AEM HOLDINGS LTD.
Incorporated in the Republic of Singapore
(REGISTRATION NO. 200006417D)

AEM Holdings Ltd. and its Subsidiaries

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2026

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AEM HOLDINGS LTD.
(REGISTRATION NO. 200006417D)

Condensed interim financial statements for the six months ended 30 June 2026

These statements for the six months ended 30 June 2026 have not been audited.

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000	Change* %
Revenue	4	**247,207**	**190,257**	**30%**
Cost of sales		(165,495)	(141,909)	17%
Gross profit		**81,712**	**48,348**	**69%**
Other income		1,341	1,082	24%
Research & development expenses		(12,888)	(12,713)	1%
Selling, general & administrative expenses		(32,994)	(25,650)	29%
Foreign exchange gain/(loss), net		1,847	(5,890)	NM
Other expenses		(497)	(38)	1,208%
Results from operating activities		**38,521**	**5,139**	**650%**
Finance income		1,129	272	315%
Finance costs		(1,442)	(1,467)	(2%)
Net finance costs		**(313)**	**(1,195)**	**(74%)**
Profit before tax	6	**38,208**	**3,944**	**869%**
Tax expense	7	(7,417)	(788)	841%
Profit for the period		**30,791**	**3,156**	**876%**
Profit attributable to:				
Owners of the Company		30,952	3,083	904%
Non-controlling interests		(161)	73	NM
Profit for the period		**30,791**	**3,156**	**876%**
Earnings per share for profit for the period attributable to the owners of the Company:				
Basic (SGD in cent)	8	9.79	0.98	899%
Diluted (SGD in cent)	8	9.68	0.98	888%

Note:
*Increase/(decrease)
NM: Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000	Change* %
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference – foreign operations	3,455	(12,002)	NM
Other comprehensive income/(loss) for the period, net of tax	3,455	(12,002)	NM
Total comprehensive income/(loss) for the period	**34,246**	**(8,846)**	**NM**
Total comprehensive income/(loss) attributable to:			
Owners of the Company	34,140	(8,920)	NM
Non-controlling Interests	106	74	43%
Total comprehensive income/(loss) for the period	**34,246**	**(8,846)**	**NM**

Note:
* Increase/(decrease)
NM: Not meaningful

B. Condensed interim statements of financial position

	Note	Group 30 June 2026 S$'000	Group 31 December 2025 S$'000	Company 30 June 2026 S$'000	Company 31 December 2025 S$'000
Assets					
Property, plant and equipment	12	35,665	35,683	4	6
Investment properties		1,412	1,511	–	–
Right-of-use assets		24,137	14,155	–	–
Intangible assets	11	131,734	130,252	–	–
Interests in subsidiaries		–	–	82,851	82,851
Trade and other receivables		2,906	13,441	–	–
Deferred tax assets		1,134	1,084	22	22
Non-current assets		**196,988**	**196,126**	**82,877**	**82,879**
Inventories	13	265,549	226,969	–	–
Trade and other receivables		164,369	120,316	115,302	100,145
Contract assets		3,299	858	–	–
Cash and cash equivalents		82,657	77,334	4,027	10,993
Current assets		**515,874**	**425,477**	**119,329**	**111,138**
Total assets		**712,862**	**621,603**	**202,206**	**194,017**
Equity					
Share capital	15	209,169	189,661	209,169	189,661
Reserves		(39,890)	(38,100)	(9,404)	(4,807)
Accumulated profits		367,999	341,207	(316)	5,971
Equity attributable to owners of the Company		**537,278**	**492,768**	**199,449**	**190,825**
Non-controlling interests		4,904	6,556	–	–
Total equity		**542,182**	**499,324**	**199,449**	**190,825**
Liabilities					
Loans and borrowings	14	17,275	9,329	–	–
Trade and other payables		31	190	–	–
Deferred tax liabilities		12,508	12,694	–	–
Provisions		8,425	5,449	–	–
Defined benefit obligations		1,113	1,104	–	–
Non-current liabilities		**39,352**	**28,766**	**–**	**–**
Loans and borrowings	14	8,816	7,045	–	–
Trade and other payables		100,903	67,450	2,232	2,667
Contract liabilities		6,580	9,258	–	–
Current tax payable		12,635	7,453	525	525
Provisions		2,394	2,307	–	–
Current liabilities		**131,328**	**93,513**	**2,757**	**3,192**
Total liabilities		**170,680**	**122,279**	**2,757**	**3,192**
Total equity and liabilities		**712,862**	**621,603**	**202,206**	**194,017**

C. Condensed interim statements of changes in equity

	Note	Share capital S$'000	Reserve for own shares S$'000	Other reserves S$'000	Share compensation reserve S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
		Attributable to owners of the Company								
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 period										
Profit for the period		-	-	-	-	-	3,083	3,083	73	3,156
Other comprehensive loss										
Foreign currency translation difference – foreign operations		-	-	-	-	(12,003)	-	(12,003)	1	(12,002)
Total comprehensive (loss)/income for the period		**-**	**-**	**-**	**-**	**(12,003)**	**3,083**	**(8,920)**	**74**	**(8,846)**
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Ordinary shares issued pursuant to share plans	**15**	743	-	548	(1,291)	-	-	-	-	-
Share-based payment transactions		-	-	-	1,138	-	-	1,138	-	1,138
Total contributions by and distributions to owners of the Company		**743**	**-**	**548**	**(153)**	**-**	**-**	**1,138**	**-**	**1,138**
Changes in ownership interests in a subsidiary										
Acquisition of non-controlling interests without a change in control	**16**	-	-	(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		**743**	**-**	**43**	**(153)**	**57**	**38**	**728**	**(1,193)**	**(465)**
At 30 June 2025		**189,594**	**(9,171)**	**(10,181)**	**3,753**	**(23,828)**	**327,339**	**477,506**	**5,497**	**483,003**

C. Condensed interim statements of changes in equity (cont'd)

	Note	Share capital S$'000	Reserve for own shares S$'000	Other reserves S$'000	Share compensation reserve S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
		Attributable to owners of the Company								
Group										
At 1 January 2026		**189,661**	**(6,690)**	**(12,612)**	**4,819**	**(23,617)**	**341,207**	**492,768**	**6,556**	**499,324**
Total comprehensive income for the period										
Profit for the period		-	-	-	-	-	30,952	30,952	(161)	30,791
Other comprehensive income										
Foreign currency translation difference – foreign operations		-	-	-	-	3,188	-	3,188	267	3,455
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**3,188**	**30,952**	**34,140**	**106**	**34,246**
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Ordinary shares issued pursuant to share plans	**15**	5,807	-	(4,420)	(1,387)	-	-	-	-	-
Share options exercised		1,816	-	1,229	(1,229)	-	-	1,816	-	1,816
Share-based payment transactions		-	-	-	1,210	-	-	1,210	-	1,210
Issue of shares related to private placement		11,885	-	-	-	-	-	11,885	-	11,885
Final dividend of 1.3 cents per share in respect of 2025	**9**	-	-	-	-	-	(4,137)	(4,137)	-	(4,137)
Total contributions by and distributions to owners of the Company		**19,508**	**-**	**(3,191)**	**(1,406)**	**-**	**(4,137)**	**10,774**	**-**	**10,774**
Changes in ownership interests in a subsidiary										
Acquisition of non-controlling interests without a change in control	**16**	-	-	(477)	-	96	(23)	(404)	(1,758)	(2,162)
Total changes in ownership interests in a subsidiary		**-**	**-**	**(477)**	**-**	**96**	**(23)**	**(404)**	**(1,758)**	**(2,162)**
Total transactions with owners		**19,508**	**-**	**(3,668)**	**(1,406)**	**96**	**(4,160)**	**10,370**	**(1,758)**	**8,612**
At 30 June 2026		**209,169**	**(6,690)**	**(16,280)**	**3,413**	**(20,333)**	**367,999**	**537,278**	**4,904**	**542,182**

C. Condensed interim statements of changes in equity (cont'd)

	Note	Share capital S$'000	Reserve for own shares S$'000	Other reserves S$'000	Share compensation reserve S$'000	Accumulated (losses)/ profits S$'000	Total S$'000
Company							
At 1 January 2025		**188,851**	**(9,171)**	**(1,053)**	**3,906**	**6,256**	**188,789**
Total comprehensive loss for the period		**-**	**-**	**-**	**-**	**(408)**	**(408)**
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Ordinary shares issued pursuant to share plans	**15**	743	-	548	(1,291)	-	-
Share-based payment transactions		-	-	-	1,138	-	1,138
Total transactions with owners		**743**	**-**	**548**	**(153)**	**-**	**1,138**
At 30 June 2025		**189,594**	**(9,171)**	**(505)**	**3,753**	**5,848**	**189,519**
At 1 January 2026		**189,661**	**(6,690)**	**(2,936)**	**4,819**	**5,971**	**190,825**
Total comprehensive loss for the period		**-**	**-**	**-**	**-**	**(2,150)**	**(2,150)**
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Ordinary shares issued pursuant to share plans	**15**	5,807	-	(4,420)	(1,387)	-	-
Share options exercised		1,816	-	1,229	(1,229)	-	1,816
Share-based payment transactions		-	-	-	1,210	-	1,210
Issue of shares related to private placement		11,885	-	-	-	-	11,885
Final dividend of 1.3 cents per share in respect of 2025		-	-	-	-	(4,137)	(4,137)
Total transactions with owners		**19,508**	**-**	**(3,191)**	**(1,406)**	**(4,137)**	**10,774**
At 30 June 2026		**209,169**	**(6,690)**	**(6,127)**	**3,413**	**(316)**	**199,449**

D. Condensed interim consolidated statement of cash flows

	Note	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000
Cash flows from operating activities			
Profit for the period		30,791	3,156
Adjustments for:			
Depreciation of property, plant and equipment		3,158	3,545
Depreciation of investment properties		12	13
Depreciation of right-of-use assets		3,458	3,271
Amortisation of intangible assets	11	5,514	5,487
Loss on disposal of property, plant and equipment	6	146	-
Write off of property, plant and equipment		-	15
Net finance costs		313	1,195
Foreign exchange differences arising from translation		1,957	(4,506)
Provision for/(reversal of) defined benefit obligations		9	(10)
Equity-settled share-based payment expenses		1,210	1,138
Tax expense	7	7,417	788
		53,985	14,092
Changes in:			
Inventories		(37,552)	45,232
Trade and other receivables		(31,522)	(12,570)
Contract assets		(2,494)	705
Trade and other payables		32,257	389
Contract liabilities		(2,636)	424
Provisions		2,969	(491)
Cash from operating activities		15,007	47,781
Tax paid		(2,547)	(1,376)
Net cash generated from operating activities		**12,460**	**46,405**
Cash flows from investing activities			
Acquisition of intangible assets	11	(6,805)	(6,319)
Interest received		562	272
Proceeds from disposal of property, plant and equipment		55	-
Acquisition of property, plant and equipment	12	(3,685)	(2,735)
Net cash used in investing activities		**(9,873)**	**(8,782)**

D. Condensed interim consolidated statement of cash flows (cont'd)

	Note	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000
Cash flows from financing activities			
Interest paid		(1,427)	(1,467)
Repayment of borrowings		(98)	(38,482)
Payment of lease liabilities		(3,316)	(3,111)
Proceeds from borrowings		-	21,800
Proceeds from exercise of share options		1,816	-
Proceeds from issue of shares for private placement		11,885	-
Acquisition of subsidiary's interests from the non-controlling interest	16	(2,162)	(1,603)
Dividends paid		(4,137)	-
Net cash generated from/(used in) financing activities		**2,561**	**(22,863)**
Net increase in cash and cash equivalents		5,148	14,760
Cash and cash equivalents at beginning of period		77,334	43,775
Effect of exchange rate fluctuations on cash held		175	1,256
Cash and cash equivalents at end of period		**82,657**	**59,791**

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

AEM Holdings Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company are those relating to an investment holding company. The principal activities of the Group are design and manufacturing of semiconductor assembly and testing equipment, and contract manufacturing.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies that have a significant risk of resulting in a material adjustment as at and for the six months ended 30 June 2026.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 interim period are included in the following notes:

- Note 11.1 – goodwill impairment
- Note 13 – valuation of inventories

3. **Seasonal Operations**

The Group's businesses are not affected significantly by seasonal factors during the financial period.

4. **Segment and revenue 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")
- Instrumentation ("INS")
- Contract Manufacturing ("CM")
- Others

4.1 Reportable Segments

S$'000	TCS	INS	CM	Others	Elimination	Total
1 January 2026 to 30 June 2026						
Revenue from external parties	180,905	3,094	63,208	-	-	247,207
Inter-segment revenue	-	4,112	15,203	-	(19,315)	-
Total segment revenue	180,905	7,206	78,411	-	(19,315)	247,207
Depreciation and amortisation	(7,412)	(1,870)	(867)	(1,993)	-	(12,142)
Finance income	1,067	7	55	-	-	1,129
Finance costs	(1,343)	(1)	(58)	(40)	-	(1,442)
Foreign exchange gain, net	1,672	20	155	-	-	1,847
Segment profit/(loss)	37,735	(453)	5,746	(5,086)	266	38,208
Profit before tax						**38,208**
Tax expenses						(7,417)
Profit for the period						**30,791**
Expenditure for segment non-current assets						
Additions to property, plant & equipment, intangible assets and right-of-use assets	22,480	423	953	-	-	23,856

S$'000	TCS	INS	CM	Others	Total
As at 30 June 2026					
Segment assets	509,171	33,815	164,983	4,893	712,862
Segment liabilities	105,087	4,348	50,531	10,714	170,680

4.1 Reportable Segments (cont'd)

S$'000	TCS	INS	CM	Others	Elimination	Total
1 January 2025 to 30 June 2025						
Revenue from external parties	118,620	4,616	67,021	-	-	190,257
Inter-segment revenue	-	1,321	3,279	-	(4,600)	-
Total segment revenue	118,620	5,937	70,300	-	(4,600)	190,257
Depreciation and amortisation	(7,646)	(1,815)	(754)	(2,101)	-	(12,316)
Finance income	111	53	108	-	-	272
Finance costs	(1,350)	(2)	(57)	(58)	-	(1,467)
Foreign exchange (loss)/gain, net	(5,927)	1,419	(1,382)	-	-	(5,890)
Segment profit/(loss)	3,753	864	903	(2,032)	456	3,944
Profit before tax						**3,944**
Tax expenses						(788)
Profit for the period						**3,156**
Expenditure for segment non-current assets						
Additions to property, plant & equipment, intangible assets and right-of-use assets	7,529	975	1,631	-	-	10,135

S$'000	TCS	INS	CM	Others	Total
As at 30 June 2025					
Segment assets	443,964	30,246	153,468	6,074	633,752
Segment liabilities	97,377	4,675	39,882	8,815	150,749

4.2 Disaggregation of Revenue

Set out below is an overview of the revenue of the Group for the six months ended 30 June 2026 and 30 June 2025:

	Group	
	6 months ended 30 June 2026 ("1H2026") S$'000	**6 months ended 30 June 2025 ("1H2025") S$'000**
Types of goods or services:		
Sale of goods	238,909	167,482
Rendering of Services	8,298	22,775
Total revenue	**247,207**	**190,257**
Timing of revenue recognition:		
At a point in time	238,909	168,069
Over time	8,298	22,188
Total revenue	**247,207**	**190,257**
Geographic information:		
Singapore	53,450	41,771
China	58,884	8,883
Costa Rica	6,461	8,393
Finland	4,955	455
France	783	602
Germany	2,910	3,204
Ireland	3,197	2,555
Malaysia	41,058	72,410
Republic of Korea	3,297	2,892
United Kingdom	1,394	2,480
United States of America	29,570	26,071
Vietnam	31,480	10,240
Other countries	9,768	10,301
Total revenue	**247,207**	**190,257**

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2026 and 31 December 2025:

	Group		Company	
	30 June 2026 S$'000	31 December 2025 S$'000	30 June 2026 S$'000	31 December 2025 S$'000
Financial assets				
Cash and bank balances	82,657	77,334	4,027	10,993
Trade and other receivables (financial assets) *	159,709	126,190	114,894	99,737
Financial liabilities and trade and other payables				
Loans and borrowings	26,091	16,374	-	-
Trade and other payables (financial liabilities) **	86,230	52,936	1,698	2,130

* Excluding deposits and prepayments
** Excluding employees related payable

6. Profit before tax

6.1 Significant items

	Group	
	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000
Income		
Government grant income	1,061	615
Expenses		
Depreciation and amortisation	(12,142)	(12,316)
Net loss on disposal of property, plant, and equipment	(146)	-
Legal, IT, and professional fees	(6,115)	(3,282)
Allowance for stock obsolescence	(1,819)	(4,055)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Tax expenses

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000
Current income tax expense	(7,585)	(1,193)
Deferred income tax expense relating to origination and reversal of temporary differences	168	405
	(7,417)	**(788)**

8. Earnings per share

	Group	
	6 months ended 30 June 2026 ("1H2026")	6 months ended 30 June 2025 ("1H2025")
Basic earnings per share (Singapore cents)	9.79 cents	0.98 cents
Weighted average number of ordinary shares ('000)	316,076	313,168
Diluted earnings per share (Singapore cents)	9.68 cents	0.98 cents
Weighted average number of ordinary shares adjusted for the effect of dilutive potential ('000)	319,680	315,965

9. Dividends

	Group	
	6 months ended 30 June 2026 ("1H2026") S$'000	6 months ended 30 June 2025 ("1H2025") S$'000
Ordinary dividends paid:		
Final dividend of 1.3 cent per share paid in respect of 2025	4,137	-
Dividend per share, net of tax (Singapore cents)	1.3 cents	-

10. Net asset value

	Group		Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Net asset value per ordinary share (Singapore cents)	168.1 cents	157.0 cents	62.4 cents	60.8 cents

The calculation of net asset value per ordinary share was based on the existing share capital less treasury shares of 319,547,000 ordinary shares as at 30 June 2026 (31 December 2025: 313,783,000).

11. Intangible assets

	Group						
	Goodwill S$'000	Technology S$'000	Customer relationships S$'000	Computer software S$'000	Development costs S$'000	Other S$'000	Total S$'000
At 31 December 2025							
Cost	60,471	11,142	21,944	4,839	74,862	3,379	176,637
Accumulated amortisation	-	(4,540)	(8,449)	(4,396)	(27,688)	(1,312)	(46,385)
Carrying amount	**60,471**	**6,602**	**13,495**	**443**	**47,174**	**2,067**	**130,252**
6 months ended 30 June 2026							
Opening carrying amount	60,471	6,602	13,495	443	47,174	2,067	130,252
Additions	-	-	-	23	6,782	-	6,805
Amortisation charge	-	(352)	(685)	(194)	(4,149)	(134)	(5,514)
Translation adjustment	(13)	(20)	-	3	220	1	191
Closing carrying amount	60,458	6,230	12,810	275	50,027	1,934	131,734
At 30 June 2026							
Cost	60,458	11,121	21,944	4,881	81,627	3,356	183,387
Accumulated amortisation	-	(4,891)	(9,134)	(4,606)	(31,600)	(1,422)	(51,653)
Carrying amount	**60,458**	**6,230**	**12,810**	**275**	**50,027**	**1,934**	**131,734**

	Company
	Computer software S$'000
At 31 December 2025, and 30 June 2026	
Cost	1,340
Accumulated amortisation	(1,340)
Carrying amount	**-**

11.1 Goodwill impairment

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

	Group	
	30 June 2026 S$'000	31 December 2025 S$'000
Test Cell Solutions (TCS)	32,433	32,446
Test and Measurement Solution (TMS)*	1,230	1,230
Contract Manufacturing (CM)	26,795	26,795
	60,458	**60,471**

* This CGU was grouped under Instrumentation segment

The recoverable amount of the TCS, TMS, and CM CGU 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.

12. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired assets amounting to S$3,685,000 (30 June 2025: S$2,735,000) and disposed of assets amounting to S$201,000 (30 June 2025: S$Nil).

13. Inventories

	Group	
	30 June 2026 S$'000	31 December 2025 S$'000
Raw materials	157,647	141,132
Work-in-progress	22,955	14,233
Finished goods	83,528	69,441
Goods in-transit	1,419	2,163
	265,549	**226,969**

The Group recognised an allowance for stock obsolescence of S$1,819,000 (1H2025: S$4,055,000) based on slow-moving inventories. The allowance is included in "cost of sales" within the condensed interim consolidated statement of profit or loss.

14. Loans and borrowings

	Group	
	30 June 2026 S$'000	31 December 2025 S$'000
Amount repayable within one year or on demand		
Lease liabilities	6,177	4,007
Secured bank loans	2,516	2,728
Unsecured bank loans	123	310
	8,816	**7,045**
Amount repayable after one year		
Lease liabilities	17,255	9,307
Secured bank loans	20	22
	17,275	**9,329**
Total	**26,091**	**16,374**

15. Share capital

	Group					
	Total Issued Shares		Total Treasury Shares		Total Issued Less Treasury shares	
	Number of shares '000	Amount S$'000	Number of Shares '000	Amount S$'000	Number of Shares '000	Amount S$'000
Fully paid ordinary shares, with no par value:						
At 1 January 2025	**315,762**	**188,851**	**(2,740)**	**(9,171)**	**313,022**	**179,680**
Purchase of treasury shares	-	-	(1,200)	(1,946)	(1,200)	(1,946)
Issue of shares under share plans	639	810	-	-	639	810
Issue of shares for fulfilment of contractual obligation	-	-	1,322	4,427	1,322	4,427
At 31 December 2025 & 1 January 2026	**316,401**	**189,661**	**(2,618)**	**(6,690)**	**313,783**	**182,971**
Issue of shares under share plans	833	5,807	-	-	833	5,807
Issue of shares related to private placement	3,341	11,885	-	-	3,341	11,885
Share options exercised	1,590	1,816	-	-	1,590	1,816
At 30 June 2026	**322,165**	**209,169**	**(2,618)**	**(6,690)**	**319,547**	**202,479**

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

16. Acquisition of non-controlling interests (NCI) of a subsidiary

On 13 April 2026, AEM Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, had acquired additional 8.9% of the outstanding share capital of Nestek Korea Co., Ltd. ("Nestek"), a company incorporated in the Republic of Korea. The consideration for the acquisition is KRW2,390,000,000 (S$2,162,000). Consequent to the investment, the Group's effective interest in Nestek increased from 71.1% to 80.0%.

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 KRW4,780,000,000 (S$3,996,000) 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.

	Group	
	30 June 2026 S$'000	**31 December 2025 S$'000**
Carrying amount of NCI acquired	1,758	1,193
Consideration paid to NCI	(2,162)	(1,603)
Decrease in equity attributable to owners of the Company	**(404)**	**(410)**

The decrease in equity attributable to owners of the Company comprised:
- a decrease in Other reserves of S$477,000 (1H2025: S$505,000);
- an increase in Currency translation reserves of S$96,000 (1H2025: S$57,000); and
- a decrease in Accumulated profits of S$23,000 (1H2025: increase of S$38,000).

17. Use of proceeds

On 27 April 2026, the Company allotted and issued 3,341,000 shares to Advanced Semiconductor Engineering Test, Inc for an aggregate cash consideration of S$11,998,000 pursuant to a share placement. After deducting related expenses, net proceeds amounted to S$11,885,000 (the "Net Proceeds"). As stated in the Company's announcement dated 21 March 2026 in relation to the above-mentioned share placement, the Company intends to use the Net Proceeds to support AEM's continued expansion in Taiwan and the integration of its test technologies, including highly parallel test architectures and advanced thermal management capabilities, into ASE's manufacturing and test environments, inclusive of advancing the Company's product roadmap, enhancing its system offerings worldwide, and accelerating joint go-to-market initiatives aimed at supporting next-generation AI and HPC applications.

As at 30 June 2026, S$11,885,000 remains unutilised out of the Net Proceeds of S$11,885,000 from the above-mentioned share placement exercise.

18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information

1. Review

The condensed consolidated statements of financial position of AEM Holdings Ltd. and its subsidiaries as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

2. Explanatory notes to condensed consolidated statement of profit or loss

Significant items included in profit before tax

Other income - Government grant income
Government grant income received for incentive schemes from various jurisdictions.

Finance income
The higher finance income in 1H2026 compared to 1H2025 was mainly due to higher bank and fixed deposit balances during 1H2026.

Finance costs
Finance expenses declined 2% in 1H2026 compared to 1H2025 mainly due to lower interest rate during 1H2026 and reduced utilization of revolving bank facilities and borrowings, partially offset by higher interest expense on lease liabilities due to lease renewals.

Foreign exchange gain/(loss), net
Foreign exchange gain, net, recorded in 1H2026 was largely due to a stronger United States Dollar vis-à-vis Singapore Dollar.

Depreciation and amortisation
The decrease in depreciation and amortisation in 1H2026 compared to 1H2025 was mainly due to lower depreciation of property, plant and equipment, partially offset by higher amortization of intangible asset due to capitalisation in prior years, and depreciation of right-of-use assets due to renewal of leases.

Legal, IT, and professional fees
Legal, IT, and professional fees for 1H2026 increased compared to 1H2025 mainly due to higher IT and other consultancy fees.

Allowance for stock obsolescence
The allowance for stock obsolescence was made for slow-moving stock in accordance with the Group's provisioning policy.

3. Review of performance of the Group

Analysis of Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue for 1H2026 increased by 29.9% to S$247.2 million from S$190.3 million in 1H2025. Revenue from the TCS segment grew 52.5% year-on-year to S$180.9 million in 1H2026, representing 73.2% of Group revenue. Growth was led by the deployment of AEM's test solutions for advanced AI / HPC applications, where demand is intensifying for highly parallel test solutions featuring leading thermal-control capabilities. As a result, the Group's fabless AI / HPC customer became its largest revenue contributor for the period. The CM segment continued to play a strategic role in supporting the Group's growth by providing supply-chain assurance for the ramp of the AMPS platform. Inter-segment revenue increased 363.6% year-on-year as CM prioritized support for the TCS equipment ramp, improving production equipment utilization and contributing to stronger Group margins. The CM segment reported external revenue of S$63.2 million in 1H2026, representing 25.6% of Group revenue. External revenue decreased 5.7% year-on-year, mainly due to softer external demand from oil and gas customers. The higher level of inter-segment sales reinforced CM's strategic role within the Group and supported improved segment margins.

Gross profit margin increased from 25.4% in 1H2025 to 33.1% in 1H2026 mainly due to higher revenue and favourable segment mix.

Other income increased to S$1.3 million (1H2025: S$1.1 million) which mainly comprise government grant income.

Research & development ("R&D") expenses increased to S$12.9 million (1H2025: S$12.7 million). The Group continues its investment in R&D activities and capabilities and prioritises product development of emerging technology that will stay ahead of competition.

Selling, general & administrative expenses are higher compared to 1H2025 mainly due to higher legal, IT, and professional fees.

Overall, profit before tax ("PBT") in 1H2026 increased to S$38.2 million from S$3.9 million in 1H2025 and PBT% increased from 2.1% in 1H2025 to 15.5% of revenue in 1H2026

Analysis of Statement of Financial Position of the Group

Property, plant and equipment
Decrease in property, plant and equipment mainly due to depreciation charges during the current period, partially offset by purchase of new assets.

Right-of-use assets
Increase in right-of-use assets mainly due to property lease renewals during the current period, partially offset by depreciation charges.

Inventories
Inventories increased 17% from 31 Dec 2025 mainly due to purchase of inventory to support 2H2026 revenue growth..

Trade and other receivables
Higher sales towards the end of the period resulted in increased trade and other receivables.

Loans and borrowings (current and non-current)
Increase in loans and borrowings attributed mainly to increase in lease liabilities.

Current tax payable
The increase was primarily due to higher tax expense during the current period.

Overall, total assets and total liabilities increased to S$712.9 million and S$170.7 million, respectively, as at 30 June 2026. Net asset value per share increased to 168.1 Singapore cents as at 30 June 2026, compared to 157.0 Singapore cents as at 31 December 2025.

Analysis of Consolidated Statement of Cash Flows

The Group's net cash generated from operating activities amounted to S$12.5 million for 1H2026 arising primarily from profit for the period, and increase in trade and other payables, partially offset by higher inventories and trade and other receivables, and tax payment during the current period.

Net cash used in investing activities amounted to S$9.9 million for 1H2026 mainly due to acquisition of intangible assets and property, plant and equipment during the current period.

For 1H2026, net cash generated from financing activities amounted to S$2.6 million mainly due to proceeds from issue of shares for private placement, and proceeds from exercise of share options, partially offset by dividends paid, payment for lease liabilities and interest expense, and acquisition of additional interest in Nestek from the non-controlling interest.

Consequently, cash and cash equivalents increased to S$82.7 million as at 30 June 2026 from S$77.3 million as at 31 December 2025.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

In the announcement "First Quarter Business Updates" dated 13 May 2026, the Group has raised its FY2026 revenue guidance to the range of S$550 million and S$600 million.

The Group has achieved revenue of S$247.2 million for 1H2026.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group has raised its FY2026 revenue guidance to a range of S$630 million to S$680 million from the previous range of S$550 million to S$600 million. The revision is supported by the production ramp-up of its fabless AI / HPC customer, the PC/Foundry customer's adoption of the AMPS platform for future test requirements. Alongside this revenue guidance, the Group is guiding full-year EPS to be in the range of 24.5 to 27.5 cents. Management remains confident in the Group's growth trajectory while continuing to monitor customer demand visibility, program ramps, and macroeconomic conditions.

6. Dividend information

6a. Current Financial Period Reported on

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.4 Singapore cents per ordinary share
Tax Rate	Tax Exempt (1-tier)

The Directors declare a tax exempt one-tier cash dividend of 2.4 Singapore cents per share in respect of the six months ended 30 June 2026. The interim dividend will be paid to shareholders on 8 September 2026.

6b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

6c. Date payable

Payment will be made on 8 September 2026.

6d. Record Date

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 20 August 2026 will be registered to determine shareholders' entitlement to the interim dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 20 August 2026 will be entitled to the interim dividend.

7. Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions ("IPT").

There were no reportable IPT during the period under review as the aggregate value of all IPT were less than S$100,000.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, the Chief Executive Officer or substantial shareholder of the Company.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Loke Wai San Director	Chou Yen Ning @ Alice Lin Director

12 August 2026