1H2025 primarily driven by operating leverage, supported by a more diversified customer base, though partially offset by changes in product mix.

Research & Development ("R&D") expenses recorded in the profit and loss statement increased slightly to S\$23.9 million (6.0% of revenues) in FY2025 from S\$23.7 million (6.2% of revenues) in FY2024. The Group continues its investment in R&D activities and capabilities and prioritises product development of emerging products that will stay ahead of competition.

Selling, general & administrative ("SG&A") expenses reduced to S\$55.2 million in FY2025, at 13.8% of Revenues (FY2024: S\$56.4 million, 14.8% of Revenue). The decrease in SG&A cost was mainly due to lower professional fees and proactive approach to manage operating costs.

Net foreign exchange loss amounted to S\$4.0 million in FY2025. During the year, the United States Dollar depreciated by 5.6% against the Singapore Dollar (31 December 2025 vs 31 December 2024). Foreign exchange losses were primarily attributable to the revaluation of external and inter-company loans denominated in currencies different from the entities' functional currency.

Other income, net of other expenses amounted to S\$2.6 million in FY2025 (FY2024: Other expenses, net of other income was S\$3.9 million), primarily attributable to government grant income and a gain on derecognition of lease liability, partially offset by losses on disposal and write-off of property plant and equipment. In FY2024, the other net expenses of S\$3.9 million, was largely due to loss on disposal of an associate and impairment of intangible assets, partially offset by government grant income.

Net finance costs decreased to S\$0.7 million in FY2025, down from S\$3.6 million in FY2024, mainly due to reduced borrowings from S\$72.8 million (excluding lease liabilities of S\$21.6 million) to S\$3.1 million (excluding lease liabilities of S\$13.3 million) over FY2025, alongside easing borrowing costs in line with the decline in the 1-month compounded Singapore Overnight Rate Average from over 3.6% in early FY2024 to below 1.2% by end-FY2025.

Tax expense as a percentage of PBT was 19.6% in FY2025 (FY2024: 17.5%), the increase of 2.1 pts was mainly due to higher non-deductible expenses, and increased under-provisions relating to prior years, partially offset by the increase in tax incentives.

Cash Flow and Balance Sheet

Cash Flow

A key highlight of FY2025 was the step-change in cash generation. The Group generated operating cash flow of S\$136.0 million and Free Cash Flow of S\$115.5 million.

This was driven primarily by improved working capital discipline and Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") contribution.

AEM reported **net cash generated from operating activities** of S\$136.0 million in FY2025 (FY2024: -S\$17.5 million). This was primarily driven by the 23.5% decrease in inventories (S\$65.7 million, adjusted for forex translation impact), EBITDA of S\$46.6 million, increase in trade and other payables (S\$19.6 million, adjusted for forex translation impact). This marks a significant reversal from prior periods and demonstrates improving earnings quality, strong cash conversion capability and execution discipline.

Net cash used in investing activities in FY2025 amounted to S\$20.5 million (FY2024: S\$8.8 million), mainly due to the acquisition of Property, Plant and Equipment ("PPE"), along with R&D expenditures incurred during the year, partially offset by interest received and proceeds from disposal of PPE. In FY2024, S\$12.5 million was generated by the disposal of an associate and an investment. This was non-recurring in FY2025.

The Group recorded **net cash used in financing activities** of S\$80.7 million in FY2025. This was mainly due to repayment of borrowings, payment for interest expenses, lease liabilities, and acquisition of additional interest of 6.2% in Nestek from the non-controlling interest.

As a result, cash and cash equivalents increased 76.7% from S\$43.8 million as of 31 December 2024 to S\$77.3 million as of 31 December 2025.

Balance Sheet and Financial Position

The Group ended FY2025 with a significantly strengthened balance sheet, with net assets at S\$499.3 million (+1.4%). Total assets amounted to S\$621.6 million, a decrease of 7.7% (31 December 2024: S\$673.2 million), mainly from reduction of inventories. Total liabilities decreased by 32.4%, from S\$180.9 million to S\$122.3 million, primarily due to the repayment of borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's net asset value ("NAV") per share increased from 155.2 Singapore cents as of 31 December 2024 to 157.0 Singapore cents as of 31 December 2025.

Cash and cash equivalents as at 31 December 2025 was S\$77.3 million, or 24.6 Singapore cents per share, representing 15.7% of NAV.

Cash generated from reduction in inventories was applied to debt repayments and the Group's loans and borrowings decreased from S\$94.4 million as at 31 December 2024 to S\$16.4 million as at 31 December 2025, further strengthening its balance sheet and enhancing financial flexibility to pursue strategic growth opportunities. As a result, the Group transitioned into a net cash position, sharply reducing debt to equity to 0.03x (FY2024: 0.2x).

During 2H2025, AEM re-purchased 1,200,000 shares from the open market at a weighted average price of S\$1.622 per share for a total consideration of S\$1,946,000.

Overall, the balance sheet is now positioned to support future growth investments, strategic flexibility and shareholder returns.

Inventories

(31 Dec'25: S\$227.0 million, 31 Dec'24: S\$296.8 million)

Inventories decreased 23.5% mainly due to fulfilment of orders that had been pulled in under a non-cancellable, long-dated purchase agreement with a key customer.

Loans and borrowings (current and non-current)

(31 Dec'25: S\$16.4 million, 31 Dec'24: S\$94.4 million)

During the year, the Group repaid borrowings with cash generated from the reduction of inventory.

Trade and other payables (current and non-current)

(31 Dec'25: S\$67.6 million, 31 Dec'24: S\$54.0 million)

The 25.2% increase was primarily attributed to increased purchases at year end in line with the Group's guidance of 15% to 28% growth in Revenue for FY2026.

Treasury Shares

In August 2025, the Company reissued 1,322,000 treasury shares for fulfilment of contractual obligation (FY2024: 272,000 under share plans). On 10 September 2025, and 30 months after the Company's last share buy-back, the Company repurchased 200,000 shares at an average price of S\$1.517. In total, over 5 market days in 2H2025, the Company repurchased 1,200,000 shares (FY2024: Nil) from the open market at a weighted average price of S\$1.622 per share for a total consideration of S\$1,946,000 (FY2024: Nil).

As of 31 December 2025, the Company held 2,618,000 treasury shares, valued at S\$6.7 million, a decrease from 2,740,000 shares valued at S\$9.2 million as of 31 December 2024.

Compensation and Benefits Policy

As at 31 December 2025, the Group had a workforce of 2,288 employees (31 December 2024: 2,372).

The Group remains committed to attracting, developing and retaining high-calibre talent, while maintaining competitive positioning within the industry. This is supported by regular reviews of remuneration frameworks to ensure alignment with market benchmarks and business performance.

The Group's compensation structure comprises a balanced mix of fixed and variable components, including base salary, allowances, cash bonuses, and equity incentives. Individual remuneration is determined based on factors such as competencies, scope of responsibilities, individual performance, and contributions towards the Group's operational efficiency, profitability and long-term strategic objectives.

In addition, the Group provides a range of benefits-in-kind, including medical, dental and life insurance coverage, as part of its commitment to employee well-being and overall engagement.

Foreign Currency Risk Management

The Group is exposed to foreign currency risk arising from transactions undertaken by its entities in currencies other than their respective functional currencies, including the Singapore dollar (S\$), United States dollar (US\$), Malaysian Ringgit (MYR), Chinese Renminbi (RMB), Euro (EUR) and Korean Won (KRW). To manage this exposure, the Group adopts a natural hedging approach by aligning sales and procurement in the same currency, where practicable, thereby reducing net foreign currency positions.

Dividend

The Board of Directors has proposed a final dividend of 1.3 Singapore cents per share for the financial year ended 31 December 2025. This proposed dividend is subject to shareholders' approval at the Company's Annual General Meeting scheduled for 28 April 2026. If approved, the dividend will be distributed on 22 May 2026 to shareholders whose names are recorded in the Company's Register of Members as at 8 May 2026, 5:00pm.

Outlook

The Group enters FY2026 with strong momentum, providing revenue guidance of S\$460 million to S\$510 million (15% to 28% growth), underpinned by the continued ramp of the Group's second AI/HPC customer in response to strong demand for next-generation AI/HPC chips. Based on current visibility, its revenue contribution is anticipated to grow significantly in FY2026, enroute to becoming the Group's new top customer by revenue.

The Group's growth outlook is further underpinned by other contributing factors, including the scaling of high-parallel test platforms, expansion into memory final test, structural increase in test intensity and complexity, strong relationships with the Group's long-standing key customer in a market with surging CPU demand.

Notwithstanding the positive industry outlook, the Group remains cautious of macroeconomic uncertainties, geopolitical developments and customer demand volatility. The Group will continue to focus on strengthening its core TCS business, enhancing operational efficiencies and maintaining a disciplined approach to cost and capital management.

CORPORATE INFORMATION

AEM Holdings Ltd.

Board of Directors

Loke Wai San
Non-Executive Chairman

James Toh Ban Leng
Lead Independent
Non-Executive Director

Loh Kin Wah
Independent
Non-Executive Director

Chou Yen Ning @ Alice Lin
Independent
Non-Executive Director

André Andonian
Independent
Non-Executive Director

Chok Yean Hung
Non-Independent
Non-Executive Director

Tham Min Yew
Non-Independent
Non-Executive Director

Dr. Yeo Yee Chia
Independent
Non-Executive Director

Audit and Risk Management Committee

Chou Yen Ning @ Alice Lin
Chairman

Chok Yean Hung

James Toh Ban Leng

Nominating Committee

André Andonian
Chairman

James Toh Ban Leng

Loke Wai San

Tham Min Yew

Loh Kin Wah

Remuneration Committee

James Toh Ban Leng
Chairman

Loh Kin Wah

Tham Min Yew

Strategy Committee

Loke Wai San
Chairman

Loh Kin Wah

Chok Yean Hung

Tham Min Yew

André Andonian

Dr. Yeo Yee Chia

Chief Executive Officer

Samer Kabbani

Company Secretary

Kevin Cho Form Po (ACS, ACG)

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Share Registrar

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#14-07 Keppel Bay Tower
Singapore 098632

Auditors

KPMG LLP
Asia Square Tower 2
12 Marina View, #15-01
Singapore 018961

Audit Partner-in-charge
Yeo Lik Khim
Since Financial Year 2021

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

Malayan Banking Berhad, Singapore Branch

United Overseas Bank Limited

Driving Our Growth

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The Board of Directors (the "**Board**") of AEM Holdings Ltd. (the "**Company**") and together with its subsidiaries, (the "**Group**") is committed to maintaining high standards of corporate governance to support the long-term success of the Group and sustainable value creation for shareholders.

The Company's corporate governance framework is anchored on the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "**Code**"), the SGX-ST Listing Manual, the Companies Act 1967 of Singapore, the Constitution of the Company and the Board-approved policies and terms of reference adopted by the Company. The Board periodically reviews the Group's governance framework to ensure that it remains relevant considering the Group's business, regulatory developments and evolving governance expectations.

This Corporate Governance Report ("**CG Report**") describes the Company's principal corporate governance practices for the financial year under review. For ease of reference, the disclosures are presented in thematic chapters, with the relevant Principles and Provisions of the Code identified within each section.

CORPORATE GOVERNANCE AT A GLANCE

The Board provides overall strategic direction and oversight of the Group and is collectively responsible for the long-term success of the Company. In discharging its duties, the Board works with Management to set the Group's strategic direction, oversee financial and operational performance, maintain sound governance, risk management, and internal control frameworks, and promote a culture of integrity, accountability, and responsible business conduct across the Group. The Board also considers sustainability considerations, including environmental, social and governance factors, in overseeing the Group's strategy and long-term value creation.

Key Governance Features:

- the roles of Chairman and Chief Executive Officer ("**CEO**") are held by separate individuals, with their respective responsibilities formally documented.
- Independent Directors comprise a majority of the Board, supporting objective judgement and independent oversight.
- the Company has a Lead Independent Director to strengthen the independent element on the Board and provide an additional channel for shareholder communication where appropriate.
- the Board is supported by four (4) Board Committees with clearly defined terms of reference, namely the Audit and Risk Committee, Nominating Committee, Remuneration Committee and Strategy Committee.

FY2025 Governance Snapshot

Item	FY2025 Position
Total number of Directors	8
Independent Directors	5
Non-Executive Directors	8
Executive Directors	None
Chairman	Mr. Loke Wai San (Non-Executive Chairman)
CEO	Mr. Samer Kabbani
Lead Independent Director	Mr. James Toh Ban Leng
Female Directors	1
Board meetings held in FY2025	4 scheduled meetings
Audit and Risk Management Committee	3 members
Nominating Committee	5 members
Remuneration Committee	3 members
Strategy Committee	6 members

To assist in the discharge of its responsibilities, the Board has established the Audit and Risk Management Committee ("**ARC**"), the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**"), and the Strategy Committee ("**SC**"). Each Board Committee operates under clearly defined terms of reference approved by the Board. While specific responsibilities are delegated to the Board Committees, the Board remains collectively responsible for the decisions and actions of the Board Committees.

The Board believes that sound corporate governance requires not only compliance with applicable rules and requirements, but also disciplined Board processes, constructive challenge, robust succession planning, transparent accountability and effective engagement with shareholders and other key stakeholders.

CHAPTER A: BOARD MATTERS

The Board is responsible for the long-term success of the Company and provides overall strategic direction and oversight of the Group. In discharging its duties, the Board works with Management to set strategy, oversee performance, maintain sound governance, risk management, and internal control frameworks, and promote sustainable value creation for shareholders.

This Chapter sets out the Company's governance practices relating to:

- Principle 1: The Board's Conduct and Affairs
- Principle 2: Board Composition and Guidance
- Principle 3: Chairman and CEO
- Principle 4: Board Membership
- Principle 5: Board Performance

A.1 BOARD STEWARDSHIP AND RESERVED MATTERS

(Principle 1; Provisions 1.1 and 1.3)

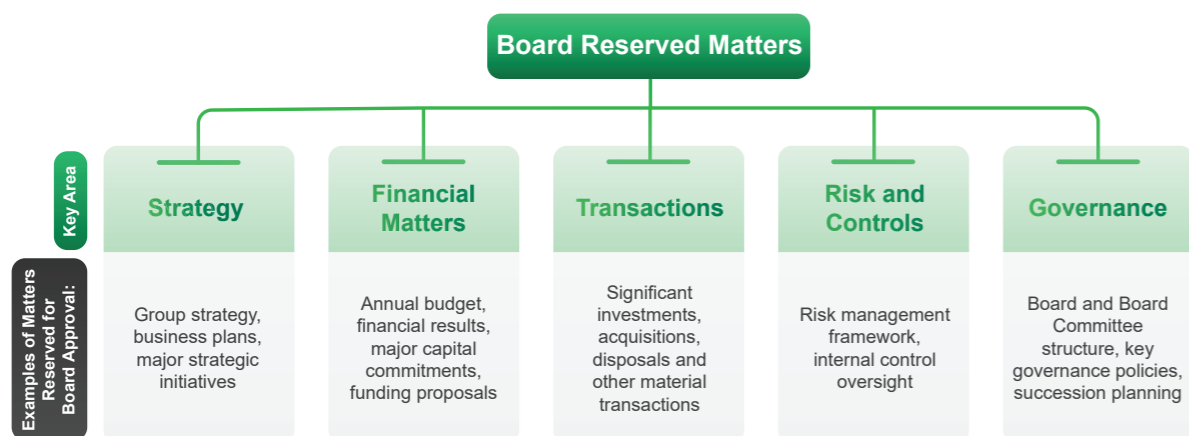
The Board provides entrepreneurial leadership and sets the strategic direction of the Group with a view to promoting the long-term success of the Company and sustainable value creation for shareholders. In conducting its role, the Board acts objectively in the best interests of the Company and holds Management accountable for the performance and conduct of the Group's business.

The principal functions of the Board include:

- approving the Group's strategic direction, business plans, and key corporate objectives;
- overseeing the Group's financial performance;
- reviewing and approving significant investments, divestments, funding proposals, and other material transactions;
- overseeing the adequacy and effectiveness of the Group's risk management and internal control systems;
- overseeing corporate governance practices and standards of conduct across the Group; and
- taking sustainability-related considerations into account in overseeing long-term value creation.

To support the effective discharge of its responsibilities, the Board operates within a clearly defined governance framework which includes a formal schedule of matters reserved for the Board's decision.

These reserved matters include, among others, those relating to strategy, major investments, financial performance, risk management, and corporate governance. Matters of significance are reserved for the Board, while authority for the day-to-day management of the Group's business is delegated to Management, subject to established controls and regular reporting to the Board.



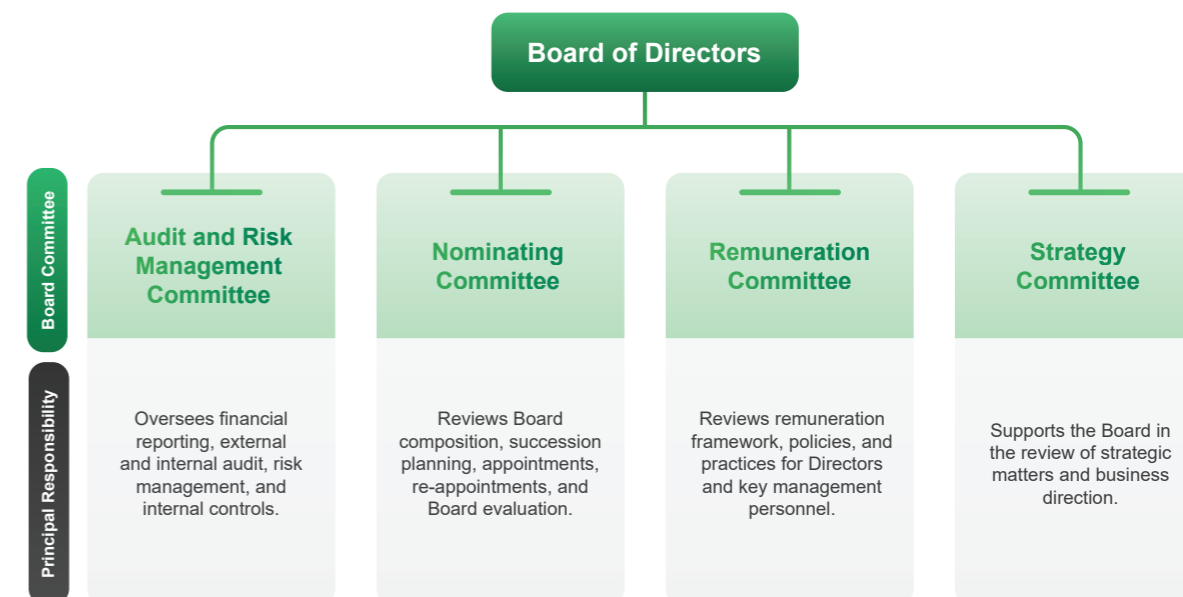
This framework supports clear accountability between the Board and Management and helps ensure that significant matters affecting the Group are subject to appropriate Board oversight.

Directors are required to avoid situations in which a conflict of interest arises, or may be perceived to conflict, with those of the Company. Where a Director has an interest in a matter under consideration by the Board, that Director is required to declare the nature of the interest and to abstain from the relevant discussions and decision-making process.

A.2 BOARD COMMITTEES

(Principle 1; Provision 1.4)

To assist the Board in the discharge of its responsibilities, the Board has established the ARC, NC, RC and SC, each operating within clearly defined written terms of reference approved by the Board. The Board Committees support the Board in the effective oversight of key areas of the Group's business and governance.



The Board considers the Board Committee structure appropriate for the current needs of the Group and supportive of focused oversight, while preserving collective responsibility at the Board level.

The Board Committees report regularly to the Board on the matters reviewed by them and on any recommendations requiring Board approval. While the Board has delegated certain responsibilities to the Board Committees, the Board remains ultimately responsible for the decisions and actions of the Board Committees.

The terms of reference of the principal Board Committees are reviewed periodically to ensure that they remain aligned with the Group's governance needs, regulatory requirements and evolving best practices.

A.3 BOARD MEETINGS, ATTENDANCE AND ACCESS TO INFORMATION**(Principle 1; Provisions 1.5, 1.6 and 1.7)**

The Board meets regularly during the year and additionally as warranted by particular circumstances. The schedule for regular Board meetings is planned in advance and communicated to Directors before the start of each financial year, to facilitate attendance and support a disciplined governance calendar. Additional meetings are convened as required to consider significant matters that arise between scheduled meetings. The Board may also approve matters by way of written resolutions where and when appropriate.

In FY2025, the Board held four (4) scheduled meetings. Two (2) of these meetings were convened to review and approve the Group's half-year and full-year financial results, while the remaining scheduled meetings focused on quarterly operational performance, strategic matters, and other Board oversight responsibilities. The Board regards attendance as one indicator of a Director's commitment, but assesses each Director's overall contribution more broadly, considering preparedness, participation, exercise of judgement and ongoing engagement on Board matters.

Attendance at Board and Board Committee Meetings in FY2025

Director	Board	ARC	NC	RC	SC	2025 AGM
Mr. Loke Wai San <i>Non-Executive Chairman</i>	Chair 4/4	–	Member 1/1	–	Chair 1/1	Yes
Mr. James Toh Ban Leng <i>Lead Independent Director</i>	4/4	Member 4/4	Member 1/1	Chair 3/3	–	Yes
Mr. Loh Kin Wah <i>Independent Non-Executive Director</i>	3/4	–	Member 1/1	Member 3/3	Member 1/1	Yes
Mr. Chok Yean Hung <i>Non-Independent Non-Executive Director</i>	4/4	Member 4/4	–	–	Member 1/1	Yes
Ms. Chou Yen Ning @ Alice Lin <i>Independent Non-Executive Director</i>	4/4	Chair 4/4	–	–	–	Yes
Mr. Tham Min Yew <i>Non-Independent Non-Executive Director</i>	3/4	–	Member 1/1	Member 3/3	Member 1/1	Yes
Mr. André Andonian <i>Independent Non-Executive Director</i>	4/4	–	Chair 1/1	–	Member 1/1	Yes
Dr. Yeo Yee Chia ¹ <i>Independent Non-Executive Director</i>	3/3	–	–	–	Member 1/1	No ²

Notes:

1. Dr. Yeo Yee Chia was appointed to the Board on 13 May 2025 and to the SC on the same date.
2. The 2025 Annual General Meeting was held on 23 April 2025, prior to Dr Yeo's appointment.
3. "–" indicates that the Director was not a member of the relevant Board Committee.
4. Mr. Loh Kin Wah and Mr. Tham Min Yew were unable to attend certain Board meetings during the financial year due to unavoidable scheduling conflicts arising from prior professional commitments.

While each Board Committee has clearly defined responsibilities, the Board adopts an integrated oversight approach. Directors who are not members of a Board Committee may attend meetings of that Board Committee by invitation where their experience or oversight responsibilities are relevant to the matters under discussion. This supports the Board's collective understanding of key matters considered by the Board Committees and enhances the quality of Board deliberations.

Attendance at Board Committee Meetings by Invitation in FY2025

Director	ARC	NC	RC	SC
Mr. Loke Wai San <i>Non-Executive Chairman</i>	4	Member	3	Chair
Mr. James Toh Ban Leng <i>Lead Independent Director</i>	Member	Member	Chair	1
Mr. Loh Kin Wah <i>Independent Non-Executive Director</i>	3	Member	Member	Member
Mr. Chok Yean Hung <i>Non-Independent Non-Executive Director</i>	Member	1	2	Member
Ms. Chou Yen Ning @ Alice Lin <i>Independent Non-Executive Director</i>	Chair	–	2	–
Mr. Tham Min Yew <i>Non-Independent Non-Executive Director</i>	3	Member	Member	Member
Mr. André Andonian <i>Independent Non-Executive Director</i>	1	Chair	2	Member
Dr. Yeo Yee Chia ¹ <i>Independent Non-Executive Director</i>	–	–	1	Member

Note:

1. Dr. Yeo Yee Chia was appointed as a member of the SC on 13 May 2025.

Effective Board oversight depends on the quality and timeliness of information made available to Directors. Management provides the Board and Board Committees with complete, adequate, and timely information prior to meetings and on an ongoing basis to enable Directors to make informed decisions and discharge their duties effectively. Board and Board Committee papers are circulated sufficiently in advance of meetings and typically include management reports on the Group's financial performance, operational developments, strategic initiatives, and other key business matters. Directors are expected to review these materials in advance and to participate actively in deliberations and decision-making.

Directors are provided with secure access to Board and Board Committee materials through a digital board management platform, which facilitates timely distribution of papers, access to historical records and supporting documentation, and secure communication with the Company Secretary and fellow Directors. Directors are also entitled to request additional information from Management and have separate and independent access to Management, the Company Secretary and, where necessary, external professional advisers at the Company's expense.

In addition to formal meetings, Directors engage with Management through regular business and operational briefings, off-site meetings, strategy discussions and other informal engagement sessions with Management and selected employees of the Group. These interactions enable Directors to deepen their understanding of the Group's business and operating environment and support the discharge of informed oversight and constructive challenge.

The Company Secretary attends all Board and Board Committee meetings and assists the Chairman in ensuring that Board procedures are followed and that the Company complies with applicable governance and regulatory requirements. The Board is of the view that the existing meeting processes, information flow, and support arrangements enable Directors to discharge their responsibilities effectively.

A.4 DIRECTOR INDUCTION, TRAINING AND DEVELOPMENT**(Principle 1; Provision 1.2)**

The Board recognises that Directors should possess sound understanding of the Group's business, strategic priorities, industry developments, and governance obligations to discharge their duties effectively. The Company therefore provides Directors with opportunities to develop and maintain the skills and knowledge required for the effective discharge of their responsibilities. The NC reviews the training and professional development arrangements for the Board and its Directors as part of its remit.

New Directors receive an orientation programme designed to familiarise them with the Group's business, organisational structure, strategic direction, governance framework, and the expectations of a director of a listed company. This process includes briefings by Management and exposure to the Group's key business functions, enabling new Directors to gain a practical understanding of the Group's operations and to contribute meaningfully to Board deliberations from an early stage.

Existing Directors are kept updated on current developments relevant to their roles through ongoing briefings and training. These may include updates or changes to laws and regulations, SGX-ST listing requirements, accounting standards, corporate governance developments, industry trends, and sustainability-related matters. Directors are also encouraged to attend relevant external courses, seminars, and programmes at the Company's expense.

Director Development Framework

Area	Approach
Induction for new Directors	Orientation on the Group's business, governance framework, organisational structure, and strategic priorities
Business familiarisation	Briefings by Management and exposure to key business functions
Governance and regulatory updates	Periodic updates on laws, regulations, listing rules, accounting standards, and governance developments
Industry and business developments	Briefings on industry trends, market developments, and strategic issues relevant to the Group
External training	Directors are encouraged to attend appropriate external courses and programmes at the Company's expense
NC oversight	The NC reviews the training and professional development programmes for the Board and its Directors

Updates and Briefings Provided to Directors in FY2025

Topic / Area	Nature of Briefing / Update
Accounting and governance developments	Regular briefings by the external auditor to the ARC and the Board on developments in accounting and governance standards
Industry and strategy	Regular updates by the CEO on business and strategic developments in the semiconductor industry
Market developments	Management presentations on key market trends, strategies, and current developments
Strategic direction	In-depth discussions between the Board and senior Management at Board meetings, strategy meetings, and ad hoc meetings
Sustainability and climate-related matters	Updates on the Group's approach to sustainability, including climate and sustainability-related opportunities and risks

Where a newly appointed Director does not have prior experience as a director of a company listed on the SGX-ST, the Company will arrange for that Director to undergo the requisite training on the roles and responsibilities of a director of a listed issuer, where applicable.

The Company supports the continuous professional development of its Directors. Following his appointment to the Board, Dr. Yeo Yee Chia is in the process of completing the mandatory training prescribed for first-time directors of Singapore-listed companies within the applicable timeframe. The Board further notes that the other Directors have completed all prescribed training requirements applicable to them.

The Board is of the view that the Company's induction and ongoing development arrangements support Directors in maintaining the skills, knowledge, and awareness necessary for the effective discharge of their duties.

A.5 LEADERSHIP STRUCTURE**(Principle 3; Provisions 3.1, 3.2 and 3.3)**

The Company maintains a clear division of responsibilities between the leadership of the Board and the executive responsibility for the day-to-day management of the Group's business. The Board believes that this separation of roles supports an appropriate balance of power and accountability, avoids concentration of authority in any one individual, and strengthens the Board's capacity for objective oversight and independent decision-making. This is consistent with the Code and the accompanying Practice Guidance.

Mr. Loke Wai San serves as the Non-Executive Chairman of the Company and Mr. Samer Kabbani serves as the CEO. The Chairman and the CEO are separate persons and are not related to each other. The division of responsibilities between the Chairman and the CEO is clearly established in writing and approved by the Board.

Division of Responsibilities Between the Chairman and the CEO

Chairman	CEO
Leads the Board and oversees its effectiveness	Leads Management and oversees the day-to-day conduct of the Group's business
Sets the agenda for Board meetings	Develops and implements the Group's strategy and business plans
Promotes a culture of openness and constructive debate at the Board	Leads the management team and allocates resources to achieve strategic objectives
Facilitates the effective contribution of all Directors	Oversees the Group's operational and financial performance
Ensures Directors receive timely and accurate information	Keeps the Board informed of material developments affecting the Group
Promotes high standards of corporate governance	Implements Board-approved policies and decisions
Facilitates effective communication between the Board, Management, and shareholders	Supports the Board with information and recommendations on operational and strategic matters

The Chairman leads the Board and is responsible for ensuring its effectiveness in all aspects of its role, including the promotion of constructive debate, high standards of corporate governance and effective communication with shareholders. The CEO has executive responsibility for the management of the Group's business and the implementation of the Group's strategy and policies approved by the Board. The Board considers this clear delineation of responsibilities to be appropriate and effective.

The Board has also appointed a Lead Independent Director to provide leadership in circumstances where the Chairman may have a conflict of interest, particularly where the Chairman is not independent, and to strengthen the independent element on the Board. Mr. James Toh Ban Leng serves as the Lead Independent Director of the Company.

Role of the Lead Independent Director

Role	Description
Board leadership in conflicted situations	Provides leadership where the Chairman is conflicted and, where appropriate, may lead the relevant Board discussion
Facilitation among Independent Directors	Serves as a sounding board for the Chairman and an intermediary for other Directors where necessary
In camera discussions	Facilitates discussions among the Non-Executive Directors without the presence of Management where appropriate
Feedback to the Board	Provides feedback from such discussions to the Chairman and the Board, as appropriate
Shareholders contact point	Available to shareholders where the usual channels through the Chairman or Management would be inappropriate or inadequate

Shareholders may contact the Lead Independent Director through the Company Secretary. The Board is of the view that the current leadership structure supports effective governance, accountability, and independent oversight.

A.6 BOARD COMPOSITION, INDEPENDENCE, AND DIVERSITY**(Principle 2; Provisions 2.1, 2.2, 2.3, 2.4 and 2.5)**

The Board seeks to maintain an appropriate composition to support effective oversight, objective judgement, and constructive challenge. In reviewing Board composition, the Board and the NC consider the size of the Board, the balance between executive and non-executive elements, the mix of skills, knowledge and experience, and broader aspects of diversity relevant to the Group's business and strategic priorities. The Board considers that its present size and composition are appropriate having regard to the scale and complexity of the Group's operations and the need for effective deliberation and sound decision-making.

Independent Directors comprise a majority of the Board, and all Directors are Non-Executive Directors. The Board believes that this composition provides a strong independent element, promotes constructive challenge and independent oversight, and facilitates robust deliberation on matters relating to strategy, performance, resources, standards of conduct, risk management, and internal controls.

Board Composition as at FY2025

Category	Number	% of Board
Total Directors	8	100.0%
Independent Directors	5	62.5%
Non-Executive Directors	8	100.0%
Executive Directors	0	0.0%
Female Directors	1	12.5%

The NC reviews the independence of each Director annually, and as and when circumstances require, considering the Code, the Practice Guidance, and the SGX-ST Listing Manual. In conducting its review, the NC considers whether a Director is independent in conduct, character and judgement, and whether the Director has any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or reasonably be perceived to interfere, with the exercise of independent business judgement in the best interests of the Company.

Following its review for FY2025, the NC and the Board are satisfied that the following non-executive Directors are independent for the purposes of the Code and the SGX-ST Listing Manual:

- Mr. James Toh Ban Leng
- Mr. Loh Kin Wah
- Ms. Chou Yen Ning @ Alice Lin
- Mr. André Andonian
- Dr. Yeo Yee Chia

The Company maintains a Board Diversity Policy which recognises that an appropriately diverse Board enhances the quality of Board deliberations and decision-making, supports effective oversight, and reduces the risk of groupthink. In considering Board composition, the Board regards diversity as a multi-dimensional concept and considers factors including skills, industry and commercial experience, gender, age, tenure, independence, nationality, cultural and educational background, and other relevant attributes.

The NC is responsible for reviewing the structure, size, balance, and diversity of the Board annually and for making recommendations to the Board regarding Board renewal, succession planning, and appointment of new Directors.

Board Diversity Policy – Objectives and FY2025 Position

Diversity Dimension	Objective / Approach	FY2025 Position	Ongoing Plan / Timeline
Gender diversity	Maintain at least one (1) female Director on the Board	Achieved	To be maintained on an ongoing basis and considered in Board renewal and succession planning
Skills and experience	Maintain an appropriate balance and mix of skills, knowledge, and experience relevant to the Group's business and strategy	Ongoing; reflected in Board composition and Skills Matrix	Reviewed annually by the NC and considered in future appointments
Broader diversity	Consider tenure, age, independence, nationality, cultural and educational background, and other relevant attributes	Reviewed annually by the NC	Assessed on an ongoing basis as part of annual Board composition review.

This disclosure reflects the Board's current measurable objectives and the way the NC monitors implementation of the Board Diversity Policy.

The Board recognises the disclosure expectations under Rule 710A and the Practice Guidance, including the need to disclose targets, accompanying plans and timelines, progress made, and how the combination of skills, experience, and diversity on the Board serves the needs and plans of the Company.

In this regard, diversity considerations are incorporated into the Board's ongoing renewal and succession planning processes, and the NC will continue to review the Board's composition against the Group's evolving business needs and strategic priorities.

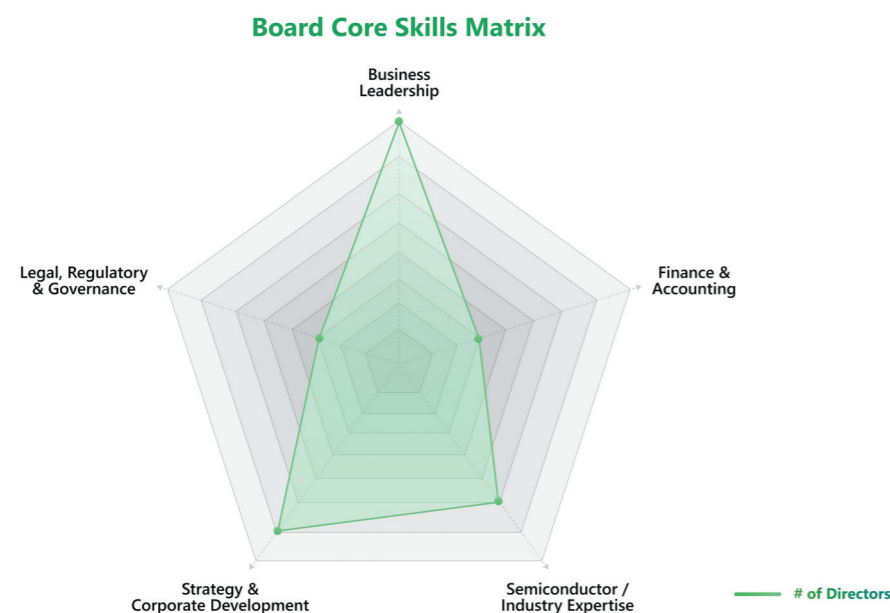
The NC also reviews the skills, experience, and competencies represented on the Board, considering the Group's strategic direction, business environment, and emerging industry developments.

To support this review, the Company maintains a Board Skills Matrix, which assists the NC in assessing the current composition of the Board and in identifying any areas of focus in connection with Board renewal, succession planning, and future appointments.

Board Core Skills Matrix

Core Competencies	Mr. Loke Wai San	Mr. James Toh Ban Leng	Mr. Loh Kin Wah	Ms. Chou Yen Ning @ Alice Lin	Mr. André Andonian	Mr. Chok Yean Hung	Mr. Tham Min Yew	Dr. Yeo Yee Chia
Finance & Accounting	●	●		●				
Business Leadership	●	●	●	●	●	●	●	●
Semiconductor / Industry Expertise	●		●		●	●	●	●
Strategy & Corporate Development	●	●	●	●	●	●	●	
Legal, Regulatory & Governance	●			●		●		

Note: The matrix summarises the NC's assessment of the principal areas of expertise and experience represented on the Board and is not intended to be an exhaustive description of each Director's contributions or capabilities.



The Board believes that the alignment of Directors' and senior leadership's interests with those of the shareholders supports the Company's long-term value creation. The direct and deemed shareholdings of the Directors and the CEO in the Company as at 31 December 2025 are set out below. Further details of the Directors' interests can be found in the Directors' Statement section of the Annual Report.

Directors' Shareholdings as at 31 December 2025

Director	Ordinary Shares				Share Options ²
	Direct Interest	Deemed Interest	Total Interest	% of Issued Shares ¹	
Mr. Loke Wai San	832,240	6,897,266 ³	7,729,506	2.46	824,000
Mr. James Toh Ban Leng	10,100,000	1,208,739 ⁴	11,308,739	3.60	–
Mr. Loh Kin Wah	–	530,250 ³	530,250	0.17	–
Mr. Chok Yean Hung	1,102,044	–	1,102,044	0.35	676,000
Ms. Chou Yen Ning @ Alice Lin	–	5,050 ³	5,050	<0.01	–
Mr. André Andonian	272,700	–	272,700	0.09	–
Mr. Tham Min Yew	–	–	–	–	–
Dr. Yeo Yee Chia	–	–	–	–	–

Notes:

- The total number of issued shares of the Company as at 31 December 2025 was 313,783,302, excluding 2,617,383 treasury shares.
- Share options are shown separately from the issued shareholdings above and are not included in "Total Interest" or the percentage of issued shares. Further details of the share options held by Directors are set out in the Directors' Statement section of the Annual Report.
- These shares are held through a custodian account with a financial institution. Further details are set out in the Directors' Statement section of the Annual Report.
- Deemed interested through his shareholding in A.C.T Holdings Pte Ltd at the beginning and at the end of FY2025. Further details are set out in the Directors' Statement section of the Annual Report.
- Where there are no shareholdings, "–" is used instead of "0" for ease of presentation.

CEO's Shareholdings as at 31 December 2025

CEO	Direct Interest	Deemed Interest	Total Interest	% of Issued Shares ¹
Mr. Samer Kabbani	–	455,399 ²	455,399	0.15

Notes:

- The total number of issued shares of the Company as at 31 December 2025 was 313,783,302, excluding 2,617,383 treasury shares.
- These shares are held through a custodian account with a financial institution.
- As at 31 December 2025, Mr. Samer Kabbani was also the holder of 769,956 unvested share awards under the AEM RSP 2024 and 1,448,023 unvested share awards under the AEM PSP 2017.

The Non-Executive Directors and Independent Directors meet from time to time without the presence of Management to facilitate open discussion and the exchange of views on matters relating to the Group, the Board and Management. Such meetings are led by the Lead Independent Director or another Independent Director, as appropriate. Feedback from these discussions is provided to the Board and/or the Chairman, as and when appropriate.

The Board considers these sessions useful in supporting candid discussion, independent judgement, and effective Board dynamics.

A.7 BOARD NOMINATION, RENEWAL AND SUCCESSION

(Principle 4; Provisions 4.1 and 4.2)

The Board has established the NC to support the Board in maintaining an effective and balanced Board composition and overseeing the nomination, appointment, evaluation, and renewal of Directors. The Board considers the NC fundamental to maintaining orderly Board renewal, leadership continuity and an appropriate balance of skills, experience, and diversity on the Board.

The NC makes recommendations to the Board on matters relating to:

- succession planning for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- the leadership structure of the Board, including the division of responsibilities between the Chairman and the CEO;
- the process and criteria for evaluating the performance of the Board, its Board Committees and individual Directors;
- the training and professional development programmes for the Board and its Directors; and
- the appointment and re-appointment of Directors, including alternate Directors, if any.

In addition, the NC reviews the structure, size, and composition of the Board and Board Committees, considering the mix of skills, experience, knowledge, and diversity required to support the Group's strategy and evolving business needs. The Board believes that this framework supports progressive Board renewal while preserving institutional knowledge and leadership continuity.

Composition of the NC

Member	Position
Mr. André Andonian <i>Independent Non-Executive Director</i>	Chairman
Mr. James Toh Ban Leng <i>Lead Independent Director</i>	Member
Mr. Loke Wai San <i>Non-Executive Chairman</i>	Member
Mr. Tham Min Yew <i>Non-Independent Non-Executive Director</i>	Member
Mr. Loh Kin Wah <i>Independent Non-Executive Director</i>	Member

The NC comprises of five (5) Directors, all of whom are non-executive and majority being independent. The Chairman of the NC is an Independent Director, and the Lead Independent Director is a member of the NC. The Board considers that the composition of the NC enables it to exercise independent judgement and effective oversight in the discharge of its responsibilities.

Where matters relating to a Director's own appointment, re-appointment or assessment of independence are considered by the NC, the Director concerned abstains from the relevant deliberations and decision-making process. The NC's review of Director independence is described in A.6 Board Composition, Independence, and Diversity of this CG Report.

A.8 DIRECTOR SELECTION, APPOINTMENT, RE-ELECTION, AND BOARD TENURE**(Principle 4; Provisions 4.3 and 4.4)**

The Board believes that a formal and transparent process for the selection, appointment and re-appointment of Directors is essential for good governance practices. The NC is responsible for identifying and reviewing candidates for appointment to the Board and for overseeing succession planning for the Board, with consideration for the future leadership needs of the Group.

When the need for a new Director arises, the NC, in consultation with the Board, determines the selection criteria for the appointment. In doing so, the NC considers, among other factors:

- competencies required on the Board, including tenure and independence;
- relevant skills, perspectives and professional experience of the candidate;
- industry knowledge;
- ability to contribute to Board effectiveness;
- need for progressive Board renewal; and
- contribution(s) the candidate may make to the objectives of the Company's Board Diversity Policy.

In assessing potential candidates, the NC also considers the existing composition of the Board and the mix of skills, experience, core competencies and diversity required for the Board to function optimally. The NC seeks potential candidates beyond the recommendations of Directors and Management and may engage external professional search firms to assist in identifying suitable candidates where appropriate. This supports a broader search process and progressive Board renewal.

The Board regards Board renewal as an important element of robust governance. Board membership is reviewed periodically and refreshed in a progressive and orderly manner to avoid undue disruption to institutional knowledge, while ensuring that the Board remains relevant to the evolving needs of the Group's business. In reviewing Board composition, the NC also considers Director tenure as part of its approach to balancing continuity, experience, and fresh perspectives. The NC is of the view that the current distribution of Director tenure provides an appropriate mix of experience and renewal on the Board.

Director Tenure Profile as at FY2025

Director	Year of First Appointment	Tenure (Years)
Mr. Loke Wai San <i>Non-Executive Chairman</i>	2011	14
Mr. James Toh Ban Leng <i>Lead Independent Director</i>	2018	7
Mr. Loh Kin Wah <i>Independent Non-Executive Director</i>	2018	7
Mr. Chok Yean Hung <i>Non-Independent Non-Executive Director</i>	2020	5
Ms. Chou Yen Ning @ Alice Lin <i>Independent Non-Executive Director</i>	2021	4
Mr. Tham Min Yew <i>Non-Independent Non-Executive Director</i>	2021	4
Mr. André Andonian <i>Independent Non-Executive Director</i>	2022	3
Dr. Yeo Yee Chia ¹ <i>Independent Non-Executive Director</i>	2025	<1

Note:

1. Dr. Yeo Yee Chia was appointed as Director on 13 May 2025.

The Constitution of the Company requires one-third of the Directors to retire and submit themselves for re-election at each AGM. All Directors, including the Non-Executive Chairman, retire from office at least once every three years and are eligible for re-election by the shareholders. A newly appointed Director must retire and submit himself or herself for re-election at the next AGM following appointment.

A Director who is due for retirement abstains from voting on any resolution relating to his or her re-nomination.

The NC oversees the process for the re-appointment of Directors, considering the Director's attendance, preparedness, participation, and overall contributions to the effectiveness of the Board. For the forthcoming AGM, the NC has reviewed the qualifications, experience, independence, contributions, and time commitments of the retiring Directors seeking re-election and has recommended to the Board that they be submitted to shareholders for re-election.

Additional information on the Directors seeking re-election, as required under Rule 720(6) of the SGX-ST Listing Manual and Appendix 7.4.1, is set out in the Notice of AGM and page 125 of the Annual Report.

The Company does not appoint alternate Directors.

Classification	Directors
Directors retiring by rotation and are eligible for re-election by shareholders pursuant to Regulation 109 of the Company's Constitution	Mr. Loke Wai San Mr. Chok Yean Hung Mr. Loh Kin Wah
Newly appointed Director retiring and submitting himself/herself for re-election pursuant to Regulation 119 of the Company's Constitution	Dr. Yeo Yee Chia

A.9 DIRECTOR COMMITMENTS AND ABILITY TO DISCHARGE DUTIES**(Principle 4; Provision 4.5)**

The Board recognises that the responsibilities of a director of a listed company are demanding and require sufficient time and attention. The NC assesses each Director's ability and performance in discharging their duties, taking into account the number and nature of each Director's listed company directorships and principal commitments, the roles and responsibilities held by the Director in those appointments, and the Director's participation and attendance at Board and Board Committee meetings.

All Directors must disclose their directorship at other listed company and principal commitments to the NC. These disclosures are reviewed annually by the NC as part of its assessment of whether each Director has devoted sufficient time and attention to the Company's affairs. The NC also considers each Director's preparedness for meetings, participation in deliberations and overall contribution to Board effectiveness.

The NC is satisfied that all Directors have adequately discharged their duties and responsibilities during FY2025 and have devoted sufficient time and attention to the affairs of the Company. New Directors are also provided with an orientation programme to ensure that they are aware of their duties and obligations as Directors of the Company. The Company's arrangements for Director induction and ongoing development are described in A.4 Director Induction, Training and Development.

A.10 BOARD PERFORMANCE AND EVALUATION**(Principle 5; Provisions 5.1 and 5.2)**

The Board undertakes a formal annual assessment of its effectiveness, as a whole, of each of its Board Committees, and of individual Directors. The Board regards this process as a key component of good governance, as it supports continuous improvement in Board processes, Board composition, and the effectiveness of oversight. Principle 5 of the Code requires the Board to undertake such an assessment annually.

The NC recommends for the Board's approval the objective performance criteria and process for evaluating the effectiveness of the Board as a whole, each Board Committee separately, and the contribution of the Chairman and each individual Director to the Board. The NC also reviews the results of the assessment and recommends to the Board any areas for follow-up or improvement.

The annual evaluation is conducted using structured questionnaires completed by all Directors. The responses are collated by the Company Secretary and reviewed by the NC before being discussed with the Board. The assessment covers both quantitative and qualitative factors and is intended to support candid feedback and continuous development. This is consistent with the NC's responsibility to disclose the assessment approach of the Board, Board Committees, and each individual Director.

Board Evaluation Framework

Area	Approach
Frequency	Conducted annually
Scope	Board, Board Committees and individual Directors
Oversight	NC reviews and recommends the process and criteria
Method	Structured questionnaires completed by all Directors
Administration	Responses collated by the Company Secretary
Review	Results reviewed by the NC and discussed by the Board
External Facilitator	Company Secretary from Boardroom Corporate & Advisory Services Pte. Ltd. ("BCAS") was engaged for FY2025

Areas Covered in the Evaluation

The Board, Board Committee and Director evaluation criteria includes the following:

- Board composition, size and balance
- Mix of skills, experience, knowledge, and diversity
- Quality of strategic oversight and guidance
- Effectiveness of Board processes and information flow
- Board dynamics, openness of discussion, and constructive challenge
- Effectiveness of Board Committees in discharging their mandates
- Leadership of the Chairman
- Attendance, preparedness, participation, and contribution of each Director
- Oversight of risk management, internal controls, and sustainability-related matters.

The Board evaluation for FY2025 was conducted by BCAS and facilitated by the Company Secretary. Other than the provision of corporate secretarial services through BCAS, the Company Secretary does not have any connection with the Company or the Directors, in accordance with the NC Terms of Reference and the Code.

Following the evaluation, the Board is satisfied that both the Board and its Committees continue to operate effectively, and that each Director has contributed meaningfully to the Board's deliberations and oversight of the Group. Where appropriate, the Board and the NC will continue to consider follow-up measures to further enhance Board effectiveness, including Board renewal, succession planning, and director development initiatives.

CHAPTER B: REMUNERATION MATTERS

This Chapter sets out the Company's governance practices relating to:

- Principle 6: Procedures for Developing Remuneration Policies
- Principle 7: Level and Mix of Remuneration
- Principle 8: Disclosure on Remuneration

B.1 REMUNERATION GOVERNANCE FRAMEWORK**(Principle 6; Provisions 6.1, 6.2, 6.3 and 6.4)**

The Board has established a formal and transparent framework for developing remuneration policies and for determining the remuneration packages for Directors and Key Management Personnel ("KMP"). The Board recognises that remuneration is an important component of the Company's overall governance framework and should be designed to support the long-term success of the Group by attracting, retaining capable leaders, and aligning remuneration outcomes with the creation of sustainable value for shareholders.

The Board has delegated to the RC the responsibility of reviewing and making recommendations to the Board on the remuneration framework for the Board and KMP, as well as the specific remuneration packages and terms of employment for each Director and KMP. In carrying out its role, the RC seeks to ensure that the remuneration framework remains fair, competitive and aligned with the Group's strategic objectives and long-term interests.

The Board is mindful that remuneration should not encourage excessive risk-taking or reward short-term outcomes at the expense of sustainable performance. The Company's remuneration policies for KMP are guided by principles designed to align remuneration with shareholder interests, motivate appropriate behaviours and support rigorous and effective implementation. These principles are described further below and are complemented by the more detailed disclosures under B.2 Level and Mix of Remuneration and B.3 Disclosure on Remuneration of this CG Report.

Composition of the RC

Member	Position
Mr. James Toh Ban Leng <i>Lead Independent Director</i>	Chairman
Mr. Loh Kin Wah <i>Independent Non-Executive Director</i>	Member
Mr. Tham Min Yew <i>Non-Independent Non-Executive Director</i>	Member

The RC comprises of three (3) Non-Executive Directors, of whom two (2), including the RC Chairman, are independent. The Board considers the composition of the RC appropriate, as it supports objective judgement and independent oversight in the review of remuneration matters.

Principle Responsibilities of the RC

Responsibility Area	Scope
Remuneration framework	Reviews and recommends to the Board the general framework of remuneration for the Board and KMP
Specific remuneration packages	Reviews and recommends to the Board the specific remuneration packages and terms of employment for each Director and KMP
Long-term incentives	Reviews whether Executive Directors (if any) and KMP should be eligible for benefits under long-term incentive schemes
Share plans	Administers any share plan established by the Company from time to time
Related employees	Reviews and approves bonuses, pay increases and/or promotions for employees related to Directors, the CEO and/or substantial shareholders
Alignment and performance	Seeks to ensure that remuneration, including fees and benefits, aligns with the Company's long-term interests, is performance-related where appropriate, and is comparable with industry practices

The RC has full discretion to invite any Director, member of Management or external consultant to attend its meetings, where this would assist the RC in the discharge of its responsibilities. At the same time, the Company maintains clear safeguards against conflicts of interest in remuneration decisions.

No Director is involved in deciding his or her own remuneration, or in the review of his or her own performance or terms and conditions of service. For the financial year under review, the Company had no Executive Directors.

Guiding Principles of the Company's Remuneration Policy for KMP

Philosophy	Guiding Principles
Shareholder and business alignment	Build sustainable value in alignment with shareholder interests; attract and retain key talent; maintain a cost-effective compensation system aligned with the Company's strategic goals; foster an ownership mindset to support the long-term success of the Company
Motivate the right behaviours	Pay for performance; align, differentiate and balance rewards according to country, business unit and individual performance; strengthen line-of-sight between rewards and performance goals; adopt robust target-setting that takes shareholder expectations and the foreseeable performance horizon into account; foster Group-wide interest to drive performance
Fair, appropriate and effective implementation	Maintain rigorous governance standards; exercise appropriate flexibility to meet strategic business needs and practical implementation considerations; facilitate employee understanding of remuneration programmes; and disclose the relationship between remuneration, performance and value creation for shareholders and other stakeholders

The RC also considers all aspects of remuneration, including termination terms, to ensure that these are fair and not unduly onerous. This is intended to ensure that contractual arrangements are appropriate in the circumstances and do not reward poor performance. The Board regards this as an important aspect of remuneration governance.

The RC may, where appropriate, seek advice from external remuneration consultants in connection with remuneration matters. Where any remuneration consultant is engaged, the Company will disclose in the annual report the identity of the consultant, the nature and scope of the engagement, and whether the consultant has any relationship with the Company which would affect its independence and objectivity.

For FY2025, no financial consultant had been engaged.

The Board is of the view that the Company's remuneration governance framework, together with the role and composition of the RC, provides an appropriate basis for the development and oversight of remuneration policies that are fair, transparent and aligned with the long-term interests of the Company.

B.2 LEVEL AND MIX OF REMUNERATION

(Principle 7; Provisions 7.1, 7.2 and 7.3)

The Board believes that the level and structure of remuneration for the Board and KMP should be appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the Group's strategic objectives, operating environment and long-term business needs. The Company's remuneration framework is therefore designed to attract, retain and motivate capable leaders, while reinforcing accountability, prudent risk-taking and long-term value creation for shareholders and other stakeholders.

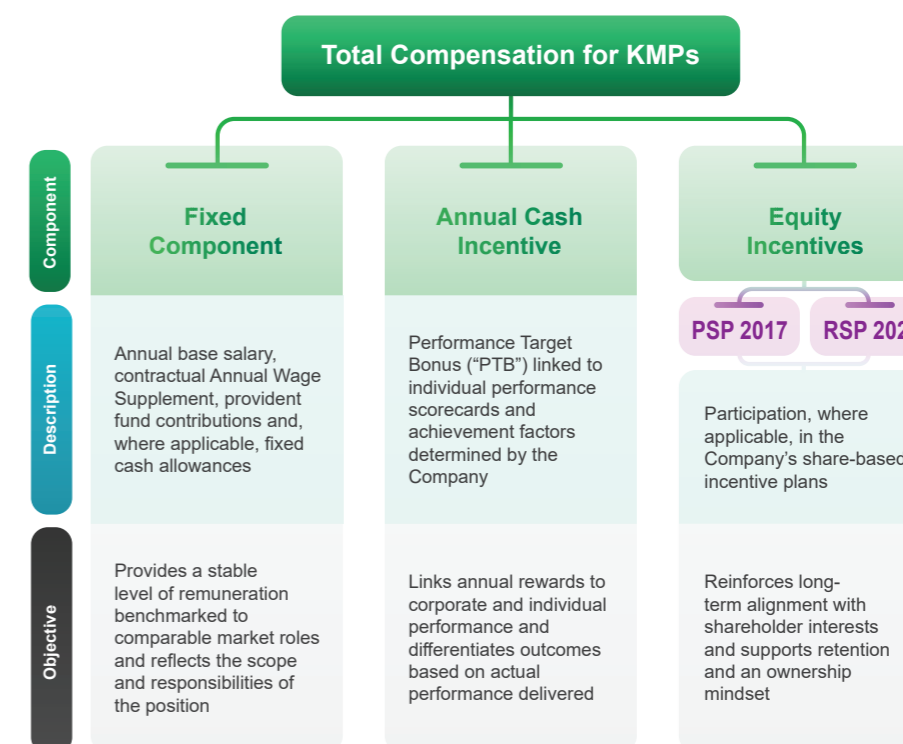
A significant and appropriate proportion of remuneration for Executive Directors (if any) and KMP is structured so as to link rewards to corporate and individual performance. The Company seeks to maintain an appropriate balance between fixed and variable remuneration components, such that remuneration outcomes reflect not only the market value of the role, but also the achievement of performance objectives and the creation of sustainable value over time. In addition, the use of equity-linked incentives is intended to strengthen alignment with shareholder interests and to promote an ownership mindset among participants.

For FY2025, the Company does not have any Executive Directors.

The remuneration framework described below therefore applies principally to KMP, while the remuneration of the Non-Executive Chairman and the Non-Executive Directors is considered separately, having regard to their respective responsibilities, time commitment and contributions to the affairs of the Company.

Remuneration Structure for Key Management Personnel

For FY2025, the remuneration structure for KMP comprised the following principal components:



Fixed Component

The fixed component is intended to provide a competitive and stable base, taking into account market conditions, the complexity of the role and the experience of the individual.

The annual base salary review occurs in the first (1st) quarter of each year. The RC approves the salary increment budget, taking into account market trends, compensation positioning, business outlook and the profitability of the Group as a whole.

Variable Component

The variable component is intended to reward performance, taking into account both Company and individual outcomes. The equity component, where granted, is intended to promote long-term alignment and support the sustainable success of the Company.

(a) Annual Cash Incentive

The variable annual bonus for KMP is delivered through a PTB framework. Under this framework, performance is assessed based on an individual performance scorecard and achievement factors determined by the Company. The resulting incentive outcomes are also subject to review and moderation by the RC, which takes into account the context in which performance is delivered and whether the outcomes are appropriate in the circumstances.

The annual incentive pool is determined having regard to the Company's overall performance, after which the pool is allocated among the relevant KMP based on their individual contributions, assessed by reference to the achievement of Objectives and Key Results. This approach is intended to preserve a clear link between rewards, Company performance, and individual accountability.

(b) Equity Incentives

The Company uses share-based incentive plans as part of its broader remuneration framework to strengthen alignment between management and shareholders and to support retention of key talent over the longer term. The grant of share awards is intended to reinforce an ownership mindset and encourage sustained performance, rather than short-term decision-making.

The principal share-based incentive plans under the Company's existing remuneration framework are as follows:

Scheme	Description
AEM Employee Share Option Scheme 2014 ("ESOS 2014")	Approved and adopted on 25 April 2014; No share options have been granted since early April 2020; The RC approved the termination of the ESOS 2014 with effect from 25 March 2023, without prejudice to rights accrued under subsisting options
AEM Performance Share Plan 2017 ("PSP 2017")	Approved and adopted on 27 April 2017 and subsequently amended and approved on 24 April 2024; Does not apply to Non-Executive Directors; Intended as a reward for a select group of key strategic senior management executives subject to performance conditions based on target levels of Return on Equity and Total Shareholders' Returns for a period of three (3) years.
AEM Restricted Share Plan 2024 ("RSP 2024")	Approved and adopted on 24 April 2024; Intended for recruitment, retention and reward of a broader base of middle and senior management executives and high-potential employees.

In assessing performance outcomes, the Company also considers the extent to which senior management demonstrates behaviours and values that support the Group's long-term success and risk culture.

These include:

- innovation;
- customer and employee focus;
- ethical and trustworthy conduct; and
- agility and operational excellence.

The foregoing values serve not only as cultural values but also as the core enablers of encouraging professional business conduct and good risk behaviours of the employees. Employees' demonstration of these values and behaviours in their work forms part of the overall assessment of how performance is delivered, and are used in the determination of overall performance rating on a blended qualitative and quantitative assessment. On a yearly basis, the RC evaluates the extent to which each of the senior management has delivered on the corporate and individual goals and objectives, to approve the compensation for senior management.

The specific corporate and individual performance targets applicable to senior management are not disclosed, as such disclosure would be commercially sensitive and may prejudice the Company's business interests.

The Board and the RC consider the use of such equity-linked incentives to be an important element of the Company's remuneration framework, as they link part of remuneration to the long-term performance of the Company and the interests of shareholders.

Remuneration of Non-Executive Directors

The remuneration of the Non-Executive Chairman and the Non-Executive Directors consists of directors' fees. In reviewing Non-Executive Directors' fees, the RC takes into account the responsibilities of the appointment, the effort and time spent, participation in Board and Board Committee activities, changes in the scope and complexity of the Group's business, relevant corporate governance and regulatory developments, and industry practices. The RC reviews Non-Executive Directors' fees annually and makes recommendations to the Board and shareholders for endorsement and approval at the annual general meeting.

Executive Directors (if any) are not entitled to Director's fees.

For FY2025, the Directors' fee framework was as follows:

Remuneration Component	Annual Amount (\$\$)				
	Board	ARC	NC	RC	SC
Chairman	327,000 ¹	24,000	24,000	8,000	- ²
Member	60,000	12,000	4,000	4,000	4,000
Lead Independent Director	68,000	-	-	-	-

Notes:

1. Mr. Loke Wai San is the Non-Executive Chairman of the Company. His annual remuneration comprises a single all-in Chairman's fee of S\$327,000, in lieu of and not in addition to any separate Board Committee chairman or membership fees.
2. Mr. Loke Wai San is the Chairman of the SC.

In determining the differential fee levels, the RC also takes into account the additional responsibilities, time commitment and leadership duties associated with Board Committee chairmanships and the role of the Lead Independent Director.

After reviewing the roles and responsibilities of the Directors, changes in the business and operating environment, regulatory and governance developments, and prevailing industry practices, the RC is satisfied that the current Directors' fee framework remains appropriate.

For the financial year ending 31 December 2026, the RC has recommended aggregate Directors' fees of up to S\$960,000 (FY2025: actual paid S\$817,667), payable quarterly in arrears. The proposed fee pool was considered against prevailing market practice and peer benchmarks, taking into account the size, community and governance requirements of comparable listed companies.

Alignment with Long-Term Value Creation

The Board and the RC seek to ensure that the remuneration framework remains competitive, fair, and aligned with the long-term interests of the Company and its stakeholders. In designing and reviewing the remuneration structure, the Company seeks to:

- maintain remuneration at a level that is sufficient to attract and retain directors and KMP of the calibre required to lead and oversee the Group effectively;
- differentiate rewards according to Company and individual performance;
- support the achievement of strategic objectives;
- reinforce long-term value creation and ownership mindset; and
- ensure that remuneration outcomes do not encourage excessive risk-taking or reward unsustainable performance.

The Board is of the view that the Company's remuneration framework provides an appropriate balance between fixed and variable components, and between annual and longer-term incentives, such that remuneration outcomes support sustainable performance and are aligned with the long-term interests of shareholders.

B.3 DISCLOSURE ON REMUNERATION

(Principle 8; Provisions 8.1, 8.2 and 8.3)

The Company seeks to be transparent on its remuneration policies, the level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation. The Board recognises that clear remuneration disclosure supports accountability to shareholders and provides context for understanding how remuneration outcomes align with the Group's performance, strategic objectives, and long-term value creation. The disclosures below should be read together with each of B.1 Remuneration Governance Framework and B.2 Level and Mix of Remuneration of this CG Report.

For FY2025, the Company does not have any Executive Directors.

Remuneration of Directors and the CEO

(Provision 8.1(a))

The remuneration of each individual Director, together with a breakdown of the gross remuneration paid by the Company and its subsidiaries for FY2025, is set out in the table below:

Directors' Remuneration Earned in FY2025

Director	Directors' Fees	Shares	Other Benefits in Kind	Total
	S\$	S\$	S\$	S\$
Mr. Loke Wai San ¹	327,000	–	–	327,000
Mr. James Toh Ban Leng	92,000	–	–	92,000
Mr. Loh Kin Wah	72,000	–	–	72,000
Mr. Chok Yean Hung	76,000	–	–	76,000
Ms Chou Yen Ning @ Alice Lin	84,000	–	–	84,000
Mr. Tham Min Yew ²	36,000	–	–	36,000
Mr. André Andonian ³	88,000	–	–	88,000
Dr. Yeo Yee Chia	42,667	–	–	42,667
	817,667	–	–	817,667

Notes:

1. Mr. Loke Wai San is the Non-Executive Chairman of the Company. His annual remuneration comprises a single all-in Chairman's fee of S\$327,000, in lieu of and not in addition to any separate Board Committee chairman or membership fees.
2. In accordance with the relevant fee arrangement, Mr. Tham Min Yew's Director's fees are paid to Temasek International Pte. Ltd., his employer. For FY2025, S\$36,000 represents fees paid prior to the effective date of Temasek International Pte. Ltd.'s revised policy on employees holding board appointments. Following that policy change, no further Directors' fees were paid in respect of his Board appointment.
3. In accordance with the relevant fee arrangement, Mr. André Andonian's Director's fees are paid to Andonian Advisory Pte. Ltd., his employer.
4. Where no remuneration was payable under a particular component, "–" is used instead of "0" for ease of presentation.

CEO's Remuneration Earned in FY2025

The table below sets out the remuneration earned by the individuals who served as the Chief Executive Officer during FY2025, following the leadership transition that took effect on 28 July 2025.

CEO	Fixed Component	Annual Cash Incentive	Equity Incentives	Other Benefits	Total
	S\$	S\$	S\$	S\$	S\$
Mr. Samer Kabbani ¹	549,381	739,718	944,965 ³	50,567	2,284,721
Ms. Leong Chunyi Yin ²	317,601	152,451	1,908,201 ⁴	55,500	2,433,753

Notes:

1. Mr. Samer Kabbani was appointed to hold office as CEO of the Company with effect from 28 July 2025. In making the appointment, the Board took into account Mr. Samer Kabbani's leadership experience within the Group since 2020, including his service as the President & Chief Technology Officer, and his role in leading AEM's next-generation test technology roadmap. The Board considered that an internal succession would support leadership continuity and the Group's strategic and technological development. For transparency, the aggregate remuneration disclosed represents the total remuneration paid to him during FY2025 both in his capacity as Chief Executive Officer from 28 July 2025 and the executive role he held as the President & Chief Technology Officer before that date.
2. Ms. Leong Chunyi Yin ceased to hold office as CEO of the Company with effect from 27 July 2025 as part of a Board-led leadership realignment to support the Company's next phase of growth.
3. Mr. Samer Kabbani's share-based incentives and awards for FY2025 comprised awards granted under the PSP 2017 and the RSP 2024. The amount recognised for FY2025 was based on the fair value of these awards amortised over their three-year vesting periods. These include: (i) 800,000 PSP 2017 and 400,000 RSP 2024 awards respectively granted with effect from 1 September 2025; (ii) 205,700 PSP 2017 awards granted with effect from 2 June 2025; (iii) 369,956 RSP 2024 awards granted with effect from 1 April 2025; (iv) 241,654 PSP 2017 awards granted with effect from 1 June 2024; (v) 226,490 PSP 2017 awards granted with effect from 1 April 2024; (vi) 149,030 PSP 2017 awards granted with effect from 3 April 2023; and (vii) 99,350 PSP 2017 awards granted with effect from 4 April 2022.
4. Ms. Leong Chunyi Yin's share-based incentives and awards for FY2025 comprised awards granted under the PSP 2017 and the RSP 2024. The amount recognised for FY2025 was based on the fair value of these awards amortised over their three-year vesting periods. These include: (i) 447,300 PSP 2017 awards and 447,300 RSP 2024 awards granted with effect from 2 June 2025; and (ii) 256,849 PSP 2017 awards and 256,849 RSP 2024 awards granted with effect from 1 June 2024. In FY2025, 85,616 RSP 2024 shares were vested. Following Ms. Leong's cessation as CEO, 704,149 PSP 2017 awards and 618,533 RSP 2024 awards were forfeited. In addition, a total of 1,322,682 shares were transferred pursuant to contractual obligations.

The Board is of the view that the disclosure in the above Table provides shareholders with meaningful transparency on the remuneration outcomes for the Directors and the CEO for the financial year under review.

Remuneration of Key Management Personnel

(Provision 8.1(b))

The remuneration of the top five (5) KMP who are not Directors or the CEO is set out in the Table below. Their remuneration is disclosed in bands no wider than S\$250,000, together with a breakdown of remuneration by component in percentage terms. The aggregate total remuneration paid to such KMP is also disclosed.

The aggregate remuneration paid to the top five (5) KMP (who are not directors or the CEO) for FY2025 was S\$2,720,331.

The Board has, on review, decided to disclose the remuneration of KMP who are not Directors or the CEO in remuneration bands, rather than by exact remuneration, having regard to the competitive environment in which the Group operates, the specialist nature of the industry and the potential risk of staff attrition or poaching. The Board believes that this disclosure approach strikes an appropriate balance between transparency to shareholders and the protection of the Company's commercial interests.

For FY2025, the Company's top five (5) KMP are Mr. Kwek You Cheer (Group Chief Financial Officer), Mr. Chua Tat Ming (Chief Operating Officer), Mr. Samir Mowla (Chief of Staff), Mr. Mark Yaeger (Senior Vice President, Global Sales) and Mr. Samson Mah Chang Jun (General Counsel).

Key Management Personnel Remuneration Breakdown for FY2025

Remuneration Band	No. of KMP	Fixed Component	Variable Component		Other Allowance	Total
			Annual Cash Incentive	Equity Incentives		
S\$	#	%	%	%	%	%
<250,000	1	80	11	2	7	100
250,001 – 500,000	1	66	19	11	4	100
500,001 – 750,000	3	58	24	16	2	100

Notes:

- The table above sets out the remuneration of at least the top five (5) KMP who are not Directors or the CEO, in bands no wider than S\$250,000, together with a percentage breakdown of the gross remuneration for FY2025.
- The percentage breakdown for each individual should total 100%.

Employees Who Are Substantial Shareholders or Immediate Family Members of a Director, the CEO or a Substantial Shareholder

(Provision 8.2)

For FY2025, there was no employee who was a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S\$100,000.

Employee Share Schemes and Share-Based Incentives

(Provision 8.3)

The Company maintains share-based incentive plans as part of its broader remuneration framework to align the interests of management and employees with those of shareholders, support the retention of key talent and reinforce a long-term ownership mindset.

In consultation with an external consultant, the Company developed a long-term incentive regime comprising the Restricted Share Plan 2024 ("RSP 2024") and the Performance Share Plan 2017 ("PSP 2017"), as amended. The RSP 2024 is intended to recruit, retain and reward a broader base of middle and senior management executives and high-potential employees, while the amended PSP 2017 is intended for a select group of key strategic senior management executives.

Under the RSP 2024, awards typically vest over three (3) years, with approximately one-third of the total award vesting at the end of each year. Under the amended PSP 2017, performance conditions include Total Shareholders' Return and Return on Equity, and awards are subject to a minimum vesting period of three (3) years.

To provide discipline over potential dilution, the Company has adopted an annual limit of 0.5% of the total number of issued shares for each of the RSP 2024 and the amended PSP 2017. In addition, the aggregate number of shares issued or issuable under the RSP 2024, the amended PSP 2017 and any other share incentive schemes of the Company then in force shall not exceed 10% of the total number of issued shares of the Company from time to time. The AEM RSP 2024 is also subject to a further scheme-specific limit, under which the aggregate number of new shares under the plan shall not exceed 5% of the total number of issued shares of the Company from time to time. For the purposes of the foregoing limits, references to the total number of issued shares of the Company in this paragraph exclude treasury shares.

The amended PSP 2017 does not apply to Non-Executive Directors or controlling shareholders. With regard to the RSP 2024, accelerated vesting of awards is not automatic (upon the occurrence of certain events before the completion of the vesting period, such as a takeover offer becoming or being declared unconditional) and remains subject to the discretion of the RC. The RC considers relevant circumstances on a case-by-case basis, having regard to the overall contributions made by the relevant award holder.

The principal features of the Company's share-based incentive plans are summarised below:

Scheme	Purpose / Participant Group	Key Performance / Vesting Features	Scheme Limits	Key Safeguards
RSP 2024	Broader base of middle and senior management executives and high-potential employees	Typical vesting over 3 years; approximately one-third per year	0.5% annual limit per plan; subject to 10% aggregate cap across all schemes; further subject to a scheme-specific cap of 5%	Accelerated vesting only at RC discretion on a case-by-case basis
PSP 2017 (as amended)	Select group of key strategic senior management executives	Performance conditions include Total Shareholder Returns and Return On Equity; minimum three (3) year vesting	0.5% annual limit per plan; subject to 10% aggregate cap across all schemes	Does not apply to Non-Executive Directors or controlling shareholders

CHAPTER C: ACCOUNTABILITY AND AUDIT

This Chapter sets out the Company's governance practices relating to:

- Principle 9: Risk Management and Internal Controls
- Principle 10: Audit and Risk Committee

C.1 Risk Governance Framework

(Principle 9; Provisions 9.1 and 9.2)

The Board is responsible for the governance of risk and oversees the Group's risk management framework and internal control systems. In carrying out this responsibility, the Board seeks to ensure that Management maintains sound risk management and internal control systems to safeguard the interests of the Company and its shareholders, support informed decision-making and enable the Group to pursue its strategic objectives within an appropriate risk appetite. The Code expressly places responsibility on the Board to determine the nature and extent of the significant risks the Company is willing to take in achieving its strategic objectives and value creation.

The Board has delegated oversight of the Group's risk management and internal control framework to the ARC, which assists the Board in reviewing the adequacy and effectiveness of the Group's internal controls and risk management systems, including the disclosures to be included in the annual report. The ARC Terms of Reference specifically provide that the ARC is to advise the Board on the Company's overall risk tolerance and strategy, oversee current risk exposures and future risk strategy, review the Company's capability to identify and manage new risk types, review reports by the Risk Working Group, and review and approve the annual report statements concerning the adequacy and effectiveness of internal controls and risk management systems.

The Board, with the assistance of the ARC, reviews the adequacy and effectiveness of the Group's risk management and internal control systems at least annually. In line with the Practice Guidance, the Board's commentary includes the principal risk categories faced by the Group and how these risks are being managed or mitigated.

Risk Category	Management Approach
Financial risk	Financial controls and reporting processes are established and subject to review by Management, the ARC and the Board. The Board receives assurance from the CEO and CFO that the financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances.
Operational risk	Management monitors operational risks across the Group and implements internal controls and operating procedures to address them. Major investments, acquisitions and disposals are subject to due diligence, risk-benefit analysis and Board approval, and are required to be aligned with the Group's strategies and hurdle rates.
Compliance risk	The Group maintains compliance-related controls and monitoring processes. The ARC also oversees the Company's risk of becoming subject to, or violating, sanctions laws and monitors related disclosures and responses.
Information technology risk	The Group maintains IT controls, maintenance and monitoring methodologies to address risks such as system disruption, cyber threats, viruses, scams and malicious attacks. The Group also adopts structured implementation and testing of software and applications, and measures to safeguard data security, prevent information loss and support business continuity.
Investment / transaction risk	Investments, major acquisitions and disposals are undertaken only after due diligence and risk-benefit analysis, and must be in line with the Group's strategies. Proposals are evaluated against minimum hurdle rates and tabled for Board approval.

The Board recognises that no internal control system can provide absolute assurance against the occurrence of material errors, poor business judgement, human error, losses, fraud or other irregularities.

The Group's risk management and internal control systems are therefore designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable but not absolute assurance as to the adequacy and effectiveness of those systems.

Management Assurances

(Provision 9.2)

For FY2025, the Board has received assurance from the CEO and the CFO that:

- the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and
- the Company's risk management and internal control systems are adequate and effective in addressing the Group's material risks.

The Board has also received assurance from the CEO and the CFO that the Group's risk management and internal control systems are adequate and effective in addressing the Group's key financial, operational, compliance, and information technology risks.

To support the provision of these assurances, the Company has established an internal assurance reporting framework under which the relevant business units and functions across the Group provide structured confirmations on matters within their respective areas of responsibility, including the adequacy and effectiveness of the controls and processes maintained by them. The CEO and the CFO oversee this process, review the key assurance inputs received and consider the outcome of such reviews before providing their assurances to the Board.

The ARC and the Board review the Group's risk management and internal control systems regularly to reflect changes in market conditions, business activities, and the external environment.

Based on the internal controls established and maintained by Management, the work carried out by the internal auditors, the reviews undertaken by the external auditors, reviews performed by Management, the Board Committees and the Board, and the assurances received from the CEO and CFO, the Board is of the opinion, with the concurrence of the ARC, that the Group's risk management and internal control systems in place for FY2025 were adequate and effective in addressing the Group's material financial, operational, compliance, and information technology risks.

The Board has also noted that there was no material change during FY2025 in the risk of the Company being subject to any sanctions law. Nevertheless, the Board remains vigilant in monitoring this risk in light of the evolving geopolitical environment.

C.2 Audit and Risk Committee

(Principle 10; Provisions 10.1, 10.2, 10.3, 10.4 and 10.5)

The Board has established an ARC to assist the Board in the discharge of its responsibilities relating to financial reporting, internal controls, risk management, internal and external audit, whistleblowing and related party and interested person transactions. The Board considers the ARC a key component of the Group's governance framework, as it supports the integrity of the Group's financial reporting and strengthens oversight of the Group's control environment. The ARC operates under written terms of reference approved by the Board, which set out its authority and responsibilities.

Composition of the ARC

(Provision 10.2)

The ARC comprises three (3) Non-Executive Directors, of whom two (2) are independent directors and one is non-independent non-executive director. The Chairman of the ARC is an Independent Director.

The Board is satisfied that the members of the ARC collectively possess the recent and relevant accounting, financial, audit, risk management and industry experience required to discharge the ARC's responsibilities effectively. In particular, Ms Chou Yen Ning @ Alice Lin brings relevant financial expertise to the ARC, having obtained a Bachelor of Science in Finance and Business Administration from the University of California, Berkeley Haas School of Business.

ARC Composition

Member	Position
Ms Chou Yen Ning @ Alice Lin <i>Independent Non-Executive Director</i>	Chairman
Mr James Toh Ban Leng <i>Lead Independent Non-Executive Director</i>	Member
Mr Chok Yean Hung <i>Non-Independent Non-Executive Director</i>	Member

The ARC held four (4) meetings in FY2025. The attendance of each ARC member at ARC meetings is set out in A.3 Board Meetings, Attendance and Access to Information section of this CG Report.

The Board considers the composition of the ARC appropriate, having regard to the skills and experience of its members and the need for objective and independent judgement in the oversight of financial reporting, audit and risk matters.

Role and Responsibilities of the ARC

(Provision 10.1)

The ARC's principal responsibilities include:

- reviewing the half-year and full-year financial statements and related announcements before submission to the Board for approval, with particular focus on significant financial reporting issues, major risk areas, significant adjustments resulting from the audit, the going concern basis, compliance with accounting standards and compliance with the SGX-ST Listing Manual and applicable statutory and regulatory requirements;
- reviewing the independence and objectivity of the external auditors annually, as well as the nature, scope and results of the external audit;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;
- reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, including disclosures to be made in the annual report;
- reviewing the Company's procedures for detecting fraud, including the whistleblowing policy and arrangements for staff to raise concerns in confidence; and
- reviewing interested person transactions and related party transaction controls within the scope of the SGX-ST Listing Manual.

The ARC also reports its findings and recommendations to the Board on matters arising from its reviews and undertakes such other reviews and projects as may be requested by the Board.

Financial Reporting Oversight

(Provision 10.1(a))

The ARC assists the Board in monitoring the integrity of the Company's half-year and full-year financial statements and related announcements. In reviewing the financial statements, the ARC considers whether accounting standards have been consistently applied across the Group and whether the disclosures in the financial statements are clear, balanced and sufficient to enable shareholders to make an informed assessment of the Group's financial position and performance.

In particular, the ARC reviews significant financial reporting issues and judgements, changes in accounting policies and practices, major areas of estimation and judgement, significant adjustments arising from the audit process, the going concern basis of preparation, compliance with accounting standards, and compliance with applicable SGX-ST and statutory requirements. The ARC then reports its views and recommendations to the Board.

External Auditors**(Provision 10.1(d))**

The appointment of the external auditors is subject to shareholder approval at each annual general meeting.

The ARC reviews the independence, objectivity, adequacy of resources, engagement quality, and effectiveness of the external auditors annually and makes recommendations to the Board on the selection, appointment, re-appointment and, where appropriate, removal of the external auditors, as well as their remuneration and terms of engagement.

For FY2025, KPMG LLP was the external auditor of the Company, and also acted as auditor for significant subsidiaries of the Group, including AEM Singapore Pte. Ltd. and CEI Pte. Ltd. Other subsidiaries within the Group were audited by either other member firms of KPMG International Limited or local non-KPMG auditors, depending on the jurisdiction and circumstances.

The fee snapshot below highlights the fees paid or payable to KPMG LLP, as well as the aggregate fees paid or payable to other audit firms across the Group. Further details are set out in Note 22 to the financial statements.

External Auditor and Group Audit Fee Snapshot for FY2025

Fees paid / payable	S\$'000
Audit fees paid / payable to KPMG LLP	552
Non-audit fees paid / payable to KPMG LLP ^{1,2}	48
Audit fees paid / payable to other audit firms across the Group ³	128
Non-audit fees paid / payable to other member firms of with KPMG International Limited ⁴	138
Total Audit Fees across the Group	680
Total Non-Audit Fees across the Group	186
Total Aggregate Fees across the Group	866

Notes:

- The non-audit services provided by KPMG LLP during FY2025 related primarily to tax compliance services.*
- The non-audit fees paid or payable to KPMG LLP represented approximately 8.7% of the audit fees paid or payable to KPMG LLP for FY2025.*
- This amount comprises audit fees paid or payable to other member firms of KPMG International Limited and local non-KPMG auditors in respect of other subsidiaries within the Group.*
- The non-audit services provided by other firms affiliated with KPMG International Limited during FY2025 related primarily tax compliance services.*

The ARC reviewed the nature and extent of the non-audit services provided by KPMG LLP and other member firms of KPMG International Limited during FY2025 and is satisfied that such services did not prejudice the independence or objectivity of the external auditors of the Company. The ARC also reviewed and considered the independence of KPMG LLP and the quality of the audit services provided throughout the financial year, and is satisfied that KPMG LLP has maintained its independence and discharged its responsibilities as external auditor of the Company effectively.

The external auditors also provided regular updates to the ARC on relevant changes to accounting standards and the implications of such changes for the Group's financial statements.

Accordingly, the ARC has recommended to the Board the re-appointment of KPMG LLP as the external auditors of the Company subject to shareholders' approval at the forthcoming 2026 AGM, and the Board has concurred with the ARC's recommendation.

In recommending the re-appointment of KPMG LLP, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of auditing firms for FY2025.

Internal Audit**(Provision 10.4)**

The Group's internal audit function is outsourced to RSM Risk Advisory Pte Ltd, an independent professional firm. The ARC approves the appointment, removal, evaluation and fees of the outsourced internal audit function. The internal auditors report directly to the ARC on internal audit matters and administratively to the CFO. The internal auditors have unfettered access to the ARC, the Company's documents, records and personnel, and have the appropriate standing within the Company.

RSM Risk Advisory Pte Ltd is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications and experience. The ARC reviews the independence, adequacy and effectiveness of the internal audit function annually, taking into account the scope of work performed, the quality of the internal audit reports, the qualifications and experience of the internal auditors, the adequacy of resources and the independence of the function from the activities it audits. The ARC is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

Meetings with Auditors Without Management**(Provision 10.5)**

ARC meets with the external auditors and the internal auditors, in each case without the presence of Management, at least annually.

These in-camera sessions provide the ARC with free and unfiltered access to the auditors and support candid discussion of audit findings, internal control issues, management responses and any matters that the auditors may wish to raise independently.

The Board considers these arrangements important to maintaining the ARC's objectivity and the effectiveness of its oversight.

Whistleblowing and Investigation of Concerns**(Provision 10.1(f))**

The Company has in place a whistleblowing policy and procedures, endorsed by the ARC, under which employees and other relevant parties may, in confidence and anonymously (if they so choose), raise concerns about possible improprieties in matters of financial reporting or other matters relating to the Group and its employees.

The ARC reviews the whistleblowing arrangements and seeks to ensure that they provide for independent and proportionate investigation of concerns raised, appropriate follow-up action, and protection of whistleblowers from retaliation, reprisal or detrimental treatment for making reports in good faith. The Company is committed to maintaining a safe reporting environment and does not tolerate any form of retaliatory action against any person who raises a concern honestly and in good faith.

During FY2025, the Group reviewed and investigated reports received under its whistleblowing framework in accordance with the Group's established procedures, and the ARC was kept informed of their status and outcome. All matters have since been closed. None of the matters raised involved corruption, asset misappropriation or financial statement fraud.

The Board considers the whistleblowing framework an important component of the Group's control environment and corporate culture, as it supports early escalation of concerns and accountability in the handling of potential misconduct.

Interested Person Transactions and Related Oversight

The ARC reviews interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual and oversees the internal control procedures and arrangements for current and future related party transactions to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The ARC also reviews potential conflicts of interest and supports proper disclosure and reporting to shareholders on such matters where required.

The Board is of the view that the ARC has been given the appropriate authority and resources to discharge its responsibilities effectively, and that the ARC continues to play an important role in supporting the integrity of the Group's financial reporting, risk management and internal control environment.

CHAPTER D: SHAREHOLDER RIGHTS AND ENGAGEMENT

This Chapter sets out the Company's governance practices relating to:

- Principle 11: Shareholder Rights and Conduct of General Meetings
- Principle 12: Engagement with Shareholders
- Principle 13: Managing Stakeholder Relationships

D.1 Shareholder Rights and Conduct of General Meetings**(Principle 11; Provisions 11.1 to 11.6)**

The Company is committed to treating all shareholders fairly and equitably and to facilitating the effective exercise of shareholders' rights. The Board recognises that general meetings are an important forum for shareholder engagement, accountability, and decision-making, and seeks to ensure that shareholders are given timely, clear, and relevant information to participate meaningfully in such meetings and to vote on an informed basis. This is consistent with Principle 11 of the Code, which requires companies to treat shareholders fairly and equitably, enable them to exercise their rights, and provide a balanced and understandable assessment of the Company's performance, position, and prospects.

Participation at General Meetings**(Provision 11.1)**

The Company encourages active shareholder participation at general meetings. Shareholders are informed of general meetings through notices contained in annual reports or circulars, which are published on SGXNet and the Company's corporate website. The notices of meeting set out the rules governing the conduct of the meeting, including the manner in which shareholders may attend, ask questions and vote. Shareholders are thereby given the opportunity to participate effectively in and vote at general meetings of the Company.

A relevant intermediary may appoint more than two (2) proxies to attend and vote at the AGM. Where shareholders are unable to attend the meeting in person, the Company's Constitution permits them to appoint proxies to attend and vote on their behalf. The Company's meeting procedures are intended to facilitate orderly participation and equitable treatment of all shareholders.

Conduct of General Meetings and Voting

Governance Practice	Company Practice
Notice of general meeting	Published on SGXNet and the Company's corporate website, together with the annual report or circular, as applicable
Voting procedures	Rules and procedures governing participation and voting are communicated in the notice of meeting
Proxy voting	Shareholders may appoint proxies to attend and vote in their place; relevant intermediaries may appoint more than two (2) proxies
Voting method	All resolutions are put to vote by poll using an electronic voting system where shareholders are entitled to attend in person
Voting basis	One (1) share, one (1) vote

The Company has implemented electronic poll voting since its 2019 AGM. The Board considers poll voting to be the most transparent and equitable method of voting, as it reflects shareholders' shareholding interests on a one (1) share, one (1) vote basis and provides immediate clarity on voting outcomes. The appointment of an independent scrutineer further enforces the integrity of the voting process.

Separate Resolutions on Each Substantially Separate Issue**(Provision 11.2)**

At general meetings, each substantially separate issue is tabled as a separate resolution unless the issues are interdependent and linked so as to form one (1) significant proposal. Where resolutions are bundled, the Company explains the reasons for doing so and the material implications in the notice of meeting. Detailed information and explanatory notes on each proposed resolution are included in the notice of general meeting to enable shareholders to exercise their votes on an informed basis.

This approach supports transparency and enables shareholders to consider and vote on each matter on its own merits.

Attendance of Directors and External Auditors at General Meetings**(Provision 11.3)**

The Non-Executive Chairman, Directors of the Company, CEO and CFO attend shareholders' meetings to engage with shareholders and respond to questions relating to the affairs of the Company. The external auditors are also present to address shareholders' queries in relation to the conduct of the audit and the preparation and content of the auditors' report. Directors' attendance at the AGM held during FY2025 is disclosed in A.3 Board Meetings, Attendance and Access to Information section of this CG Report.

The Board regards the presence of Directors, CEO, CFO and the external auditors at general meetings as an important aspect of shareholder engagement, as it enables shareholders to receive responses directly from those responsible for the Company's governance, oversight and financial reporting.

Absentia Voting**(Provision 11.4)**

Provision 11.4 of the Code provides that a company's constitution should allow shareholders who are unable to attend a general meeting in person to participate in the voting process using alternative arrangements.

Under the Company's existing arrangements, shareholders may attend general meetings in person or appoint proxies to attend, speak and vote on their behalf. Shareholders who are unable to attend may submit the proxy form to appoint the Chairman of the meeting or another person as proxy, and may indicate their voting instruction in the proxy form for the proxy to vote accordingly at the meeting. Shareholders may also submit questions in advance of the meeting or raise questions during the meeting.

The Board notes that extension of voting arrangements beyond the current framework, including by voting by mail or electronic means, raises issues relating to the authentication of shareholder identity and the security and integrity of the voting process. The Company will continue to keep such arrangements under review..

The Board is of the view that shareholders are treated fairly and equitably and continue to have the opportunity to communicate their views on matters affecting the Company.

For the forthcoming 2026 AGM, the Company intends to hold the AGM physically, and shareholders may attend, raise questions in advance of, or at, the AGM, and vote in person or through the appointment of proxy.

Minutes of General Meetings**(Provision 11.5)**

The Company Secretary prepares minutes of general meetings to capture substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, together with the responses from the Board and Management.

The minutes of general meetings are published on the Company's corporate website and SGXNet within one (1) month after the meeting. Such minutes are also available to shareholders upon request.

The Board regards the publication of detailed meeting minutes as an important measure in promoting transparency and accountability to shareholders, including those who are unable to attend the meeting.

Dividend Policy**(Provision 11.6)**

The Company has established and announced a dividend policy of paying not less than twenty-five per centum (25%) of the Company's consolidated profit after tax, excluding non-recurring, one-off and exceptional items, in respect of any financial year, to shareholders.

In determining the dividends to be declared and/or recommended, the Board balances the objective of providing a satisfactory return to shareholders against the need to retain sufficient resources to support the Company's investment requirements, future expansion, and sustainable long-term growth.

Factors considered include the Company's retained earnings, financial position, capital expenditure requirements, investment plans and other relevant considerations.

For FY2025, the Board has recommended a final dividend, subject to shareholders' approval at the forthcoming annual general meeting. The recommendation reflects, among others, the Group's improved financial performance, stronger operating cash flow and strengthened balance sheet during FY2025.

Final Dividend Snapshot for FY2025

Item	FY2025
Recommended final dividend	1.3 Singapore cents per ordinary share
Ex-dividend date	7 May 2026
Record Date	8 May 2026
Payment Date	22 May 2026

The Board remains committed to reviewing the dividend policy and the appropriate level of dividend distribution each year, considering the Company's financial performance, cash flow requirements, capital needs and long-term strategic priorities.

D.2 Engagement with Shareholders**(Principle 12; Provisions 12.1, 12.2 and 12.3)**

The Company communicates regularly with its shareholders and facilitates their participation during general meetings and other dialogues to allow shareholders to communicate their views on matters affecting the Company. The Company provides avenues for communication between the Board and shareholders, and discloses in this Report the steps taken to solicit and understand shareholders' views.

The Company has in place an Investor Relations Policy ("IR Policy") which provides a framework for ongoing engagement and dialogue with shareholders and the investment community, and promotes fair and effective communication. Under the IR Policy, the Company is committed to the timely, full and accurate disclosure of information and ensures that announcements made via SGXNet are also made available on the Company's corporate website. The IR Policy is subject to periodic review by the Board and Management to ensure its continued effectiveness.

The Company endeavours to communicate regularly, effectively and fairly with shareholders and does not practise selective disclosure of material information. Where inadvertent disclosure is made to a select group, the Company will make the same disclosure publicly as promptly as possible. The Company also strives to provide pertinent and accurate information in a timely manner and to use clear and plain language in its communications with shareholders.

Shareholder and Investor Communication Channels

Engagement Channel	Company Practice
General meetings	AGM and EGM, where necessary
SGXNet announcements	Quarterly voluntary business updates, half and full-year results announcements and other material disclosures
Corporate website	Publication of announcements, financial results, annual reports and other shareholder materials
Analyst and media engagement	Analyst briefings, media interviews and results briefings
Shareholder communications	Annual reports, notices of AGM/EGM, explanatory notes, press releases
Investor relations access	Shareholders may provide feedback through investor.relations@aem.com.sg and through the investor centre on the Company's website

The Company releases its unaudited half-year results no later than forty five (45) days after the end of the relevant financial period and its unaudited full-year results no later than sixty (60) days after the end of the financial year, accompanied by the relevant press release on SGXNet and the Company's corporate website.

In addition, the Company voluntarily provides first (1st) quarter and third (3rd) quarter business updates within forty five (45) days after the said quarterly periods. For the half-year and full-year periods, the Company provides business updates together with the release of its half-year and full-year results, respectively, to keep shareholders and the investment community informed of material business developments.

These business updates provide a structured and balanced information set to the shareholders and the investment community setting out, amongst others, key financial highlights, operating cash flow and balance sheet information, revenue mix, business and market commentary, strategic priorities, outlook statements and investor relations contact details.

The Company also conducts briefings with analysts and the media in conjunction with the release of its business updates, half-year and full-year results, and the presentation materials are made available on SGXNet and the Company's corporate website.

During FY2025, the Company engaged shareholders, analysts and the investment community through a range of formal and informal communication channels. A summary of the Company's principal engagement activities during the year is set out below.

Shareholder and Investor Engagement Snapshot for FY2025

Engagement Channel	FY2025 Activity	Primary Audience	Purpose
Results briefings	Four (4) briefings conducted	Analysts, investors, media	Communicate financial performance and business updates
General meetings	One (1) AGM held	Shareholders	Enable shareholder participation and voting
SGXNet announcements	Forty three (43) announcements released	Shareholders, investors and market participants	Ensure timely and fair public disclosure

The Company's AGMs serves as the principal communication channels with shareholders and for shareholder participation. Shareholders are given the opportunity to communicate their views on various matters affecting the Company at such meetings. The Company also encourages shareholders to visit the "Investor Relations" page on the Company's corporate website for consolidated access to regularly updated information and contact channels. Shareholders and the investment community may contact the Company's investor relations team through filling the in form on the "Contact Us" page on the Company's corporate website.

The Board is of the view that the Company's investor relations arrangements provide shareholders with accessible avenues for communication and support regular, effective and fair engagement with shareholders and the investment community.

D.3 Managing Stakeholder Relationships**(Principle 13; Provisions 13.1, and 13.2)**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to act in the best interests of the Company and to support sustainable, long-term growth. The Company places importance on building and maintaining stakeholder relationships and seeks to foster open and transparent dialogue with its material stakeholders.

The Company has established a Stakeholder Engagement Policy which outlines the means and goals through which the Company promotes effective communication and engagement with its material stakeholders. The policy identifies the Company's material stakeholder groups as employees, customers, communities, government and regulatory bodies, shareholders and investors, and service providers.

Material Stakeholders and Engagement Channels

Material Stakeholder Group	Principal Engagement Channels	Key Areas of Focus
Employees	Quarterly staff communication sessions, regular dialogue sessions, surveys and performance evaluation exercises	Career development, job requirements and performance, fair employment practices, job satisfaction, recognition, benefits and welfare
Customers	Plant visits, quality system and sustainability reviews, Company's corporate website	Engineering and development capabilities, resource availability, transparency of information and timely handling of feedback
Communities	Corporate social responsibility activities	Social responsibility and development
Government / regulatory bodies	Site visits, conferences or seminars on regulatory developments, public consultations	Legal and regulatory compliance, environmental matters, working relationship and informed decision-making
Shareholders / investors	General meetings, corporate website, annual reports, investor relations management	Business continuity, shareholder value creation, shares trading and liquidity
Service providers	Site visits and calls, quality system reviews, Company's corporate website, ACRA filings and paid reports	Engineering, development and resources capabilities, financial stability and supply continuity

The Company's arrangements to identify and engage with material stakeholders support the management of its stakeholder relationships in a structured and consistent manner. The Board considers these arrangements integral in supporting the Company's pursuit of sustainable growth.

During FY2025, the Company continued to prioritise stakeholder communication and sustainability-related engagement. Detailed information on the Group's sustainability management efforts in FY2025 will be disclosed in the Sustainability Report for FY2025, which will be published on the Company's corporate website and made available on SGXNet within the timeline stipulated by the SGX-ST.

The Company also maintains a Code of Business Conduct, organised around five (5) core pillars, namely Ethics, Labour, Health & Safety, Environment, and Management Systems. The Code embodies the Company's shared values and provides a framework for decision-making, managing responsibilities and the execution of long-term strategies.

In addition, the Company has adopted a formal Code of Best Practices on Securities Transactions ("**Securities Transactions Code**") to guide its officers in relation to dealings in the Company's securities. The Securities Transactions Code applies to, among others, Directors, the CEO, the Company Secretary, finance and accounting staff, and entity and division heads across the Group.

The Securities Transactions Code prohibits dealing in the Company's securities while in possession of unpublished, material and price-sensitive information, prohibits the improper communication of such information to others. The Company announces its half-year and full-year financial results and voluntarily releases first quarter and third quarter business updates. Under the Securities Transaction Code, the Company and its officers are prohibited from dealing in the Company's securities during the relevant blackout periods, being one (1) month prior to the announcement of the Group's half-year and full-year financial results and two (2) weeks prior to the announcement of the Company's first (1st) quarter and third (3rd) quarter business updates, in each case ending on the date of the relevant announcement.

Directors and the CEO are required to obtain prior clearance from the Chairman before dealing in the Company's securities, while management staff at Vice President level and above are required to obtain prior clearance from the CEO for dealings by themselves or their immediate family members.

The Securities Transactions Code also discourages short-term trading and requires annual confirmation of compliance from management staff at Vice President level and above. The Company expects Directors and relevant employees to observe strict insider trading laws at all times, including when in possession of unpublished insider information or price-sensitive information.

Key Features of the Securities Transactions Code

Feature	Company Practice
Scope	Applies to Directors, CEO, Company Secretary, finance and accounting staff, and entity and division heads
Blackout periods	One (1) month before the announcement of the Group's half-year and full-year financial results, and two (2) weeks before the announcement of the Company's First (1st) quarter and Third (3rd) quarter business updates, in each case ending on the date of the relevant announcement.
Insider trading prohibition	No dealing in securities while in possession of unpublished, material and price-sensitive information, in each case up to the date of the relevant announcement.
Tipping prohibition	No disclosure of confidential or price-sensitive information for the advantage of self or others
Prior clearance	Directors and CEO require clearance from the Chairman; Vice President-level management and above require clearance from the CEO
Short-term trading	Officers are discouraged from engaging in short-term trading of three (3) months or less
Compliance process	Annual confirmation of compliance by management staff of VP level and above

Corporate Website

(Provision 13.3)

The Company maintains a current corporate website as a key platform for communicating and engaging with stakeholders. Information on the Company's business developments and operations, financial reports, announcements, press releases and other relevant matters is published on the corporate website which also provides access to investor relations information and other corporate materials.

The Board is of the view that the Company's stakeholder engagement arrangements, taken as a whole, support effective communication with its material stakeholders and contribute to the Group's sustainable long-term growth.



AEM Webpage



AEM Investor Relations page



AEM LinkedIn

SUMMARY OF DISCLOSURES OF THE CODE OF CORPORATE GOVERNANCE 2018

This summary of disclosures describes the Company's corporate governance practices with specific reference to the disclosure requirements under the principles and provisions of the Code. This summary should be read together with the detailed disclosures set out in the CG Report.

Principle/ Provision	Subject Matter	Location in CGR	Key Disclosure
PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS			
1.1	Role of the Board and principal functions	A.1	Board stewardship, strategic oversight, reserved matters
1.2	Director induction, training and development	A.4	Orientation, ongoing development, FY2025 updates and briefings
1.3	Matters requiring Board approval	A.1	Formal schedule of reserved matters
1.4	Delegation to Board Committees	A.2	ARC, NC, RC and SC terms of reference
1.5	Board meetings and attendance	A.3	FY2025 meeting schedule and attendance tables
1.6	Access to information	A.3	Timely circulation of papers and digital board platform
1.7	Access to Management and advice	A.3	Access to Management, Company Secretary and external advisers
PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE			
2.1	Strong and independent element on the Board	A.6	Majority independent Board
2.2	Appropriate Board size and composition	A.6	Board size, non-executive composition and Board profile
2.3	Independence of Directors	A.6	Annual independence review and list of Independent Directors
2.4	Board Diversity Policy	A.6	Diversity policy, objectives, plans and skills matrix
2.5	Meetings without Management	A.6	In camera sessions of Non-Executive and Independent Directors
PRINCIPLE 3: CHAIRMAN AND CEO			
3.1	Separation of roles of Chairman and CEO	A.5	Separate Chairman and CEO
3.2	Division of responsibilities	A.5	Written division of responsibilities table
3.3	Lead Independent Director	A.5	Role and shareholder access route
PRINCIPLE 4: BOARD MEMBERSHIP			
4.1	Establishment and composition of the NC	A.7	NC composition, majority non-executive and independent, Chairman of NC is an Independent Director
4.2	NC's duties	A.7	Succession planning, leadership structure review, evaluation process, training and appointment / re-appointment of Directors
4.3	Process for selection and appointment of new Directors	A.8	Formal and transparent selection process, criteria for new appointments, use of external search firms where appropriate
4.4	Board renewal and re-appointment of Directors	A.8	Progressive Board renewal, tenure profile, retirement, and re-election process under the Constitution
4.5	Directors' time commitments	A.9	NC review of listed directorships, principal commitments, attendance, participation, and overall contribution

Principle/ Provision	Subject Matter	Location in CGR	Key Disclosure
PRINCIPLE 5: BOARD PERFORMANCE			
5.1	Annual assessment of Board and Board Committees	A.10	Annual evaluation framework, evaluation criteria, NC oversight, and Board review
5.2	Assessment of individual Directors	A.10	Assessment of each Director's attendance, preparedness, participation, and contribution
PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES			
6.1	Formal and transparent procedure for developing remuneration policies	B.1	Formal remuneration governance framework and RC oversight of remuneration matters
6.2	Composition of the RC	B.1	RC comprises three (3) Non-Executive Directors, with a majority including the RC Chairman being independent
6.3	RC's role and safeguards against conflicts	B.1	RC remit over remuneration framework, specific remuneration packages, share plans and related employees; no Director decides his own remuneration
6.4	Engagement of remuneration consultants	B.1	No external remuneration consultant engaged in FY2025
PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION			
7.1	Level and structure of remuneration	B.2	Remuneration structured to be appropriate and proportionate to sustained performance and long-term value creation
7.2	Remuneration of Non-Executive Directors	B.2	Directors' fee framework, including Board, committee chairmanship, committee membership and Lead Independent Director fee levels
7.3	Remuneration of Executive Directors (if any) and KMP	B.2	KMP remuneration structure comprising fixed, variable and equity-linked components; alignment with long-term shareholder interests
PRINCIPLE 8: DISCLOSURE ON REMUNERATION			
8.1	Remuneration of Directors, the CEO and top five (5) KMP	B.3	Individual Directors' remuneration, CEO remuneration, top five (5) KMP remuneration in bands, and aggregate remuneration of such KMP
8.2	Related employee remuneration	B.3	Statement that there was no employee who was a substantial shareholder, or an immediate family member of a Director, the CEO or a substantial shareholder, whose remuneration exceeded S\$100,000 during FY2025
8.3	Employee share schemes and share-based incentives	B.3	RSP 2024 and PSP 2017 (as amended), vesting features, performance conditions, dilution limits and key safeguards
PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS			
9.1	Nature and extent of significant risks	C.1	Board oversight of risk governance, ARC oversight, principal risk categories and management approach
9.2	Assurance on adequacy and effectiveness of internal controls and risk management systems	C.1	CEO and CFO assurances; Board opinion, with ARC concurrence, on adequacy and effectiveness of material financial, operational, compliance and information technology controls

Principle/ Provision	Subject Matter	Location in CGR	Key Disclosure
PRINCIPLE 10: AUDIT AND RISK COMMITTEE			
10.1	Duties of the ARC	C.2	ARC oversight of financial reporting, risk management, internal controls, external audit, internal audit, whistleblowing and interested person transactions
10.2	Composition and expertise of the ARC	C.2	ARC composition, independence and relevant accounting / financial expertise
10.3	Independence and objectivity of external auditors	C.2	Annual review of external auditors' independence, objectivity, audit quality, non-audit services and recommendation for re-appointment
10.4	Internal audit function	C.2	Outsourced internal audit function, reporting lines, independence, adequacy of resources and ARC review
10.5	ARC meetings with auditors without Management	C.2	In-camera meetings with external and internal auditors without Management
PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS			
11.1	Shareholder participation at general meetings	D.1	Notices of meetings, proxy arrangements, poll voting and shareholder participation rights
11.2	Separate resolutions for substantially separate issues	D.1	Separate resolutions tabled unless issues are interdependent; explanatory notes in notices of meeting
11.3	Attendance of Directors and external auditors at general meetings	D.1	Attendance of Board, Board Committee chairmen and external auditors at shareholder meetings
11.4	Absentia voting	D.1	Current proxy arrangements; Shareholders can appoint proxy or the Chairman to vote on their behalf
11.5	Minutes of general meetings	D.1	Minutes including substantial and relevant shareholder comments and responses published on SGXNet and the corporate website
11.6	Dividend policy	D.1	Stated dividend policy, factors considered by the Board and FY2025 final dividend recommendation
PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS			
12.1	Regular, effective and fair communication with shareholders	D.2	Shareholder communication channels, results briefings, analyst / investor meetings and FY2025 engagement snapshot
12.2	Investor Relations Policy	D.2	Investor Relations Policy supporting ongoing communication
12.3	Mechanisms for shareholders to contact the Company	D.2	Shareholder access through investor relations channels on the corporate website
PRINCIPLE 13: MANAGING STAKEHOLDER RELATIONSHIPS			
13.1	Arrangements to identify and engage material stakeholder groups	D.3	Stakeholder Engagement Policy, material stakeholder groups, engagement channels and key areas of focus
13.2	Managing stakeholder relationships	D.3	Structured stakeholder engagement, sustainability-related engagement, Code of Business Conduct and Code of Best Practices on Securities Transactions
13.3	Corporate website	D.3	Current corporate website as a key platform for stakeholder communication, announcements and corporate information

The Directors submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- the financial statements set out on pages 75 to 122 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International); and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The Directors in office at the date of this statement are as follows:

Loke Wai San
James Toh Ban Leng
Loh Kin Wah
Chok Yean Hung
Tham Min Yew (Russell)
Chou Yen Ning @ Alice Lin
André Andonian
Yeo Yee Chia (Appointed on 13 May 2025)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants or share options in the Company (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year	Holdings at 21 January 2026
<u>AEM Holdings Ltd.</u>			
Loke Wai San			
- ordinary shares, fully paid (direct interest)	832,240	832,240	1,656,240
- ordinary shares, fully paid (deemed interest)	6,897,266	6,897,266	6,897,266
- share options to subscribe for ordinary shares at: - \$1.142 per share between 8 October 2020 to 6 October 2029	824,000	824,000	-
James Toh Ban Leng			
- ordinary shares, fully paid (direct interest)	10,100,000	10,100,000	10,100,000
- ordinary shares, fully paid (deemed interest)	1,208,739	1,208,739	1,208,739
Loh Kin Wah			
- ordinary shares, fully paid (deemed interest)	530,250	530,250	530,250
Chok Yean Hung			
- ordinary shares, fully paid (direct interest)	1,102,044	1,102,044	1,102,044
- share options to subscribe for ordinary shares at: - \$1.142 per share between 8 October 2020 to 6 October 2029	676,000	676,000	676,000
Chou Yen Ning @ Alice Lin			
- ordinary shares, fully paid (deemed interest)	5,050	5,050	5,050
André Andonian			
- ordinary shares, fully paid (direct interest)	272,700	272,700	272,700

By virtue of Section 7 of the Act,

- James Toh Ban Leng is deemed to have interests in the Company through his shareholding in A.C.T. Holdings Pte Ltd at the beginning and at the end of the financial year;
- Loke Wai San, Loh Kin Wah and Chou Yen Ning @ Alice Lin are deemed to have interests in the Company as their holding of the Company's shares are held in custodian accounts with financial institutions; and
- All directors except Tham Min Yew (Russell) and Yeo Yee Chia are deemed to have interests in other subsidiaries of the Company at the beginning of the financial year, and/ or at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Except as disclosed under the "Equity Compensation" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Equity compensation

Share options

The AEM Holdings Employee Share Option Scheme (the "Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 25 April 2014 and was subsequently amended and approved by its members at the Extraordinary General Meeting held on 27 April 2017. The Scheme is administered by the Company's Remuneration Committee (the "Committee") comprising the following directors:

- James Toh Ban Leng (Chairman)
- Loh Kin Wah
- Tham Min Yew (Russell)

The Scheme was terminated by the approval of the Committee with effect from 25 March 2023. The termination of the Scheme is without prejudice to the rights accrued to any options which have been granted pursuant to the Scheme and which are subsisting and have not lapsed.

No options have been granted since the termination of the Scheme. The final grant of options under the Scheme was made on 1 April 2020.

Other information regarding the Scheme is set out below:

- (i) Whilst the Scheme entitles the Company to issue options at a price which is set at a discount of up to 20% to the market price (as determined by the Committee in its absolute discretion), in practice, since the commencement of the Scheme, the Company has never issued options at a discount, but at the market price (which is the price equal to the average of the last dealt price for the shares on the Singapore Exchange over the five (5) consecutive market days immediately preceding the date of grant of the option).
- (ii) An option may be granted at any time at the absolute discretion of the Committee, provided that where price sensitive information is being announced, options may only be granted after the second market day from the date on which the announcement is released. The grant of an option shall be accepted within thirty days from the date of grant and not later than 5.00 p.m. on the thirtieth day from the date of grant.
- (iii) The Scheme provides that where options are issued at a discount to the market price ("Discount Price Options"), such options are exercisable at any time after the second anniversary of the date of grant and before the expiry of the tenth anniversary of the relevant date of grant except that in the case of Non-Executive Directors, such options will expire on the fifth anniversary of the date of grant. However, where options are issued at the market price ("Market Price Options"), they are exercisable at any time after the first anniversary of the date of grant and before the expiry of the tenth anniversary of the relevant date of grant except that in the case of Non-Executive Directors, such options will expire on the fifth anniversary of the date of grant.
- (iv) The new shares issued by the Company upon the exercise of the options shall rank in full for all dividends or other distributions declared or recommended in respect of the then existing shares and shall in all other respects rank pari passu with other existing shares of the Company.
- (v) All options are settled by delivery of shares.

At the end of the financial year, details of the options granted under the Scheme to subscribe for ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share (\$)	Outstanding at 1 January 2025	Granted	Exercised	Forfeited/ expired	Outstanding at 31 December 2025	Exercise period
15/1/2019	0.890	76,000	-	-	-	76,000	16/1/2020- 14/1/2029
7/10/2019	1.142	540,666	-	-	-	540,666	8/10/2020-6/10/2029
7/10/2019	1.142	225,334	-	-	-	225,334	8/10/2021-6/10/2029
7/10/2019	1.142	824,000	-	-	-	824,000	8/10/2022-6/10/2029
		1,666,000	-	-	-	1,666,000	

Except as disclosed above, there were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

Details of options granted to directors of the Company under the Scheme are as follows:

	Number of options to subscribe for ordinary shares				Aggregate options outstanding at 31 December 2025
	Options granted during the financial year ended 31 December 2025	Aggregate options granted since commencement of the Scheme to 31 December 2025+	Aggregate options exercised since commencement of the Scheme to 31 December 2025+	Aggregate options forfeited since commencement of the Scheme to 31 December 2025	
Directors					
Loke Wai San	-	3,757,000	(2,933,000)	-	824,000
Chok Yean Hung*	-	2,571,000	(1,219,000)	(676,000)	676,000

+ Where options were granted before date of bonus share issues on 18 April 2017 and 4 June 2018, the number of options granted was adjusted for the corresponding effect of the bonus share issues.

* Options were granted during his tenure as key executive and CEO of the Company.

Since the commencement of the Scheme, no options have been granted to the controlling shareholders of the Company or their associates and no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

No options have been granted at a discount since the commencement of the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

Performance share plan

The AEM Performance Share Plan 2017 ("PSP 2017") was approved and adopted by the Company's members at the Extraordinary General Meeting held on 27 April 2017. The Rules of the PSP 2017 were amended and adopted by the Company's members at the Annual General Meeting held on 24 April 2024, such that, amongst others, the PSP 2017 does not apply to non-executive directors or controlling shareholders, and to remove references to the Scheme.

Under the PSP 2017, the Company has absolute discretion to grant performance-based awards to eligible participants. Participants will be allotted fully paid shares after the achievement of performance targets. No minimum vesting periods are prescribed under the PSP 2017.

Details of shares awarded under the PSP 2017 are as follows:

Participants	Share awards granted during the financial year ended 31 December 2025	Aggregate share awards granted since commencement of PSP 2017 to 31 December 2025*	Aggregate share awards vested since commencement of PSP 2017 to 31 December 2025*	Aggregate share awards forfeited since commencement of PSP 2017 to 31 December 2025	Aggregate share awards outstanding at 31 December 2025
Under PSP 2017					
Directors and key executives	1,752,172	10,148,047	(7,006,674)	(1,227,169)	1,914,204

+ Where shares were awarded before bonus share issues on 4 June 2018, the number of shares awarded was adjusted for the corresponding effect of the bonus share issues.

Details of shares granted to directors under PSP 2017 are as follows:

	Share awards granted during the financial year ended 31 December 2025	Aggregate share awards granted since commencement of PSP 2017 to 31 December 2025*	Aggregate share awards vested since commencement of PSP 2017 to 31 December 2025*	Aggregate share awards forfeited since commencement of PSP 2017 to 31 December 2025	Aggregate share awards outstanding at 31 December 2025
Loke Wai San	–	1,874,333	(1,874,333)	–	–
James Toh Ban Leng	–	25,000	(25,000)	–	–
Loh Kin Wah	–	25,000	(25,000)	–	–
Chok Yean Hung*	–	1,063,333	(833,333)	(230,000)	–

+ Where shares were awarded before bonus share issues on 4 June 2018, the number of shares awarded was adjusted for the corresponding effect of the bonus share issues.

* Share awards granted during his tenure as key executive and CEO of the Company.

There are no share awards granted to any of the Company's controlling shareholders or their associates and no employee of the Company or employee of related corporations has received 5% or more of the total grant of share awards available under the PSP 2017.

Restricted Share Plan

The AEM Restricted Share Plan 2024 (the "RSP 2024") was approved and adopted by the Company's members at the Annual General Meeting held on 24 April 2024.

Under the RSP 2024, eligible participants can be awarded fully paid shares after the satisfactory completion of the identified vesting period and such other conditions as may be determined by the Remuneration Committee.

Details of shares awarded under the RSP 2024 are as follows:

Participants	Share awards granted during the financial year ended 31 December 2025	Aggregate share awards granted since commencement of RSP 2024 to 31 December 2025	Aggregate share awards vested since commencement of RSP 2024 to 31 December 2025	Aggregate share awards forfeited since commencement of RSP 2024 to 31 December 2025	Aggregate share awards outstanding at 31 December 2025
Under RSP 2024					
Employees	2,150,018	3,723,970	(480,844)	(822,393)	2,420,733

There are no share awards granted to any of the Company's directors, controlling shareholders or their associates and no employee of the Company or employee of related corporations has received 5% or more of the total grant of share awards available under the RSP 2024.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee during the year and at the date of this statement are:

- Chou Yen Ning @ Alice Lin (Chairman), Independent Director
- Chok Yean Hung, Non-Executive, Non-Independent Director
- James Toh Ban Leng, Independent Director

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The Audit and Risk Management Committee held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Loke Wai San
Director

Chou Yen Ning @ Alice Lin
Director

1 April 2026

Members of the Company
AEM Holdings Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AEM Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 122.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill (Refer to note 6 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 December 2025, the Group recorded goodwill of \$60,471,000 (2024: \$60,625,000), which represented 31% (2024: 31%) of its total non-current assets.</p> <p>As disclosed in note 6, the Group allocated the goodwill to three cash-generating units ("CGUs"). Goodwill is tested for impairment annually by estimating the recoverable amount of the CGUs. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of the CGUs.</p> <p>In determining the value-in use of the respective CGUs to which the goodwill is allocated to, management has estimated cash flow projections using key inputs and made assumptions as necessary. The key inputs and assumptions, as discussed in note 6, include pre-tax discount rate, terminal value growth rate and earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin.</p> <p>This is a key audit focus area due to significant judgement required and estimation uncertainties on the key inputs and assumptions, including the outlook of macro-economic environment and future market conditions, where significant judgements and estimates have been applied by management in determining the value-in-use.</p>	<p>We evaluated the appropriateness of the CGUs identified by management based on our knowledge of the business giving rise to the goodwill and our understanding of the current business of the Group.</p> <p>We assessed the reasonableness of the key inputs and assumptions applied by the management in their cash flow projections, taking into consideration the historical and expected performance and trends of the CGUs, management's plans and the market industry outlook. We performed sensitivity analysis, focusing on plausible changes in key assumptions or discount rate and analysed the impact to the carrying amount.</p> <p>We considered the appropriateness of the disclosures in the financial statements.</p>
<i>Findings</i>	
<p>We found the identification of CGUs to be appropriate. The assumptions and resulting estimates applied by the Group in determining the goodwill were within a reasonable range.</p> <p>We found the disclosures in the financial statements to be appropriate.</p>	

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We had obtained the Directors' statement, prior to the date of this auditors' report. The annual report other than the Directors' statement ('the Reports') are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Yeo Lik Khim.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

1 April 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Property, plant and equipment	4	35,683	35,834	6	10
Investment properties		1,511	1,600	–	–
Right-of-use assets	5	14,155	21,094	–	67
Intangible assets	6	130,252	129,828	–	15
Interests in subsidiaries	7	–	–	82,851	82,851
Trade and other receivables	10	13,441	4,437	–	–
Deferred tax assets	16	1,084	837	22	71
Non-current assets		196,126	193,630	82,879	83,014
Inventories	9	226,969	296,773	–	–
Trade and other receivables	10	120,316	138,221	100,145	108,926
Contract assets	19	858	776	–	–
Cash and cash equivalents	11	77,334	43,775	10,993	3,299
Current assets		425,477	479,545	111,138	112,225
Total assets		621,603	673,175	194,017	195,239
Equity					
Share capital	12	189,661	188,851	189,661	188,851
Reserves	13	(38,100)	(27,371)	(4,807)	(6,318)
Accumulated profits		341,207	324,218	5,971	6,256
Equity attributable to owners of the Company		492,768	485,698	190,825	188,789
Non-controlling interest		6,556	6,616	–	–
Total equity		499,324	492,314	190,825	188,789
Liabilities					
Loans and borrowings	14	9,329	15,895	–	–
Trade and other payables	15	190	282	–	–
Deferred tax liabilities	16	12,694	11,634	–	–
Provisions	17	5,449	3,648	–	–
Defined benefit obligations		1,104	1,007	–	–
Non-current liabilities		28,766	32,466	–	–
Loans and borrowings	14	7,045	78,484	–	67
Trade and other payables	15	67,450	53,736	2,667	5,710
Contract liabilities	19	9,258	7,324	–	–
Current tax payable		7,453	6,326	525	673
Provisions	17	2,307	2,525	–	–
Current liabilities		93,513	148,395	3,192	6,450
Total liabilities		122,279	180,861	3,192	6,450
Total equity and liabilities		621,603	673,175	194,017	195,239

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Revenue	19	399,338	380,410
Cost of sales		(296,822)	(282,796)
Gross profit		102,516	97,614
Other income		3,752	2,213
Research and development expenses		(23,890)	(23,684)
Selling, general and administrative expenses		(55,228)	(56,376)
Foreign exchange (loss)/gain, net		(3,988)	4,291
Other expenses		(1,163)	(6,086)
Results from operating activities		21,999	17,972
Finance income		1,807	1,009
Finance costs		(2,476)	(4,584)
Net finance costs	20	(669)	(3,575)
Share of equity-accounted investee's loss, net of tax		–	(326)
Profit before tax		21,330	14,071
Tax expense	21	(4,182)	(2,465)
Profit for the year		17,148	11,606
Profit attributable to:			
Owners of the Company		16,951	11,438
Non-controlling interest		197	168
Profit for the year	22	17,148	11,606
Earnings per share			
Basic earnings per share	23	5.40 cents	3.68 cents
Diluted earnings per share	23	5.35 cents	3.65 cents
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference – foreign operations		(10,856)	3,478
Foreign currency translation difference on loss of significant influence reclassified to profit or loss		–	600
Other comprehensive (loss)/income for the year, net of tax		(10,856)	4,078
Total comprehensive income for the year		6,292	15,684
Total comprehensive income attributable to:			
Owners of the Company		5,159	15,492
Non-controlling interest		1,133	192
Total comprehensive income for the year		6,292	15,684

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Reserve for own shares \$'000	Other reserves \$'000	Share compensation reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
Group									
At 1 January 2024	187,577	(10,091)	(10,323)	3,472	(15,958)	312,779	467,456	6,930	474,386
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	11,438	11,438	168	11,606
Other comprehensive income									
Foreign currency translation difference – foreign operations	–	–	–	–	3,454	–	3,454	24	3,478
Foreign currency translation differences on loss of significant influence reclassified to profit or loss	–	–	–	–	600	–	600	–	600
Total comprehensive income for the year	–	–	–	–	4,054	11,438	15,492	192	15,684
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Treasury shares reissued pursuant to share plans	–	920	103	(1,023)	–	–	–	–	–
Ordinary shares issued pursuant to share plans	249	–	244	(493)	–	–	–	–	–
Share option exercised	1,025	–	–	–	–	–	1,025	–	1,025
Share-based payment transactions (Note 22)	–	–	–	1,950	–	–	1,950	–	1,950
Total contributions by and distributions to owners of the Company	1,274	920	347	434	–	–	2,975	–	2,975
Changes in ownership interests in a subsidiary									
Acquisition of a subsidiary with non-controlling interest	–	–	(248)	–	22	1	(225)	(506)	(731)
Total changes in ownership interests in a subsidiary	–	–	(248)	–	22	1	(225)	(506)	(731)
Total transactions with owners	1,274	920	99	434	22	1	2,750	(506)	2,244
At 31 December 2024	188,851	(9,171)	(10,224)	3,906	(11,882)	324,218	485,698	6,616	492,314

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Reserve for own shares \$'000	Other reserves \$'000	Share compensation reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
Group									
At 1 January 2025	188,851	(9,171)	(10,224)	3,906	(11,882)	324,218	485,698	6,616	492,314
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	16,951	16,951	197	17,148
Other comprehensive income									
Foreign currency translation difference – foreign operations	-	-	-	-	(11,792)	-	(11,792)	936	(10,856)
Total comprehensive income for the year	-	-	-	-	(11,792)	16,951	5,159	1,133	6,292
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Own shares acquired	-	(1,946)	-	-	-	-	(1,946)	-	(1,946)
Ordinary shares issued pursuant to share plans	810	-	534	(1,344)	-	-	-	-	-
Treasury shares reissued for fulfilment of contractual obligation (Note 22)	-	4,427	(2,417)	-	-	-	2,010	-	2,010
Share-based payment transactions (Note 22)	-	-	-	2,257	-	-	2,257	-	2,257
Total contributions by and distributions to owners of the Company	810	2,481	(1,883)	913	-	-	2,321	-	2,321
Changes in ownership interests in a subsidiary									
Acquisition of a subsidiary with non-controlling interest	-	-	(505)	-	57	38	(410)	(1,193)	(1,603)
Total changes in ownership interests in a subsidiary	-	-	(505)	-	57	38	(410)	(1,193)	(1,603)
Total transactions with owners	810	2,481	(2,388)	913	57	38	1,911	(1,193)	718
At 31 December 2025	189,661	(6,690)	(12,612)	4,819	(23,617)	341,207	492,768	6,556	499,324

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the year		17,148	11,606
Adjustments for:			
Depreciation of property, plant and equipment	4	6,556	6,755
Depreciation of investment properties		26	28
Depreciation of right-of-use assets	5	6,734	8,188
Amortisation of intangible assets	6	11,292	9,493
Loss on disposal of property, plant and equipment	22	99	853
Write off of property, plant and equipment	22	507	327
Loss on disposal of intangible assets	22	87	-
Gain on derecognition of lease liability	22	(938)	-
Impairment loss on intangible assets	6	-	3,398
Reversal of impairment loss on trade receivables	26	(2)	(79)
Loss on disposal of an associate	22	-	2,349
Gain on disposal of other investment	22	-	(78)
Net finance costs	20	669	3,575
Foreign exchange differences arising from translation		(1,591)	1,213
Provision/(reversal) of defined benefit obligations	22	97	(52)
Share of loss of equity-accounted investee, net of tax		-	326
Equity-settled share-based payment expenses			
- Share plans	22	2,257	1,950
- Fulfilment of contractual obligation	22	2,010	-
Tax expense	21	4,182	2,465
		49,133	52,317
Changes in:			
Inventories		65,725	37,464
Trade and other receivables		(330)	(80,608)
Contract assets		(36)	781
Trade and other payables		19,580	(24,810)
Contract liabilities		1,922	(568)
Provisions		1,804	(36)
Cash generated from/(used in) operations		137,798	(15,460)
Tax paid		(1,840)	(2,079)
Net cash generated from/(used in) operating activities		135,958	(17,539)
Cash flows from investing activities			
Acquisition of intangible assets	6	(13,416)	(18,317)
Acquisition of property, plant and equipment	4	(7,735)	(5,869)
Interest received		452	1,009
Proceeds from disposal of property, plant and equipment		191	1,859
Proceeds from disposal of intangible assets		2	-
Proceeds from disposal of an associate		-	6,630
Proceeds from disposal of other investment		-	5,897
Net cash used in investing activities		(20,506)	(8,791)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from financing activities			
Interest paid	14	(2,425)	(4,561)
Repayment of borrowings	14	(100,331)	(76,611)
Payment of lease liabilities	14	(7,208)	(7,875)
Proceeds from borrowings	14	32,800	57,000
Repurchase of treasury shares		(1,946)	–
Proceeds from exercise of share options		–	1,025
Acquisition of subsidiary's interests from the non-controlling interest	8	(1,603)	(731)
Net cash used in financing activities		(80,713)	(31,753)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January		43,775	101,849
Effect of exchange rate fluctuations on cash held		(1,180)	9
Cash and cash equivalents at 31 December	11	77,334	43,775

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 April 2026.

1 Domicile and activities

AEM Holdings Ltd. (the "Company") is incorporated in Singapore and has its registered office at 52 Serangoon North Avenue 4, Singapore 555853.

The financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Company are those relating to an investment holding company. The principal activities of the subsidiaries are set out in note 7 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars ("S\$"), which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 6 - Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts;
- Note 7 - Impairment test of interests in subsidiaries.
- Note 9 - Valuation of inventories.

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2 Basis of preparation (Continued)**2.4 Use of estimates and judgements (Continued)****Measurement of fair value (Continued)**

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 18 - share-based payment

2.5 Changes in material accounting policies**New accounting standards and amendments**

The Group has adopted new accounting standards and amendments that are mandatory for application for the financial year. The adoption of these new accounting standards and amendments did not result in substantial changes to the accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in material accounting policies.

3.1 Basis of consolidation**Business combinations**

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred over; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in "other expenses" within profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is measured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in "other expenses" within profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition date fair value, unless another measurement basis is required by SFRS(I)s.

3 Material accounting policies (Continued)**3.1 Basis of consolidation (Continued)****Business combinations (Continued)**

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the owners of the Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities using monthly exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 Material accounting policies (Continued)

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Motor vehicles	5 – 10 years
Furniture and fittings	3 – 10 years
Renovation and installation	shorter of 5 years or lease period
Computers	3 years
Plant and equipment	3 – 10 years
Land and building	18 – 31 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate.

3 Material accounting policies (Continued)

3.4 Intangible assets and goodwill (Continued)

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Customer relationships

Customer relationships which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date the asset is available for use.

The estimated useful lives for the current and comparative years are as follows:

Technology	15 – 20 years
Customer relationships	10 – 16 years
Computer software	3 – 5 years
Development costs	3 – 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price (e.g. due to the Group's refund policy), the trade receivable will be initially measured at the amount of that unconditional right.

3 Material accounting policies (Continued)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed and information is provided to management.

The business models of the Group are as follows:

Held for collect

The Group holds financial assets which arise from its investment holding business and business activities of the subsidiaries set out in note 7 to the financial statement. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

Held for trading

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument that could change the timing and amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

3 Material accounting policies (Continued)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprise lease liabilities, loans and borrowings and trade and other payables (excluding employee benefits, deferred and contingent consideration arising from acquisition of a subsidiary measured at FVTPL).

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3 Material accounting policies (Continued)

3.5 Financial instruments (Continued)

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable equity reserve.

(vii) Financial guarantee contracts

Financial guarantee contracts are regarded as insurance contracts under which the Group accepts significant insurance risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event. Provisions are recognised when it is probable that the guarantee will be called upon and an outflow of resources embodying economic benefits will be required to settle the obligations.

3.6 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to measure loss allowances at an amount equal to lifetime ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts ("FGC"). Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3 Material accounting policies (Continued)

3.6 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as a default or past due outstanding for more than the reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend;
- the restructuring of a loan or advanced by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of loss allowance for ECLs in the statement of financial position

Loss allowance for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3 Material accounting policies (Continued)**3.6 Impairment (Continued)****(i) Non-derivative financial assets and contract assets (Continued)****Non-financial assets (Continued)**

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3 Material accounting policies (Continued)**3.7 Leases (Continued)****As a lessee (Continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group did not expect a material effect on the financial statements.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, except for leasehold property. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories of items segregated for specific projects and equipment are assigned using specific identification of their individual costs. All other inventories are determined using the weighted average cost formula.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.9 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Site restoration

In accordance with the applicable terms and conditions in the lease agreement, a provision for site restoration in respect of the leased premises, and the related expenses, were recognised at the date of inception of the lease.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3 Material accounting policies (Continued)**3.10 Tax (Continued)**

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax asset are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 Revenue recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

The transaction price is allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the performance obligation. If a performance obligation is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

Bill-and-hold arrangements

In a bill-and-hold arrangement, even though the Group has not yet delivered the goods to the customer, it has satisfied its performance obligation as control of the good has been transferred to the customer, and all of the following criteria are met: the reason for the bill-and-hold arrangement is substantive, the product is identified separately as belonging to the customer, the product currently is ready for physical transfer to the customer, and the Group does not have the ability to use the good or to direct it to another customer.

3 Material accounting policies (Continued)**3.12 Government grants**

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in statement of comprehensive income as "other income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as "other income" on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.13 Employee benefits**Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.14 Finance income and finance costs

Finance income comprises interest income on funds invested that is recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on lease liabilities, unwinding of the discount on provision for site restoration and interest expense on borrowings and leases which are recognised in profit or loss using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

The weighted average number of ordinary shares outstanding during the year and for all years presented are adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3 Material accounting policies (Continued)**3.17 New accounting standards and interpretations not adopted**

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

(ii) Other accounting standards

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Classification and Measurement of Financial Instruments* (Amendments to SFRS(I) 9 and SFRS(I) 7)
- *Annual Improvements to SFRS(I)s—Volume 11*;
- *Contracts Referencing Nature-dependent Electricity* (Amendments to SFRS(I) 9 and SFRS(I) 7);
- SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*; and
- *Translation to a Hyperinflationary Presentation Currency* (Amendments to SFRS(I) 1-21)

4 Property, plant and equipment

	Motor vehicles \$'000	Furniture and fittings \$'000	Renovation and installation \$'000	Computers \$'000	Plant and equipment \$'000	Land and building \$'000	Total \$'000
Group							
Cost							
At 1 January 2024	475	3,099	11,491	6,656	23,471	23,213	68,405
Additions	20	103	2,781	160	2,723	82	5,869
Disposals	(63)	(17)	(10)	(17)	(4,678)	–	(4,785)
Write off	–	(469)	(7,382)	(1,880)	(2,968)	–	(12,699)
Reclassification	–	–	(640)	–	640	–	–
Translation adjustment	(2)	5	143	58	(190)	(434)	(420)
At 31 December 2024	430	2,721	6,383	4,977	18,998	22,861	56,370
Additions	49	19	4,911	267	2,282	207	7,735
Disposals	(46)	(8)	(88)	(51)	(686)	–	(879)
Write off	–	(274)	(725)	(225)	(1,165)	–	(2,389)
Reclassification	–	14	36	84	(124)	(10)	–
Translation adjustment	(18)	(98)	(259)	(122)	(443)	(275)	(1,215)
At 31 December 2025	415	2,374	10,258	4,930	18,862	22,783	59,622
Accumulated depreciation							
At 1 January 2024	237	1,245	8,120	5,050	11,136	2,520	28,308
Depreciation charge for the year	62	526	757	981	3,560	869	6,755
Disposals	(39)	(6)	–	(11)	(2,017)	–	(2,073)
Write off	–	(373)	(7,247)	(1,878)	(2,867)	–	(12,365)
Translation adjustment	1	4	37	42	(133)	(40)	(89)
At 31 December 2024	261	1,396	1,667	4,184	9,679	3,349	20,536
Depreciation charge for the year	54	478	903	647	3,631	843	6,556
Disposals	(42)	(8)	(2)	(49)	(485)	(3)	(589)
Write off	–	(185)	(334)	(225)	(1,138)	–	(1,882)
Translation adjustment	(10)	(57)	(69)	(111)	(365)	(70)	(682)
At 31 December 2025	263	1,624	2,165	4,446	11,322	4,119	23,939
Carrying amounts							
At 1 January 2024	238	1,854	3,371	1,606	12,335	20,693	40,097
At 31 December 2024	169	1,325	4,716	793	9,319	19,512	35,834
At 31 December 2025	152	750	8,093	484	7,540	18,664	35,683

4 Property, plant and equipment (Continued)

	Renovation and installation \$'000	Computers \$'000	Plant and equipment \$'000	Total \$'000
Company				
Cost				
At 1 January 2024	34	360	21	415
Additions	–	3	–	3
At 31 December 2024 and 31 December 2025	34	363	21	418
Accumulated depreciation				
At 1 January 2024	34	355	14	403
Depreciation charge for the year	–	3	2	5
At 31 December 2024	34	358	16	408
Depreciation charge for the year	–	3	1	4
At 31 December 2025	34	361	17	412
Carrying amounts				
At 1 January 2024	–	5	7	12
At 31 December 2024	–	5	5	10
At 31 December 2025	–	2	4	6

5 Right-of-use assets

Information about leases for which the Group and the Company is a lessee is presented below.

	Leasehold properties			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	21,094	33,577	67	–
Additions to right-of-use assets	9,043	2,400	–	111
Depreciation charge for the year	(6,734)	(8,188)	(67)	(44)
Derecognition of right-of-use assets	(9,218)	(7,412)	–	–
Translation adjustment	(30)	717	–	–
Balance at 31 December	14,155	21,094	–	67

6 Intangible assets

	Goodwill \$'000	Technology \$'000	Customer relationships \$'000	Computer software \$'000	Development costs \$'000	Other \$'000	Total \$'000
Group							
Cost							
At 1 January 2024	61,221	10,892	22,181	7,723	45,039	3,927	150,983
Additions	–	–	–	613	17,704	–	18,317
Disposals	–	–	–	(26)	–	–	(26)
Write off	–	–	–	(3,406)	–	–	(3,406)
Translation adjustment	(596)	(168)	(278)	62	34	(234)	(1,180)
At 31 December 2024	60,625	10,724	21,903	4,966	62,777	3,693	164,688
Additions	–	–	–	71	13,345	–	13,416
Disposals	–	–	–	–	(169)	–	(169)
Write off	–	–	–	(60)	–	–	(60)
Translation adjustment	(154)	418	41	(138)	(1,091)	(314)	(1,238)
At 31 December 2025	60,471	11,142	21,944	4,839	74,862	3,379	176,637
Accumulated amortisation and impairment loss							
At 1 January 2024	–	3,318	5,774	6,475	9,347	792	25,706
Amortisation charge for the year	–	411	1,325	794	6,656	307	9,493
Impairment loss	–	–	–	–	3,398	–	3,398
Disposals	–	–	–	(26)	–	–	(26)
Write off	–	–	–	(3,406)	–	–	(3,406)
Translation adjustment	–	(30)	(60)	53	(209)	(59)	(305)
At 31 December 2024	–	3,699	7,039	3,890	19,192	1,040	34,860
Amortisation charge for the year	–	779	1,320	661	8,235	297	11,292
Disposals	–	–	–	–	(80)	–	(80)
Write off	–	–	–	(60)	–	–	(60)
Translation adjustment	–	62	90	(95)	341	(25)	373
At 31 December 2025	–	4,540	8,449	4,396	27,688	1,312	46,385
Carrying amounts							
At 1 January 2024	61,221	7,574	16,407	1,248	35,692	3,135	125,277
At 31 December 2024	60,625	7,025	14,864	1,076	43,585	2,653	129,828
At 31 December 2025	60,471	6,602	13,495	443	47,174	2,067	130,252

	Computer software \$'000
Company	
Cost	
At 1 January 2024, 31 December 2024, and 31 December 2025	1,340
Accumulated amortisation	
At 1 January 2024	1,276
Amortisation charge for the year	49
At 31 December 2024	1,325
Amortisation charge for the year	15
At 31 December 2025	1,340
Carrying amounts	
At 1 January 2024	64
At 31 December 2024	15
At 31 December 2025	–

6 Intangible assets (Continued)

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	Group	
	2025 \$'000	2024 \$'000
Test Cell Solutions ("TCS")	32,446	32,600
Test and Measurement Solutions ("TMS")	1,230	1,230
Contract Manufacturing ("CM")	26,795	26,795
	60,471	60,625

The recoverable amount was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The estimated recoverable amount of the CGU is higher than the carrying value of the CGU.

TCS and CM

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on historical data from internal sources.

Group	TCS		CM	
	2025 %	2024 %	2025 %	2024 %
Pre-tax discount rate	12.5	11.2	13.0	14.7
Terminal value growth rate	2.0	2.0	2.7	3.0
EBITDA margin	22.0 to 23.0	11.0 to 13.0	8.0 to 10.0	10.0 to 11.0

The discount rate was a pre-tax measure estimated based on management's estimate of the CGU's weighted average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual revenue growth rate, and does not exceed the long term inflation rate of the respective countries in which the CGU operates.

EBITDA margin was projected taking into account the estimated sales volume, price growth and cost of sales for the next five years.

The estimated recoverable amount of the CGU exceeded its carrying amount and no impairment loss is recorded.

No sensitivity analysis was disclosed as the Group believes that any reasonable plausible change in the key assumption is not likely to materially cause the recoverable amount to be lower than its carrying value.

TMS

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. At the end of the reporting date, the Company reviewed and determined that there is no impairment loss required as the value-in-use of the CGU is higher than its goodwill carrying value.

7 Interests in subsidiaries

	Company	
	2025 \$'000	2024 \$'000
Investment in subsidiaries – Unquoted equity shares, at cost	82,120	82,120
Interest in subsidiary – Loan	731	731
	82,851	82,851

Interest in subsidiary pertains to a loan given to a subsidiary upon acquisition in exchange for control of the subsidiary.

7 Interests in subsidiaries (Continued)

The recoverable amount estimated based on value in use, exceeded the carrying value of these investments. Based on the assessment, no impairment loss is recognised for the investments in subsidiaries in 2025 (2024: nil).

Source of estimation uncertainty

The carrying values of investments in subsidiaries are reviewed for impairment whenever there is any indication that the investment is impaired. The Company evaluates, amongst other factors, the financial health of the subsidiaries. This determination requires significant judgement, and the recoverable amounts of the investments could change significantly.

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business / Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
AEM Singapore Pte. Ltd. ^{1*}	Manufacture and repair of semiconductor assembly and testing equipment (including computer burn-in system); and installation of industrial machinery and equipment, mechanical engineering works	Singapore	100	100
AEM Microtronics (M) Sdn. Bhd. ^{2#}	Manufacturing of automated machines and its related parts for semiconductor industry	Malaysia	100	100
AEM International (US) Ltd ^{3#}	Semiconductor and related device manufacturing	United States of America	100	100
Tianjin Ever Technologies Co., Ltd. ^{3#}	Inactive	People's Republic of China	100	100
Afore Oy ²	Manufacture and sale of production automation equipment	Finland	100	100
IRIS Solution Pte Ltd ¹	Research, development, and integration of advance machine vision solutions to manufacturers	Singapore	100	100
Mu-TEST ³	Design, development, production and marketing of electronic instrumentation devices, physical and electrical measurement devices, and electronic engineering	France	100	100
DB Design Group, Inc. ³	Design services and manufacturing of handler change kits, tester interfaces, test handlers and related tooling parts and thermal solutions	United States of America	100	100
AEM Costa Rica Limited ^{3#}	Engineering services	Republic of Costa Rica	100	100
Wavem US Inc. ^{3#}	Investment holding	United States of America	100	100
Lattice Innovation, Inc. ^{3#}	Provider of 3D modules for optimised thermal control applications	United States of America	100	100
CEI Pte. Ltd. ^{1#*}	Contract manufacturing and design and manufacture of proprietary equipment	Singapore	100	100
CEI International Investments Pte Limited ^{1,6}	Investment holding	Singapore	100	100
PT Surya Teknologi Batam ^{4,6}	Printed circuit board assembly and contract manufacturing	Indonesia	100	100
CEI International Investments (VN) Limited ^{2,7}	Printed circuit board assembly and contract manufacturing	Vietnam	100	100

7 Interests in subsidiaries (Continued)

Name of subsidiaries	Principal activities	Principal place of business / Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
AEM Americas, Inc. ³	Semiconductor products manufacturing	United States of America	100	100
AEM International (Korea) Ltd. ³	Design and engineering services, and procurement and sale of semiconductor test tools, equipment, and related parts	Republic of Korea	100	100
Nestek Korea Co., Ltd. ^{2#}	Manufacturing of testing products for the semiconductor goods and electronic goods industry	Republic of Korea	71.1 ⁻	64.9
NTP Korea Co., Ltd. ^{3†}	Processing and plating of parts of semiconductor components and electronic goods	Republic of Korea	71.1 ⁻	64.9
Vina Nestek Co., Ltd. ^{5†}	Producing, processing and assembling of equipment or components for connection and semiconductor components for phones and electronics	Vietnam	71.1 ⁻	64.9
AEM TesTech (Shanghai) Co., Ltd. ³	Marketing and sale of test solutions and peripheral tools/equipment for the semiconductor industry	People's Republic of China	100	100
AEM Networks Pte. Ltd. ^{#*}	Research and experimental development on electronics, and manufacture and repair of engineering and scientific instruments	Singapore	100	–

KPMG Singapore is the auditor of the significant subsidiary and all Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Listing Manual of the Singapore Exchange if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

¹ Audited by KPMG Singapore.

² Audited by other member firms of KPMG International.

³ Audit is not required.

⁴ Audited by Jamaludin, Ardi, Sukimto & Rekan

⁵ Audited by S&S Auditing & Consulting Co., Ltd.

⁶ Held by CEI Pte. Ltd.

⁷ Held by CEI International Investments Pte Limited

[#] Held by AEM Singapore Pte. Ltd.

[@] Held by Wavem US Inc.

[†] Held by Nestek Korea Co., Ltd.

^{*} Significant subsidiary as defined under the SGX-ST Listing Manual.

⁺ Incorporated in December 2025 and auditor is not yet appointed.

⁻ The Group acquired additional 6.2% of the outstanding share capital of Nestek Korea Co., Ltd. in April 2025.

8 Acquisition of subsidiaries

Acquisition of subsidiary's interests from NCI

On 25 April 2024, AEM Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, had acquired additional 2.7% of the outstanding share capital of Nestek Korea Co., Ltd. ("Nestek"), a company incorporated in the Republic of Korea. The consideration of the acquisition was KRW717,000,000 (\$731,000). Consequent to the investment, the Group's effective interest in Nestek increased from 62.2% as at 31 December 2023 to 64.9% as at 31 December 2024.

On 25 April 2025, AEM Singapore Pte. Ltd. had acquired additional 6.2% of the outstanding share capital of Nestek. The consideration of the acquisition is KRW1,673,000,000 (\$1,603,000). Consequent to the investment, the Group's effective interest in Nestek increased from 64.9% as at 31 December 2024 to 71.1% as at 31 December 2025.

As part of the revised investment agreement dated 19 April 2024, the Group will in a future date acquire further shares of Nestek from existing shareholder, which together with the acquired shares, will constitute up to 100% of the total outstanding share capital of Nestek on a fully-diluted basis. The remaining consideration is up to approximately KRW7,170,000,000 (\$6,424,000) payable through to year 2029.

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

	2025 \$'000	2024 \$'000
Group		
Carrying amount of NCI acquired	1,193	506
Consideration paid to NCI	(1,603)	(731)
Decrease in equity attributable to owners of the Company	(410)	(225)

The decrease in equity attributable to owners of the Company comprised:

- a decrease in Other reserves of \$505,000 (2024: \$248,000);
- an increase in Currency translation reserves of \$57,000 (2024: \$22,000); and
- an increase in Accumulated profits of \$38,000 (2024: \$1,000).

9 Inventories

	Group	
	2025 \$'000	2024 \$'000
Raw materials	141,132	167,378
Work-in-progress	14,233	20,740
Finished goods	69,441	108,379
Goods in-transit	2,163	276
	226,969	296,773

Inventories of \$230,014,000 (2024: \$217,909,000) were recognised as an expense during the period and included in "cost of sales" within the statement of comprehensive income.

The Group's inventories are measured at lower of cost and net realisable value. For the purpose of determining the net realisable value, the Group performs an estimation of the recoverable amount based on values at which such inventory items are expected to be realised. These estimates take into consideration factors such as customer demand and product life cycles.

The Group recognised an allowance for stock obsolescence of \$4,810,000 (2024: \$3,871,000) based on slow-moving inventories. The allowance is included in "cost of sales" within the statement of comprehensive income.

Climate-related

The Group continually reviews its rising material prices and adjusts its procurement strategy to identify alternative sources. A sustained increase in material prices may have impact on gross margin. The Group remains vigilant in managing the cost structure.

10 Trade and other receivables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade receivables (net of impairment)	117,644	126,369	-	-
Other receivables	2,130	3,660	-	-
Grant receivables	5,894	5,674	-	-
Amounts due from subsidiaries (net of impairment):				
- trade	-	-	33,747	32,165
- non-trade	-	-	65,990	76,594
Amounts due from a related party (non-trade)	522	933	-	-
Deposits	3,060	3,165	-	16
	129,250	139,801	99,737	108,775
Prepayments	4,507	2,857	408	151
	133,757	142,658	100,145	108,926
Current	120,316	138,221	100,145	108,926
Non-current	13,441	4,437	-	-
	133,757	142,658	100,145	108,926

Amounts due from subsidiaries and a related party

Non-trade amounts due from subsidiaries and a related party are unsecured, interest-free and repayable on demand. The ECL for these amounts is disclosed in note 26.

Credit and market risks, and impairment losses

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 26.

11 Cash and cash equivalents

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at bank and in hand	69,617	43,775	3,993	3,299
Fixed deposits with banks	7,717	-	7,000	-
Cash and cash equivalents	77,334	43,775	10,993	3,299

Fixed deposits with banks relate to deposits with maturities of one month or less with effective interest rates ranging from 1.20% to 2.20% per annum.

12 Share capital

	Number of shares			
	Share capital		Treasury shares	
	2025 '000	2024 '000	2025 '000	2024 '000
Company				
Issued and fully paid ordinary shares, with no par value:				
At 1 January	315,762	311,887	(2,740)	(2,985)
Bonus issue	-	3,118	-	(27)
Purchase of treasury shares	-	-	(1,200)	-
Issue of shares under share plans	639	136	-	272
Share options exercised	-	621	-	-
Issue of shares for fulfilment of contractual obligation	-	-	1,322	-
At 31 December	316,401	315,762	(2,618)	(2,740)

12 Share capital (Continued)**Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

During the year, 639,000 (2024: 136,000) ordinary shares were issued under the Company's Share Plan. In 2024, 621,000 ordinary shares were issued for share options exercised.

During the year, the Company purchased 1,200,000 (2024: nil) of its own ordinary shares from the open market and as at the end of 31 December 2025, the treasury shares balance was 2,618,000 (2024: 2,740,000). The total number of issued ordinary shares excluding treasury shares at the end of the year was 313,783,000 (2024: 313,022,000).

Treasury shares

In 2025, 1,322,000 shares were issued out of the treasury shares for fulfilment of contractual obligation. In 2024, 272,000 shares were issued out of the treasury shares under the Company's Share Plan.

Capital management

The Board's policy is to build and maintain a strong capital base so as to maintain investor and financing banks' confidence and at the same time be able to leverage on the capital to provide the Group with the funds for expansion and growth.

The Group also monitors the level of dividends to be paid to ordinary shareholders. The Group's objective is to pay out regular dividends to the shareholders based on the level of the Group's profitability and cash flows and the Company's share price performance.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

13 Reserves

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Reserve for own shares	(6,690)	(9,171)	(6,690)	(9,171)
Other reserves	(12,612)	(10,224)	(2,936)	(1,053)
Share compensation reserve	4,819	3,906	4,819	3,906
Currency translation reserve	(23,617)	(11,882)	-	-
	(38,100)	(27,371)	(4,807)	(6,318)

Reserve for own shares

Reserve for own shares comprises the cost of the Company's shares held by the Group.

Other reserves

Other reserves mainly comprise transactions with NCI that do not result in a change in control, gains or losses arising from the reissuance of treasury shares, and discounts to the fair value of shares issued under private placements.

Share compensation reserve

Share compensation reserve consists of equity-settled share awards granted to employees under the share plans, that is made up of the cumulative value of services received from employees recorded on grant of equity-settled share awards, net of cumulative value of shares issued.

Currency translation reserve

The currency translation reserve of the Group comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

14 Loans and borrowings

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current liabilities				
Lease liabilities	9,307	15,675	-	-
Secured bank loans	22	65	-	-
Unsecured bank loans	-	155	-	-
	9,329	15,895	-	-
Current liabilities				
Lease liabilities	4,007	5,947	-	67
Secured bank loans	2,728	3,029	-	-
Unsecured bank loans	310	69,508	-	-
	7,045	78,484	-	67
Total loans and borrowings	16,374	94,379	-	67

The secured bank loans are secured over land and building with carrying amounts of \$4,001,000 (2024: \$4,268,000), and plant and equipment of \$76,000 (2024: \$171,000).

Lease liabilities

As at 31 December 2025, the lease liabilities include office and warehouse leases.

The total cash outflow for leases recognised in the statement of cash flows is \$7,847,000 (2024: \$8,947,000).

Terms and debt repayment schedule

Terms and conditions of outstanding loans and leases are as follows:

	Nominal interest rate %	Year of maturity	2025		2024	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group						
Unsecured bank loans	3.11% - 5.00%	2026	313	310	674	663
Unsecured bank loans	0.65% - 1.45% + SORA	2025	-	-	69,973	69,000
Secured bank loans	1.75% - 3.40%	2026 - 2028	2,804	2,750	3,164	3,094
Lease liabilities	2.35% - 7.09%	2026 - 2031	15,452	13,314	22,917	21,622
			18,569	16,374	96,728	94,379
Company						
Lease liabilities	4.89%	2025	-	-	69	67

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 26.

14 Loans and borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
Balance at 1 January 2024	92,003	34,352	126,355
Changes from financing cash flows			
Interest paid	(3,489)	(1,072)	(4,561)
Proceeds from borrowings	57,000	-	57,000
Repayment of borrowings	(76,611)	-	(76,611)
Payment of lease liabilities	-	(7,875)	(7,875)
Total changes from financing cash flows	(23,100)	(8,947)	(32,047)
The effect of changes in foreign exchange rates	365	740	1,105
Liability-related			
Additions	-	2,400	2,400
Derecognition of lease liabilities	-	(7,995)	(7,995)
Interest expense	3,489	1,072	4,561
Total liability-related other changes	3,489	(4,523)	(1,034)
Balance at 31 December 2024	72,757	21,622	94,379
Balance at 1 January 2025	72,757	21,622	94,379
Changes from financing cash flows			
Interest paid	(1,786)	(639)	(2,425)
Proceeds from borrowings	32,800	-	32,800
Repayment of borrowings	(100,331)	-	(100,331)
Payment of lease liabilities	-	(7,208)	(7,208)
Total changes from financing cash flows	(69,317)	(7,847)	(77,164)
The effect of changes in foreign exchange rates	(2,166)	13	(2,153)
Liability-related			
Additions	-	9,043	9,043
Derecognition of lease liabilities	-	(10,156)	(10,156)
Interest expense	1,786	639	2,425
Total liability-related other changes	1,786	(474)	1,312
Balance at 31 December 2025	3,060	13,314	16,374

15 Trade and other payables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	44,214	33,353	512	-
Amount due to subsidiaries (non-trade)	-	-	189	3,866
Accrued operating expenses	6,093	4,478	896	1,265
Other payables	2,629	3,445	533	152
	52,936	41,276	2,130	5,283
Employee benefits	14,704	12,742	537	427
	67,640	54,018	2,667	5,710
Current	67,450	53,736	2,667	5,710
Non-current	190	282	-	-
	67,640	54,018	2,667	5,710

Amounts due to subsidiaries

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

15 Trade and other payables (Continued)

Market and liquidity risks

The Group and the Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in note 26.

16 Deferred tax

Movements in deferred tax (assets)/liabilities (prior to offsetting of balances) during the year are as follows:

	Recognised			Recognised			At 31 December 2025 \$'000
	At 1 January 2024 \$'000	in profit or loss (Note 21) \$'000	Translation adjustment \$'000	At 31 December 2024 \$'000	in profit or loss (Note 21) \$'000	Translation adjustment \$'000	
Group							
Deferred tax liabilities							
Property, plant and equipment	3,728	(1,367)	(2)	2,359	509	10	2,878
Intangible assets	9,480	1,082	36	10,598	668	(48)	11,218
Right-of-use assets	5,784	(2,827)	(57)	2,900	(1,993)	54	961
	<u>18,992</u>	<u>(3,112)</u>	<u>(23)</u>	<u>15,857</u>	<u>(816)</u>	<u>16</u>	<u>15,057</u>
Deferred tax assets							
Property, plant and equipment	(389)	230	-	(159)	36	-	(123)
Provisions	(989)	230	3	(756)	(543)	14	(1,285)
Trade and other payables	(137)	21	-	(116)	(1,013)	-	(1,129)
Lease liabilities	(5,922)	2,845	59	(3,018)	2,227	(60)	(851)
Others	(1,203)	192	-	(1,011)	952	-	(59)
	<u>(8,640)</u>	<u>3,518</u>	<u>62</u>	<u>(5,060)</u>	<u>1,659</u>	<u>(46)</u>	<u>(3,447)</u>
Company							
Deferred tax liabilities							
Property, plant and equipment	4	(4)	-	-	-	-	-
Deferred tax assets							
Trade and other payables	(23)	(48)	-	(71)	49	-	(22)

The amounts determined after appropriate offsetting are included in the statements of financial position as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax liabilities	12,694	11,634	-	-
Deferred tax assets	(1,084)	(837)	(22)	(71)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the tax losses in the table below, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The Group has unrecognised tax losses of \$1,468,000 (2024: Nil) that will expire in 2035.

	Group			
	Gross amount	Tax effect	Gross amount	Tax effect
	2025 \$'000	2025 \$'000	2024 \$'000	2024 \$'000
Tax losses	29,516	7,658	24,847	6,508

The Company does not have any unrecognised deferred tax assets.

17 Provisions

Group	Warranties	Site restoration	Total
	\$'000	\$'000	\$'000
At 1 January 2024	3,984	1,645	5,629
Provisions (reversal)/made	(98)	552	454
Translation adjustment	46	21	67
Unwind of discount	-	23	23
At 31 December 2024	<u>3,932</u>	<u>2,241</u>	<u>6,173</u>
Provisions made	231	1,576	1,807
Translation adjustment	(164)	(111)	(275)
Unwind of discount	-	51	51
At 31 December 2025	3,999	3,757	7,756

	Group	
	2025 \$'000	2024 \$'000
Current	2,307	2,525
Non-current	5,449	3,648
	<u>7,756</u>	<u>6,173</u>

The provision for warranties on equipment sold, is based on estimates made from historical warranty data associated with similar products and services.

Provision for restoration costs is made in respect of the Group's obligation to carry out the reinstatement work to restore the leased premises to its original condition prior to vacating the premises at the end of the lease term.

18 Share-based payment

Description of the share-based payment arrangements

At 31 December 2025, the Group has the following share-based payment arrangements:

Employee share options (equity-settled)

The AEM Holdings Employee Share Option Scheme (the "Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 25 April 2014 and was subsequently amended and approved by its members at the Extraordinary General Meeting held on 27 April 2017. The Scheme is administered by the Company's Remuneration Committee (the "Committee") comprising the following directors:

- James Toh Ban Leng (Chairman)
- Loh Kin Wah
- Tham Min Yew (Russell)

The Scheme was terminated by the approval of the Committee with effect from 25 March 2023. The termination of the Scheme is without prejudice to the rights accrued to any options which have been granted pursuant to the Scheme and which are subsisting and have not lapsed.

No options have been granted since the termination of the Scheme. The final grant of options under the Scheme was made on 1 April 2020.

Other information regarding the Scheme is set out below:

- Whilst the Scheme entitles the Company to issue options at a price which is set at a discount of up to 20% to the market price (as determined by the Committee in its absolute discretion), in practice, since the commencement of the Scheme, the Company has never issued options at a discount, but at the market price (which is the price equal to the average of the last dealt price for the shares on the Singapore Exchange over the five (5) consecutive market days immediately preceding the date of grant of the option).
- An option may be granted at any time at the absolute discretion of the Committee, provided that where price sensitive information is being announced, options may only be granted after the second market day from the date on which the announcement is released. The grant of an option shall be accepted within thirty days from the date of grant and not later than 5.00 p.m. on the thirtieth day from the date of grant.

18 Share-based payment (Continued)

Description of the share-based payment arrangements (Continued)

Employee share options (equity-settled) (Continued)

- (iii) The Scheme provides that where options are issued at a discount to the market price ("Discount Price Options"), such options are exercisable at any time after the second anniversary of the date of grant and before the expiry of the tenth anniversary of the relevant date of grant except that in the case of Non-Executive Directors, such options will expire on the fifth anniversary of the date of grant. However, where options are issued at the market price ("Market Price Options"), they are exercisable at any time after the first anniversary of the date of grant and before the expiry of the tenth anniversary of the relevant date of grant except that in the case of Non-Executive Directors, such options will expire on the fifth anniversary of the date of grant.
- (iv) The new shares issued by the Company upon the exercise of the options shall rank in full for all dividends or other distributions declared or recommended in respect of the then existing shares and shall in all other respects rank *pari passu* with other existing shares of the Company.
- (v) All options are settled by delivery of shares.

Performance Share Plan (equity-settled)

The AEM Performance Share Plan 2017 (the "PSP 2017") of the Company was approved and adopted by its members at the Extraordinary General Meeting held on 27 April 2017 to attract, recruit, retain and encourage higher performance goals and recognise achievements. The Rules of the PSP 2017 were amended and adopted by the Company's members at the Annual General Meeting held on 24 April 2024, such that, amongst others, the PSP 2017 does not apply to non-executive directors or controlling shareholders, and to remove references to the Scheme.

The PSP 2017 is administered by the Company's Remuneration Committee. Under the PSP 2017, the Company has absolute discretion to grant performance-based awards to eligible participants. Participants will be allotted fully paid shares after the achievement of performance targets. No minimum vesting periods are prescribed under the PSP 2017.

Restricted Share Plan (equity-settled)

The AEM Restricted Share Plan 2024 (the "RSP 2024") of the Company was approved and adopted by its members at the Annual General Meeting held on 24 April 2024 to reward, retain and motivate employees to achieve superior performance.

The RSP 2024 is administered by the Company's Remuneration Committee. Under the RSP 2024, eligible participants can be awarded fully paid shares after the satisfactory completion of the identified vesting period and such other conditions as may be determined by the Remuneration Committee.

Measurement of fair values

Employee share options (equity-settled)

The fair value of the employee share options has been measured using the Option Valuation Model. Service and non-market performance conditions attached to the arrangements were applied in the valuation of the options. The inputs used in the measurement of the fair values at grant date of the share options were as follows:

Grant Date	1 Apr 20	7 Oct 19	15 Jan 19
Fair value at grant date	\$0.620 - \$0.730	\$0.407 - \$0.483	\$0.260 - \$0.320
Share price at grant date	\$1.640	\$1.140	\$0.900
Exercise price	\$1.652	\$1.142	\$0.890
Expected volatility (weighted average)	63.00%	60.00%	50.00%
Expected life (years)	3-5	3-5	3-5
Expected dividend yield	2.65%	2.65%	2.00%
Risk-free interest rate (based on government bonds)	1.561 - 1.574	1.561 - 1.574	1.930 - 2.000

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The Group did not recognise any expenses for share options in the past 2 years.

18 Share-based payment (Continued)

Measurement of fair values (Continued)

Performance Share Plan (equity-settled)

The weighted average fair value of shares granted under PSP 2017 during the year was \$1.37 (2024: \$1.97) per share, based on the average share price of the Company over a 20-trading day period, ending 3 business days before the grant date or closing share price of the Company at the grant date (2024: ending 3 business days before the grant date or closing share price of the Company at the grant date).

The Group recognised the following for shares granted under PSP 2017:

- \$150,000 for shares granted on 1 September 2025 to employees;
- \$100,000 for shares granted on 2 June 2025 to employees;
- \$158,000 (2024: \$237,000) for shares granted on 1 June 2024 to employees;
- \$177,000 (2024: \$225,000) for shares granted on 1 April 2024 to employees;
- \$74,000 (2024: \$415,000) for shares granted on 3 April 2023 to employees;
- \$15,000 (2024: \$169,000) for shares granted on 4 April 2022 to employees; and
- Nil (2024: \$26,000) for shares granted on 18 June 2021 to employees.

Restricted Share Plan (equity-settled)

The weighted average fair value of the shares granted under RSP 2024 during the year was \$1.30 (2024: \$1.79) per share, based on the average share price of the Company over a 20-trading day period, ending 3 business days before the grant date or closing share price of the Company at the grant date.

The Group recognised the following for shares granted under RSP 2024:

- \$135,000 for shares granted on 1 September 2025 to employees;
- \$360,000 for shares granted on 2 June 2025 to employees;
- \$224,000 for shares granted on 1 April 2025 to employees;
- \$25,000 for shares granted on 1 March 2025 to employees;
- \$93,000 (2024: \$8,000) for shares granted on 1 December 2024 to employees; and
- \$746,000 (2024: \$870,000) for shares granted on 1 June 2024 to employees.

Reconciliation of outstanding share options

Movements in the number of share options and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2025	No. of options 2025	Weighted average exercise price 2024	No. of options 2024
	\$	'000	\$	'000
Outstanding at 1 January	1.131	1,666	1.269	2,347
Exercised during the year	-	-	1.652	(621)
Forfeited during the year	-	-	1.142	(60)
Outstanding at 31 December	1.131	1,666	1.131	1,666
Exercisable at 31 December	1.131	1,666	1.131	1,666

18 Share-based payment (Continued)**Reconciliation of outstanding share options (Continued)**

The options outstanding at 31 December 2025 have an exercise price in the range of \$0.890 to \$1.142 (2024: \$0.890 to \$1.142) and a weighted average remaining contractual life of 3.7 years (2024: 4.7 years).

	Group and Company	
	2025	2024
	\$'000	\$'000
Share compensation reserve		
At 1 January	3,906	3,472
Settlement of share-based payment transactions	(1,344)	(1,516)
Share-based payment transactions	2,257	1,950
At 31 December	4,819	3,906

Expense recognised in statement of comprehensive income

For details on the related employee benefits expenses, see note 22.

19 Revenue

	Group	
	2025	2024
	\$'000	\$'000
Revenue from contracts with customers		
- Sale of goods	349,832	306,878
- Services	49,506	73,532
	399,338	380,410

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods	Machines, equipment and components
When revenue is recognised	Revenue from the sale of machines, equipment and components are recognised when goods are delivered to the customers and all criteria for acceptance have been satisfied.
Significant payment terms	Payment is due between 30 days to 60 days upon delivery of the goods to the customers.
Obligations for warranties	All products come with warranty terms of one to two years, under which customers are able to return and replace any defective products. The Group reviews its estimate of warranties and records a provision for its obligations for warranties (see note 17).
Nature of services	Field service support and non-recurring engineering services
When revenue is recognised	Revenue is recognised over time as services are being rendered. Where applicable the Group applies the practical expedient to recognise revenue in the amount to which the Group has a right to invoice as the Group has a right to consideration from the customers in an amount that corresponds directly with the value to the customers of the Group's performance completed to date.
Significant payment terms	Invoices are issued once services are provided on a monthly or quarterly basis and due within 30 days of invoice date.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs would be amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred. The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less. As at 31 December 2024 and 31 December 2025, no costs incurred to fulfil a contract were capitalised.

19 Revenue (Continued)

The Group accounts for modifications to the scope or price of a contract as separate contracts if the modifications add distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations to be satisfied. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises as a cumulative adjustment to revenue at the date of modification.

Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers is disclosed in note 25 with the Group's reportable segments. The following table disaggregates revenue by the timing of revenue recognition:

	Group	
	2025	2024
	\$'000	\$'000
Timing of revenue recognition		
Products transferred at a point in time	349,832	309,389
Services transferred over time	49,506	71,021
	399,338	380,410

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

	Group	
	2025	2024
	\$'000	\$'000
Contract assets	858	776
Contract liabilities	(9,258)	(7,324)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on prototype machines. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advanced consideration received from customers for sale of machines.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Contract assets		Contract liabilities	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	-	7,324	7,898
Increases due to cash received, excluding amounts recognised as revenue during the year	-	-	(9,258)	(7,324)
Contract asset reclassified to trade receivables	(776)	(1,582)	-	-
Recognition of revenue, net of receivables recognised	858	776	-	-

Transaction price allocated to the remaining performance obligations

There is no revenue (2024: nil) expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date which is expected to be recognised beyond 2026 (2024: 2025).

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

20 Net finance costs

	Group	
	2025 \$'000	2024 \$'000
Interest income - banks	136	397
Interest income - others	1,671	612
Finance income	1,807	1,009
Interest expense on lease liabilities	(639)	(1,072)
Interest expense on unsecured bank loans	(1,786)	(3,489)
Unwind of discount on site restoration provision	(51)	(23)
Finance costs	(2,476)	(4,584)
Net finance costs	(669)	(3,575)

21 Tax expense

	Group	
	2025 \$'000	2024 \$'000
Current tax expense		
Current year	2,860	1,922
Under provision in prior years	479	137
	3,339	2,059
Deferred tax expense		
Origination and reversal of temporary differences	498	156
Under provision in prior years	345	250
	843	406
Total tax expense	4,182	2,465
Reconciliation of effective tax rate		
Profit before tax	21,330	14,071
Income tax using Singapore tax rate of 17% (2024: 17%)	3,626	2,392
Effect of different tax rates in other countries	(323)	(541)
Effect of results from equity-accounted investee presented net of tax	-	55
Tax exempt income	(141)	(105)
Tax incentives	(3,065)	(2,323)
Expenses not deductible for tax purposes	1,991	631
Under provision in prior years	824	387
Current year losses for which no deferred tax asset was recognised	1,150	1,663
Others	120	306
	4,182	2,465

22 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2025 \$'000	2024 \$'000
Audit fees paid/payable to:		
- auditors of the Company	552	548
- other member firms of KPMG International	111	112
- other auditors	17	16
Non-audit fees paid/payable to:		
- auditors of the Company	48	195
- other member firms of KPMG International	138	10
Allowance for stock obsolescence	4,810	3,871
Depreciation and amortisation expenses	24,608	24,464
Staff costs	89,024	87,822
Contributions to defined contribution plans included in staff costs	6,270	6,125
Contributions to defined benefit plans included in staff costs	97	(52)
Directors' fees	818	811
Equity-settled share-based payment expenses		
- Share plans	2,257	1,950
- Fulfilment of contractual obligation	2,010	-
Loss on disposal of property, plant and equipment	99	853
Write off of property, plant and equipment	507	327
Loss on disposal of intangible assets	87	-
Gain on derecognition of lease liability	(938)	-
Loss on disposal of an associate	-	2,349
Gain on disposal of other investment	-	(78)
Impairment loss on intangible assets	-	3,398
Government grant income	(795)	(1,594)
Provision made/(reversed) for:		
- site restoration	1,576	552
- warranties	231	(98)
Legal, IT, and professional fees	7,508	9,240
Staff costs, materials, overheads and depreciation expense included in research and development costs	23,890	23,684

23 Earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Group	
	2025 \$'000	2024 \$'000
Basic and diluted earnings per share has been based on:		
Profit attributable to ordinary shareholders	16,951	11,438

23 Earnings per share (Continued)

Weighted average number of ordinary shares

	Group	
	2025 '000	2024 '000
Issued ordinary shares at 1 January (excluding treasury shares)	313,022	308,902
Bonus issue	–	1,764
Effect of new shares issued	378	562
Effect of treasury shares reissued	525	–
Effect of own shares acquired	(115)	–
Weighted average number of ordinary shares (basic) during the year	313,810	311,228

Weighted average number of ordinary shares (diluted)

	Group	
	2025 '000	2024 '000
Weighted average number of ordinary shares (basic)	313,810	311,228
Effect of share options on issue	474	892
Effect of share awards granted but not issued	2,831	1,475
Weighted average number of ordinary shares (diluted) during the year	317,115	313,595

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

24 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, there were the following transactions with related parties:

	Group	
	2025 \$'000	2024 \$'000
Advisory fees paid to directors	–	240,000

Key management personnel compensation

Key management personnel of the Company are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and the senior management team of the Company are considered as key management personnel of the Company.

Key management personnel compensation comprised:

	Group	
	2025 \$'000	2024 \$'000
Short-term employee benefits	4,111	3,232
Share-based payment	3,226	1,413
Post-employment benefits	101	86
	7,438	4,731
Directors' fees	818	811

25 Segment information

Segment information is presented based on the information reviewed by chief operating decision makers ("CODM") for performance assessment and resource allocation.

- **Test Cell Solutions ("TCS")**
Providing customised system solutions involving precise high speed motion and innovative mechanical design to both mass volume manufacturers and new technology development laboratories and test solutions for Micro-Electro-Mechanical Systems ("MEMS") and special wafer probing needs ranging from the research and development phase to high volume production and system-level testing which enables manufacturers to achieve the lowest cost-of-test, reduced time to market, effective process cycle, accurate stimulus, and high production yields.
- **Instrumentation ("INS")**
Engages in the research, development, and production of advanced communications and industrial test solutions and providing solutions that bridge the growing gap between user applications and standard Automatic Test Equipment ("ATE") coverage with complex IC designs and advanced packaging techniques. It enables testing complex devices in their real end-user environment including extreme temperature range.
- **Contract Manufacturing ("CM")**
Contract manufacturer of Printed Circuit Board Assembly ("PCBA"), Wire-Harness & Interconnect systems, Box Build and Equipment Manufacturing.
- **Others**
Non allocated, dormant companies and other activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on mutually agreed terms.

Information about reportable segments:

	TCS \$'000	INS \$'000	CM \$'000	Others \$'000	Elimination \$'000	Total \$'000
2025						
Revenue from external parties	251,406	8,409	139,523	–	–	399,338
Inter-segment revenue	–	–	10,483	–	(10,483)	–
Total segment revenue	251,406	8,409	150,006	–	(10,483)	399,338
Depreciation and amortisation	(15,329)	(3,685)	(1,531)	(4,063)	–	(24,608)
Finance income	1,595	19	193	–	–	1,807
Finance costs	(2,250)	(2)	(116)	(108)	–	(2,476)
Tax (expense)/credit	(3,711)	(2)	(1,069)	600	–	(4,182)
Profit/(loss) for the year	22,901	(4,820)	3,094	(3,852)	(175)	17,148
Reportable segment assets	420,071	27,690	159,872	13,970	–	621,603
Reportable segment liabilities	62,493	4,882	45,354	9,550	–	122,279
Other segment information						
Expenditure for non-current assets	24,261	1,457	4,476	–	–	30,194

25 Segment information (Continued)

	TCS \$'000	INS \$'000	CM \$'000	Others \$'000	Elimination \$'000	Total \$'000
2024						
Revenue from external parties	230,971	8,086	141,353	–	–	380,410
Inter-segment revenue	–	–	12,577	–	(12,577)	–
Total segment revenue	230,971	8,086	153,930	–	(12,577)	380,410
Depreciation and amortisation	(14,264)	(3,282)	(2,132)	(4,786)	–	(24,464)
Finance income	573	18	418	–	–	1,009
Finance costs	(4,175)	(6)	(118)	(285)	–	(4,584)
Tax (expense)/credit	(1,180)	(6)	(2,870)	1,591	–	(2,465)
Share of loss of equity-accounted investee	–	–	–	(326)	–	(326)
Profit/(loss) for the year	16,481	(6,132)	10,423	(9,145)	(21)	11,606
Reportable segment assets	463,203	35,026	163,689	11,257	–	673,175
Reportable segment liabilities	127,015	4,009	42,384	7,453	–	180,861
Other segment information						
Expenditure for non-current assets	22,331	2,379	1,876	–	–	26,586

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2025		2024	
	Revenue \$'000	Non-current assets \$'000	Revenue \$'000	Non-current assets \$'000
Singapore	88,179	135,640	78,275	134,602
China	13,594	5	17,185	38
Costa Rica	16,605	–	24,640	163
Finland	1,905	4,794	3,965	5,475
France	1,543	8,430	1,423	9,812
Germany	7,399	–	6,334	–
Ireland	5,141	–	7,528	–
Malaysia	140,214	4,923	116,273	13,068
Republic of Korea	5,596	12,701	6,610	14,269
United Kingdom	4,284	–	6,169	–
United States of America	60,202	10,963	61,731	9,037
Vietnam	33,366	2,755	22,323	609
Other countries	21,310	1,390	27,954	1,283
	399,338	181,601	380,410	188,356

Major customers

Revenue from one customer of the Group's Test Cell Solutions segment represents approximately \$152,075,000 (2024: \$189,245,000) of the Group's total revenues.

26 Financial risk management

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

The Group has identified climate risk as an emerging risk that has a growing impact on the Group's activities. Climate-related risks are potential negative impacts on the Group arising from climate change. The Group has set up a Sustainability Steering Committee to shape and monitor sustainability strategies including identification and assessment of climate-related risks and opportunities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with regulated banks.

Trade and other receivables (excluding deposits and prepayments) and contract assets

The Group's most significant customer has been transacting with the Group for many years, and none of the customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including industry, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

At the reporting date, the Group's top 5 customers accounted for 82% (2024: 79%) of total trade receivables of the Group. There is no other concentration of credit risk at the Group level. There is no concentration of customers' credit risk at the Company level.

The following table provides information about the exposure to credit risk for trade and other receivables (excluding deposits and prepayments) and contract assets:

	Net carrying amount			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade receivables	117,644	126,369	–	–
Other receivables	2,130	3,660	–	–
Grant receivables	5,894	5,674	–	–
Amount due from subsidiaries	–	–	99,737	108,759
Amount due from a related party	522	933	–	–
Contract assets	858	776	–	–
	127,048	137,412	99,737	108,759

26 Financial risk management (Continued)

	Credit impaired	Gross \$'000	Loss allowance \$'000	Net carrying amount \$'000
Group				
31 December 2025				
Trade receivables	No	117,644	–	117,644
Trade receivables	Yes	55	(55)	–
Other receivables	No	2,130	–	2,130
Grant receivables	No	5,894	–	5,894
Amounts due from a related party	No	522	–	522
Contract assets	No	858	–	858
		127,103	(55)	127,048

31 December 2024

Trade receivables	No	126,369	–	126,369
Trade receivables	Yes	57	(57)	–
Other receivables	No	3,660	–	3,660
Grant receivables	No	5,674	–	5,674
Amounts due from a related party	No	933	–	933
Contract assets	No	776	–	776
		137,469	(57)	137,412

Company**31 December 2025**

Amounts due from subsidiaries:

- Trade	No	33,747	–	33,747
- Non-trade	No	65,990	–	65,990
		99,737	–	99,737

31 December 2024

Amounts due from subsidiaries:

- Trade	No	32,165	–	32,165
- Non-trade	No	76,594	–	76,594
		108,759	–	108,759

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2025 \$'000	2024 \$'000
Group		
Balance at 1 January	57	136
Impairment loss reversed	(2)	(79)
Balance at 31 December	55	57

Non-trade amounts due from subsidiaries and a related party

The Group held non-trade receivable from a related party of \$522,000 (2024: \$933,000). These balances are advances for investment in a subsidiary and there is no credit risk associated to these balances.

The Company held non-trade receivables from its subsidiaries of \$65,990,000 (2024: \$76,594,000). These balances are to satisfy short term funding requirements. Other than credit-impaired balances, the amount of the allowance on the remaining balances is insignificant.

26 Financial risk management (Continued)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of \$77,334,000 and \$10,993,000, respectively at 31 December 2025 (2024: \$43,775,000 and \$3,299,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Aa1 to A2, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured using the general expected loss approach where loss allowance equal to 12-month expected credit losses. An ECL rate is calculated for based on probabilities of default and loss given default. Probabilities of default are based on historical data supplied by Moody's for each credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments.

	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Group					
31 December 2025					
Lease liabilities	13,314	(15,452)	(4,418)	(7,356)	(3,678)
Secured bank loans	2,750	(2,804)	(2,782)	(22)	–
Unsecured bank loans	310	(313)	(313)	–	–
Trade and other payables	52,936	(52,936)	(52,746)	(190)	–
	69,310	(71,505)	(60,259)	(7,568)	(3,678)
31 December 2024					
Lease liabilities	21,622	(22,917)	(6,527)	(13,760)	(2,630)
Secured bank loans	3,094	(3,164)	(3,099)	(65)	–
Unsecured bank loans	69,663	(70,647)	(70,448)	(199)	–
Trade and other payables	41,276	(41,276)	(40,994)	(282)	–
	135,655	(138,004)	(121,068)	(14,306)	(2,630)
Company					
31 December 2025					
Trade and other payables	2,130	(2,130)	(2,130)	–	–
	2,130	(2,130)	(2,130)	–	–
31 December 2024					
Lease liabilities	67	(69)	(69)	–	–
Trade and other payables	5,283	(5,283)	(5,283)	–	–
	5,350	(5,352)	(5,352)	–	–

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

26 Financial risk management (Continued)

Market risk (Continued)

Foreign currency risk

(a) Foreign currency risk of reporting subsidiaries

The functional currency of the Group's key operating subsidiary is in US dollar ("USD") as the sales revenues are mostly denominated in the US dollar. This subsidiary accounts for a substantial proportion of the Group's revenue and has transactional currency exposures arising from materials purchases and local operating overheads that are denominated in currencies other than US dollar. The primary currency giving rise to this exposure is mainly the Singapore dollar.

Exposure to foreign currency transaction risk is monitored on an on-going basis and the Group endeavours to manage its exposure through adjustments of its products selling prices and natural hedges by sourcing supplies in the same functional currency. Currencies other than the US dollar are bought as and when required.

Foreign currency translation exposure arises when the monetary assets and liabilities of the key operating subsidiary denominated in currencies other than the US dollar at the reporting date are translated to the US dollar functional currency at the exchange rate at the reporting date. The currency with the primary translation risk is the Singapore dollar for the US dollar functional currency subsidiary.

The Group seeks to minimise the foreign currency translation impact through natural hedges in its statement of financial position and by structuring the debts and purchases in US dollar to neutralise and minimise the amount of the foreign currency balances.

(b) Foreign currency risk of the Group and Company

The Group's and Company's primary exposure to foreign currency risks are as follows:

	2025		2024	
	SGD \$'000	USD \$'000	SGD \$'000	USD \$'000
Group				
Trade and other receivables	1,598	25,911	965	22,850
Cash and cash equivalents	2,060	18,219	4,559	13,656
Trade and other payables	(9,770)	(22,905)	(4,219)	(14,563)
Unsecured bank loan	-	-	(69,000)	-
	(6,112)	21,225	(67,695)	21,943
Company				
Cash and cash equivalents	-	2,071	-	2,013

Sensitivity analysis

A 10% strengthening of the Group's major functional currencies against the following currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

	Group		Company	
	Profit before tax		Profit before tax	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
SGD	611	6,770	-	-
USD	(2,123)	(2,194)	(207)	(201)

A 10% weakening of the Group's major functional currencies against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

26 Financial risk management (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

(c) Translation risk arising from reporting of Group consolidated results in SGD

The Group reports its consolidated results in SGD. The assets and liabilities of the operations, denominated in foreign currencies, are translated to Singapore dollars at exchange rates prevailing at the reporting date. Exchange differences arising on such translation are recognised directly in equity. The currencies giving rise to this risk are primarily the US dollar ("USD") and secondarily the Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), Euro ("EUR") and Korean Won ("KRW"). The Group does not hedge its foreign currency consolidation translation exposure.

The Group's exposure to foreign currency translation risk was as follows:

Net assets	Group	
	2025 \$'000	2024 \$'000
USD	388,616	368,406
MYR	56,265	70,620
RMB	808	963
EUR	17,623	22,116
KRW	11,518	11,423

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would decrease net assets by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

	Group	
	2025 \$'000	2024 \$'000
USD	(38,862)	(36,841)
MYR	(5,627)	(7,062)
RMB	(81)	(96)
EUR	(1,762)	(2,212)
KRW	(1,152)	(1,142)

Interest rate risk

Overview

The Group's revolving credit facilities offered by the bank was compounded with SORA. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis

A 50 basis point increase in interest rate at the reporting date would decrease profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

	Group	
	Profit before tax	
	2025 \$'000	2024 \$'000
Unsecured bank loan	-	(345)

A 50 basis point decrease in interest rate would have had the equal but opposite effect on the above the amounts shown above, on the basis that all other variables remain constant.

26 Financial risk management (Continued)**Accounting classification and fair values**

All of the Group's and Company's financial assets and financial liabilities are classified as financial assets measured at amortised cost and other financial liabilities at amortised cost respectively.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

27 Subsequent events

- a) The Board of Directors of the Company has recommended a final tax exempt one-tier dividend of 1.3 cents per share for the year. The total amount of dividends expected to be paid is \$4,079,000. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the proposed final dividend will be payable on 22 May 2026.
- b) On 21 March 2026, the Company announced it had entered into a subscription agreement (the "Subscription Agreement") with Advanced Semiconductor Engineering Test, Inc., an indirect wholly-owned subsidiary of ASE Technology Holding Co., Ltd., for the proposed share subscription of 3,350,000 new ordinary shares and issue of 28,111,856 free detachable warrants to be issued in two tranches in the capital of the Company, subject to the terms and conditions set out in the Subscription Agreement.

28 Offsetting financial instruments

There are no financial assets and liabilities that are offset in the Company's statement of financial position; or are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

STATISTICS OF SHAREHOLDINGS AS AT 13 MARCH 2026**DISTRIBUTION OF SHAREHOLDINGS**

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1,271	13.19	40,652	0.01
100 - 1,000	1,236	12.83	513,136	0.16
1,001 - 10,000	5,099	52.91	18,456,579	5.87
10,001 - 1,000,000	2,005	20.81	68,463,513	21.76
1,000,001 AND ABOVE	25	0.26	227,144,683	72.20
TOTAL	9,636	100.00	314,618,563	100.00

Number of issued shares	:	317,235,946
Number of issued shares (excluding treasury shares)	:	314,618,563
Number/Percentage of Treasury Shares	:	2,617,383 (0.83%)
Class of shares	:	ordinary shares
Voting rights	:	one vote per share

Based on information available and to the best knowledge of the Company as at 13 March 2026, approximately 80.54% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	63,586,986	20.21
2	VENZIO INVESTMENTS PTE LTD	39,012,563	12.40
3	CITIBANK NOMINEES SINGAPORE PTE LTD	31,616,325	10.05
4	RAFFLES NOMINEES (PTE.) LIMITED	16,082,388	5.11
5	DBSN SERVICES PTE. LTD.	13,083,804	4.16
6	TOH BAN LENG JAMES	10,100,000	3.21
7	PHILLIP SECURITIES PTE LTD	7,014,047	2.23
8	HSBC (SINGAPORE) NOMINEES PTE LTD	3,573,860	1.14
9	DB NOMINEES (SINGAPORE) PTE LTD	3,559,786	1.13
10	MAYBANK SECURITIES PTE. LTD.	3,543,142	1.13
11	OCBC SECURITIES PRIVATE LIMITED	3,484,590	1.11
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,372,860	1.07
13	IFAST FINANCIAL PTE. LTD.	3,229,916	1.03
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,205,344	1.02
15	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,988,902	0.95
16	MERRILL LYNCH (SINGAPORE) PTE. LTD.	2,945,366	0.94
17	LIM & TAN SECURITIES PTE LTD	2,571,203	0.82
18	UOB KAY HIAN PRIVATE LIMITED	2,520,814	0.80
19	ABN AMRO CLEARING BANK N.V.	2,298,086	0.73
20	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,977,408	0.63
	TOTAL	219,767,390	69.87

SUBSTANTIAL SHAREHOLDERS

NAME OF SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
Venezio Investments Pte. Ltd. ("Venezio") ⁽¹⁾	39,012,563	12.40	–	–
Napier Investments Pte. Ltd. ("Napier") ⁽¹⁾	–	–	39,012,563	12.40
Tembusu Capital Pte. Ltd. ("Tembusu") ⁽¹⁾	–	–	39,012,563	12.40
Temasek Holdings (Private) Limited ("Temasek") ⁽¹⁾	–	–	39,012,563	12.40

(1) Temasek, Tembusu and Napier are deemed interested in the shares held by Venezio. Venezio is a wholly-owned subsidiary of Napier, which is a wholly-owned subsidiary of Tembusu, which is a wholly-owned subsidiary of Temasek.

NOTICE IS HEREBY GIVEN that the 2026 Annual General Meeting (the "**AGM**") of the Company will be held at Stephen Riady Auditorium @ NTUC Centre, No. 1 Marina Boulevard, #07-01, One Marina Boulevard, Singapore 018989 on Tuesday, 28 April 2026 at 10.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Auditors' Report thereon. **Resolution 1**
2. To declare a first and final tax exempt (one-tier) dividend of 1.3 Singapore cents per ordinary share for the financial year ended 31 December 2025. **Resolution 2**
3. To re-elect the following Director retiring pursuant to the Company's Constitution: **Resolution 3**
Mr. Loke Wai San (Regulation 109)
4. To re-elect the following Director retiring pursuant to the Company's Constitution: **Resolution 4**
Mr. Loh Kin Wah (Regulation 109)
5. To re-elect the following Director retiring pursuant to the Company's Constitution: **Resolution 5**
Mr. Chok Yean Hung (Regulation 109)
6. To re-elect the following Director retiring pursuant to the Company's Constitution: **Resolution 6**
Dr. Yeo Yee Chia (Regulation 119)
7. To approve the Directors' fees of up to S\$960,000 (2025: up to S\$900,000) for the financial year ending 31 December 2026, for payment on a quarterly basis in arrears. **Resolution 7**
8. To re-appoint KPMG LLP as the Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 8**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without modifications:

9. **Proposed General Share Issue Mandate** **Resolution 9**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Ordinary Resolution is in force,

provided that:

- (A) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to shareholders of the Company shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below);

(B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (A) above, the percentage of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities;
- (ii) new shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with the Listing Manual of the SGX-ST; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares,

provided further that adjustments in accordance with sub-paragraphs B(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution;

(C) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(D) unless revoked or varied by the Company in a general meeting, such authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is earlier."

(See Explanatory Note (i))

10. Proposed Renewal of Share Purchase Mandate

Resolution 10

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act as may be amended from time to time, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchase(s) transacted on the SGX-ST through the SGX-ST's trading system; and/or
- (ii) off-market purchase(s) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

- (i) the date on which the next AGM of the Company is held or required by law to be held; or
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; and

(c) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

In this Ordinary Resolution:

"**Maximum Limit**" means that number of issued Shares representing ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this Ordinary Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which will be determined by the Directors, provided that such purchase price shall not exceed:

- (i) in the case of a market purchase of a Share, one hundred and five per centum (105%) of the Average Closing Price; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per centum (110%) of the Average Closing Price.

where:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the day of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase."

(See Explanatory Note (ii))

11. Proposed Specific Share Issue Mandate - AEM Restricted Share Plan 2024

Resolution 11

"That, the Directors be and are hereby authorised, pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of shares in the Company not exceeding in aggregate half per centum (0.5%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, as may be required to be issued pursuant to the grant of Awards under the AEM Restricted Share Plan 2024 (the "AEM RSP 2024"), provided always that (i) the aggregate number of shares issued or to be issued pursuant to the AEM RSP 2024, when added to (a) the aggregate number of shares issued or issuable in respect of any other share based schemes of the Company then in force (if any) and (b) the number of treasury shares delivered in respect of the AEM RSP 2024 and any other share-based incentive schemes of the Company then in force (if any), shall not exceed ten per centum (10%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, and (ii) the aggregate number of shares to be issued pursuant to the AEM RSP 2024 shall not exceed five per centum (5%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, and unless revoked or varied by ordinary shareholders of the Company in general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

(See Explanatory Note (iii))

12. Proposed Specific Share Issue Mandate - AEM Performance Share Plan 2017

Resolution 12

"That, the Directors be and are hereby authorised, pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of shares in the Company not exceeding in aggregate half per centum (0.5%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, as may be required to be issued pursuant to the grant of awards under the AEM Performance Share Plan 2017 (the "AEM PSP 2017"), and unless revoked or varied by ordinary shareholders of the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier, and provided always that the aggregate number of shares issued or to be issued pursuant to the AEM PSP 2017, when added to (a) the aggregate number of shares issued or issuable in respect of any other share based schemes of the Company then in force (if any) and (b) the number of treasury shares delivered in respect of the AEM PSP 2017 and any other share-based incentive schemes of the Company then in force (if any), shall not exceed ten per centum (10%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

(See Explanatory Note (iv))

13. To transact any other business which may be properly transacted at an AGM.

Explanatory Notes:

(i) The proposed Ordinary Resolution 9 above, if passed, will (unless varied or revoked by the Company in a general meeting) empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to ten per centum (10%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The proposed Ordinary Resolution 10 above, if passed, will, unless varied or revoked by the Company in a general meeting, empower the Directors of the Company from the date of the AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM is required by law to be held, whichever is the earlier, to make on-market and off-market purchases or acquisitions of ordinary shares of the Company up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of this Ordinary Resolution at a Maximum Price (as defined in Ordinary Resolution 10 above). Detailed information on the Share Purchase Mandate (as defined in Resolution 10 above) is set out in the Letter to Shareholders dated 10 April 2026.

Please refer to the Letter to Shareholders dated 10 April 2026 for further details, including the source of funds to be used for the Share Purchase Mandate (including the amount of financing) and the impact of the Share Purchase Mandate on the Company's financial position.

(iii) The proposed Ordinary Resolution 11 above, if passed, will empower the Directors to issue shares in connection with the AEM RSP 2024, up to a limit of 0.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 9 and the specific authority to issue shares sought under Ordinary Resolution 12.

(iv) The proposed Ordinary Resolution 12 above, if passed, will empower the Directors to issue shares in connection with the AEM PSP 2017, up to a limit of 0.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 9 and the specific authority to issue shares sought under Ordinary Resolution 11.

By Order of the Board

Kevin Cho
Company Secretary

Date: 10 April 2026

Notes:

- This AGM will be held, in a wholly physical format at Stephen Riady Auditorium @ NTUC Centre, No. 1 Marina Boulevard, #07-01, One Marina Boulevard, Singapore 018989. There will be no option for the members to participate virtually.
- Printed copies of this Notice of AGM and attached Proxy Form and the Request Form will be sent by post to members. These documents have also been made available on the Company's website at the URL <https://www.aem.com.sg/announcements> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> ("SGXNet").
- Members (including Central Provident Fund Investment Scheme investors ("CPFIS Investors") and/or Supplementary Retirement Scheme investors ("SRS Investors")), and where applicable, duly appointed proxies and representatives, may participate in the AGM by:

(a) attending the AGM in person;

(b) submitting questions by the members, to the Chairman of the AGM in advance of, or at, the AGM; and

(c) voting at the AGM (i) by the members, including the CPFIS/SRS investors, themselves; or (ii) through their duly appointed proxy/proxies and representatives,

CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2026, being seven (7) working days prior to the date of the AGM. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries to specify their voting instructions at least 7 working days (i.e., by 5.00 p.m. on 16 April 2026) before the AGM, if they wish to vote.

4. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such member appoints two proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding concerned to be represented by each proxy in the Proxy Form.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number and class of Shares in relation to which each proxy has been appointed in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A member can choose to appoint the Chairman of the AGM as his/her/its proxy.

6. A proxy need not be a member of the Company.

7. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 5.00 p.m. on 18 April 2026:

(a) by email to srs.team@boardroomlimited.com; or

(b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's website at the URL <https://www.aem.com.sg/announcements> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> by no later than 10.30 a.m. on 23 April 2026.

For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet within one (1) month from the date of the AGM.

8. A member wishing to submit the Proxy Form must first download, complete, and sign it as specified in Note 9 below. The duly completed and signed Proxy Form, along with any power of attorney or other authority under which it is signed (if applicable), or a certified copy of such authorization, must:

(a) if sent personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.proxy@boardroomlimited.com,

in each case, no later than 10.30 a.m. on 25 April 2026, failing which the Proxy Form shall not be treated as valid.

9. (a) For submissions of the Proxy Form either personally or by post, it must bear the signature of the appointor or that of his/her attorney duly authorised in writing. In instances where the Proxy Form is executed by a corporation, it must be executed under its seal or signed by an officer or attorney duly authorised.

(b) For submissions of the Proxy Form via email, the Proxy Form must be authorised either by affixing an electronic signature by the appointor or his/her duly authorised attorney, or, in the case of a corporation, by an officer or duly authorised attorney. Alternatively, the appointor or his/her duly authorised attorney, or, in the case of a corporation, an officer or duly authorised attorney, may sign the Proxy Form and subsequently submit a scanned copy thereof via email.

(c) Where the Proxy Form is signed or authorised on the appointor's behalf by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form unless previously registered with the Company. Failure to comply may render the Proxy Form invalid.

10. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment).

11. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any Proxy Form lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

12. Completion and return of the Proxy Form does not preclude a member from attending, speaking and voting at the AGM. The appointment of a proxy/proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

13. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

14. For purposes of the appointment of a proxy(ies) and/or representative(s), the full name and full NRIC/passport number of the member(s) and the proxy(ies) or representative(s) must be provided for identification purposes. In addition, the proxy(ies) or representative(s) must produce their NRIC/passport for verification at registration at the AGM. This is to ensure that only duly appointed proxy(ies) and/or representative(s) are entitled to attend, speak and vote at AGM. The Company reserves the right to refuse admittance to the AGM if the identity of any proxy or representative cannot be established accurately.

15. Refreshments will be limited to beverages only. No door gifts, vouchers, food/snacks or complimentary parking coupons will be distributed at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the following additional information on Mr. Loke Wai San, Mr. Loh Kin Wah, Mr. Chok Yean Hung and Dr. Yeo Yee Chia, all of whom are seeking re-election as Directors at 2026 Annual General Meeting is set out below:

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yean Hung	Dr. Yeo Yee Chia
Date of Appointment	30 September 2011	4 May 2018	1 July 2020	13 May 2025
Date of Last Re-Appointment (if applicable)	27 April 2023	24 April 2024	24 April 2024	Not applicable
Age	57	71	61	54
Country of Principal Residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on the re-appointment	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Loke Wai San as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Loh Kin Wah as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Chok Yean Hung as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Dr. Yeo Yee Chia as Director of the Company.
Whether the appointment is executive, and if so the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title	Non-Executive Chairman <ul style="list-style-type: none"> Chairman of Strategy Committee Member of Nominating Committee 	Independent Non-Executive Director <ul style="list-style-type: none"> Member of Nominating Committee Member of Remuneration Committee Member of Strategy Committee 	Non-Independent Non-Executive Director <ul style="list-style-type: none"> Member of Audit and Risk Management Committee Member of Strategy Committee 	Independent Non-Executive Director <ul style="list-style-type: none"> Member of Strategy Committee

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yeap Hung	Dr. Yeo Yee Chia
Professional Qualifications	<ul style="list-style-type: none"> Master of Business Administration, University of Chicago Bachelor of Science in Electrical and Electronics Engineering, Lehigh University 	<ul style="list-style-type: none"> Bachelor of Science, Chemical Engineering (Honours) Post Graduate Certified Diploma in Accounting and Finance 	<ul style="list-style-type: none"> Bachelor of Engineering (Electrical), National University of Singapore 	<ul style="list-style-type: none"> Advanced Management Program, 2024, Harvard Business School, Harvard University, Boston, Massachusetts, USA Doctor of Philosophy (Ph.D.) in Electrical Engineering, University of California, Berkeley, California, USA Master of Science (M.S.) in Electrical Engineering, University of California, Berkeley, California, USA Masters in Electrical Engineering, National University of Singapore Bachelor of Electrical Engineering (First Class Honours), National University of Singapore

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yeap Hung	Dr. Yeo Yee Chia
Working Experience and occupation(s) in the past 10 years	<ul style="list-style-type: none"> Director of Novo Tellus Capital Partners (current) Executive Chairman of AEM Holdings (past) CEO of Novo Tellus Alpha Acquisition (past) 	<ul style="list-style-type: none"> Chairman of Kinergy Corporation Ltd, Singapore Member of the Supervisory Board and Chairman of the Technology Committee at AMS-OSRAM AG, Austria Board of Director of Shenzhen Original Advanced Compounds Co. Ltd ("Zhizheng" stock code 603991.SH) 	<ul style="list-style-type: none"> Jan 2023 to present: Director of Greenpac (S) Pte. Ltd. Jan 2022 to February 2024: Non-Executive Director of Novo Tellus Alpha Acquisition Aug 2021 to present: Director of Aqualita Ecotechnology Pte. Ltd. Mar 2021 to Feb 2025: Director of Cibus Capital Partners Pte. Ltd. Sep 2010 to March 2026: Director of P3 Investment Pte. Ltd. (dormant) 	<p>Agency for Science, Technology, and Research (A*STAR), Singapore</p> <ul style="list-style-type: none"> Assistant Chief Executive – July 2023 to September 2024 Executive Director, Science and Engineering Research Council SERC – September 2022 to June 2023 Executive Director (Intellectual Property Management), Innovation and Enterprise – September 2022 to June 2024 <p>Taiwan Semiconductor Manufacturing Company (TSMC), Taiwan</p> <ul style="list-style-type: none"> Director of Research and Development, – April 2014 to July 2022 <p>National University of Singapore (NUS), Singapore</p> <ul style="list-style-type: none"> Professor, Electrical and Computer Engineering Department – 2003 to Present (on leave from April 2014 to January 2025)
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 1,656,240 Deemed interest: 6,897,266	Direct interest: Nil Deemed interest: 530,250	Direct interest: 1,102,044 Deemed interest: Nil	Direct interest: Nil Deemed interest: Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes	Yes

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yearn Hung	Dr. Yeo Yee Chia
Other principal commitments including directorships				
Past (for the last 5 years)	<ul style="list-style-type: none"> • Non-Executive Director of Procurri Corporation Limited • Director of Enterprise Singapore • Non-Executive Director of New Earth Group Ltd • Non-Executive Director of Integrated Circuits Pte Ltd • Non-Executive Director of Sunrise Technology Investment Holding Pte Ltd • Executive Director of Novo Tellus Alpha Acquisition • Non-Executive Director of Grand Venture Technology Limited 	<ul style="list-style-type: none"> • Chairman of Advanced Assembly Materials International Ltd. 	<ul style="list-style-type: none"> • Director of Singapore Semiconductor Industry Association (SSIA) • Director of Novo Tellus Alpha Acquisition • Director of AEM Singapore Pte Ltd • Director of AEM China (S) Pte Ltd • Director of AEM International (US) Ltd • Director of AEM Microtronics (M) Sdn Bhd • Director of AEM Microtronics (Suzhou) Co. Ltd. • Director of Afore Oy • Director of Inspirain Technologies Pte Ltd • Director of IRIS Solution Pte Ltd • Director of Novoflex Pte Ltd • Director of P3 Investment Pte Ltd • Director of Cibus Capital Partners Pte Ltd 	Nil

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yearn Hung	Dr. Yeo Yee Chia
Present	<ul style="list-style-type: none"> • CEO and Managing Director of Novo Tellus Capital Partners • Director of New Earth Group 2 Ltd • Director of New Earth Group 3 Ltd • Director of NTCP SPV III • Non-Executive Director of Sunningdale Tech Ltd • Non-Executive Director of Sunrise Technology Investment Holding (Cayman) Pte Ltd • Non-Executive Director of Tessolve Semiconductor Pte Ltd • Non-Executive Director of Amsino Medical Group Company Limited • Chairman of Temasek Polytechnic • Director of Singapore Venture & Private Capital Association <p>Human Capital Committee of Economic Strategy Review, Singapore</p>	<ul style="list-style-type: none"> • Member of the Supervisory Board and Chairman of the Technology Committee at AMS-OSRAM AG, Austria • Chairman of Kinergy Corporation Ltd. • Board of Director of Shenzhen Original Advanced Compounds Co. Ltd ("Zhizheng" stock code 603991.SH) • Director of Majuta International Pte. Ltd. • Director of Liteleaf Pte.Ltd • Chairman of Huba Control AG • Director of UTAC Pte. Ltd. • Director of ATX China 	<ul style="list-style-type: none"> • Independent Director of Greenpac (S) Pte. Ltd. • Director of Aqualita Ecotechnology Pte. Ltd. 	<ul style="list-style-type: none"> • Co-Chairman, Board of Directors of Technology Centre for Offshore and Marine, Singapore Ltd.

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yean Hung	Dr. Yeo Yee Chia	
Information required pursuant to Listing Rule 704(7)					
a	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
b	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
c	Whether there is any unsatisfied judgment against him?	No	No	No	No
d	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

	Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yean Hung	Dr. Yeo Yee Chia	
e	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
f	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
g	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
h	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No

		Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yean Hung	Dr. Yeo Yee Chia
i	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
j	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? 	No	No	No	No

		Mr. Loke Wai San	Mr. Loh Kin Wah	Mr. Chok Yean Hung	Dr. Yeo Yee Chia
k	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

**AEM HOLDINGS LTD.**Company Registration No: 200006417D
(Incorporated in the Republic of Singapore)**PROXY FORM****IMPORTANT:**

- This Annual General Meeting ("AGM") will be held in a wholly physical format at Stephen Riady Auditorium @ NTUC Centre, No. 1 Marina Boulevard, #07-01, One Marina Boulevard, Singapore 018989 on Tuesday, 28 April 2026 at 10.30 a.m. (Singapore Time). There will be no option for the members to participate virtually.
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding shares in the Company through Central Provident Fund Investment Scheme ("CPFIS") and Supplementary Retirement Scheme ("SRS"). CPFIS or SRS investors who wish to exercise their voting rights should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2026.
- Please read the notes to the Proxy Form which contain, inter alia, instructions on the appointment of a proxy(ies).

PERSONAL DATA PRIVACY

By submitting this Proxy Form, the member(s) accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2026.

NO VOUCHERS OR DOOR GIFTS

Refreshments will be limited to beverages only. No door gifts, vouchers, food/snacks or complimentary parking coupons will be distributed at the AGM.

I/We, (name) _____,

with NRIC/Passport/Company Registration No.: _____

of (address) _____

being a member/members of AEM HOLDINGS LTD. (the "Company"), hereby appoint:

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend, speak or vote on my/our behalf at the AGM of the Company to be held at Stephen Riady Auditorium @ NTUC Centre, No. 1 Marina Boulevard, #07-01, One Marina Boulevard, Singapore 018989 on Tuesday, 28 April 2026 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions	For	Against	Abstain
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025			
2	Declaration of First and Final Dividend			
3	Re-election of Mr. Loke Wai San as Director			
4	Re-election of Mr. Loh Kin Wah as Director			
5	Re-election of Mr. Chok Yean Hung as Director			
6	Re-election of Dr. Yeo Yee Chia as Director			
7	Approval of Directors' fees for the financial year ending 31 December 2026			
8	Re-appointment of KPMG LLP as Auditors and authorisation for Directors to fix its remuneration			
9	Approval of the General Share Issue Mandate			
10	Approval of the renewal of the Share Purchase Mandate			
11	Approval of the Specific Share Issue Mandate – AEM Restricted Share Plan 2024			
12	Approval of the Specific Share Issue Mandate – AEM Performance Share Plan 2017			

* Voting will be conducted by poll. If you wish for your proxy/proxies to cast all your votes pertaining to a resolution to be proposed at the AGM, please tick (✓) in the boxes under "For" or "Against". If you wish your proxy/proxies to abstain from voting on a resolution to be proposed at the AGM, please tick (✓) in the box under "Abstain". Alternatively, you may indicate the number of shares that your proxy is directed to vote in the boxes under "For" or "Against" or "Abstain". In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the proposed resolutions if no voting instruction is specified, and on any other matter arising at the Meeting and at any adjournment thereof.

Dated this _____ day of _____ 2026

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or, Common Seal
of Corporate Shareholder

* To delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

NOTES

1. Please insert the total number of ordinary shares ("Shares") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form failing which, the appointments shall be deemed invalid.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form failing which, the appointments shall be deemed invalid.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
3. A proxy need not be a member of the Company. A member can choose to appoint the Chairman of the AGM as his/her/its proxy.
4. A member wishing to submit the Proxy Form must first download, complete, and sign it as specified in Note 5 below. The duly completed and signed Proxy Form, along with any power of attorney or other authority under which it is signed (if applicable), or a certified copy of such authorization, must:

(a) if sent personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.proxy@boardroomlimited.com,

in each case, no later than 10.30 a.m. on 25 April 2026, failing which the Proxy Form shall not be treated as valid.
5. (a) For submissions of the Proxy Form either personally or by post, it must bear the signature of the appointor or that of his/her attorney duly authorised in writing. In instances where the Proxy Form is executed by a corporation, it must be executed under its seal or signed by an officer or attorney duly authorised.

(b) For submissions of the Proxy Form via email, the Proxy Form must be authorised either by affixing an electronic signature by the appointor or his/her duly authorised attorney, or, in the case of a corporation, by an officer or duly authorised attorney. Alternatively, the appointor or his/her duly authorised attorney, or, in the case of a corporation, an officer or duly authorised attorney, may sign the Proxy Form and subsequently submit a scanned copy thereof via email.

(c) Where the Proxy Form is signed or authorised on the appointor's behalf by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form unless previously registered with the Company. Failure to comply may render the Proxy Form invalid.
6. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. CPFIS or SRS Investors who hold Shares in the Company through their CPF Agent Banks or SRS Operators, may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (i.e. by 5.00 p.m. on 16 April 2026).
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
9. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
10. For purposes of the appointment of a proxy(ies) and/or representative(s), the full name and full NRIC/passport number of the member(s)' and the proxy(ies) or representative(s) must be provided for identification purposes. In addition, the proxy(ies) or representative(s) must produce their NRIC/passport for verification at registration at the AGM. This is to ensure that only duly appointed proxy(ies) and/or representative(s) are entitled to attend, speak and vote at AGM. The Company reserves the right to refuse admittance to the AGM if the identity of any proxy' or representative cannot be established accurately.

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For additional information about AEM, visit
www.aem.com.sg

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of the annual report, go to:



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