SGXNET Announcement

AEM Holdings Ltd
(Registration No. 200006417D)

NEWS RELEASE

AEM's 2ND QUARTER NET PROFIT RISES 185.9%

- **Revenue increases 51.1% year-on-year to $17.1 million**
- **Net profit after tax improves 185.9% to $1.3 million**
- **Earnings per share improves 190.5% from 1.05 cents to 3.05 cents**

SINGAPORE, 4 August 2016 - Main board listed AEM Holdings Ltd ("AEM" or the "Group") today announced a 51.1% increase in revenue year-on-year and a 185.9% increase in its net profit after tax for the quarter ended 30 June 2016 ("2Q FY2016").

Revenue rose from $11.3 million in the corresponding period last financial year ("2Q FY2015") to $17.1 million at the close of 2Q FY2016 due to strong customer demand for our innovative next generation handler systems.

Net profit after tax rose from $468,000 (2Q FY2015) to $1.34 million in 2Q FY2016 due to the growth in revenue this quarter. As a results of the higher profit, earnings per share rose from 1.05 cents (30 June 2015) representing 190.5% increase to 3.05 cents in 2Q FY2016.

Compared to 31 December 2015, the highlights in the Group's balance sheet on 30 June 2016 were a growth in (1) inventory from $10.4 million to $14.3 million mainly due to inventory builds for higher sales demand over the next few quarters and (2) trade and other receivables from $10.4 million to $12.0 million mainly due to increased sales in 2Q FY2016. The $1.3 million decrease in assets held for sale represents the realized proceeds from the completed disposal of AEM’s Malacca property. The remaining $1.3 million asset was for the plating line and business where its disposal has yet to be completed.

At the close of the quarter, operating activities generated $1.4 million in net cash compared to a cash outflow of $1.7 million in the same period last financial year. Cash and cash equivalents on 30 June 2016 totalled $5.8 million after payments made for trade and material purchases as a result of the increase in sales orders to be fulfilled over the next few quarters as well as payments for the acquisition of an associate, Novoflex Pte Ltd for $4.0 million in June 2016.

Commenting on the Group's performance, Mr Loke Wai San, Chairman of AEM said: "I am pleased with the results of the Group. Our many years of R&D investments have now placed us on a good path for profitable growth. "

On the prospects of the Group into the 2nd half, Mr. Charles Cher, CEO said: "The demand for our equipment continues to be strong looking into the 2nd half of this fiscal year, and we expect further positive growth in the business in that period. Nevertheless, we are mindful of the uncertainties present in the global macro economy so we continue to be operationally cautious while planning for anticipated growth."

On 21 July 2016, the Group announced that through its investment in Novoflex, it has completed the acquisition of Smartflex Technology Pte Ltd and Smartflex Innovation Pte Ltd.

About AEM Holdings Ltd

AEM Holdings Ltd is listed on the main board of the Singapore Exchange (Reuters: AEM SI; Bloomberg: AEM SP).

AEM Holdings Ltd (SEM) is a leading global provider of equipment systems solutions and manufacturing services.

We provide innovative engineering-focused solutions and develop strong partnerships with customers and associates to cater to their manufacturing needs through our global engineering service support network and innovative people. Our global market presence spans Asia, Europe and the United States.

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