



**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 2024

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**AEM HOLDINGS LTD.**  
**(REGISTRATION NO. 200006417D)**

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**Condensed interim financial statements for the six months ended 30 June 2024**

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**These statements for the six months ended 30 June 2024 have not been audited.**

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

		<b>6 months ended 30 June 2024 ("1H2024") S\$'000</b>	<b>6 months ended 30 June 2023 ("1H2023") S\$'000</b>	<b>Change* %</b>
<b>Revenue</b>	Note 4	<b>173,580</b>	<b>275,221</b>	<b>(37%)</b>
Cost of sales		(130,193)	(192,183)	(32%)
<b>Gross profit</b>		<b>43,387</b>	<b>83,038</b>	<b>(48%)</b>
Other income		1,353	1,506	(10%)
Research & development expenses		(11,543)	(15,215)	(24%)
Selling, general & administrative expenses		(27,108)	(42,437)	(36%)
Foreign exchange gain/(loss), net		2,043	(1,297)	NM
Other expenses		(4,668)	(33)	NM
<b>Results from operating activities</b>		<b>3,464</b>	<b>25,562</b>	<b>(86%)</b>
Finance income		587	829	(29%)
Finance costs		(2,698)	(3,652)	(26%)
<b>Net finance costs</b>		<b>(2,111)</b>	<b>(2,823)</b>	<b>(25%)</b>
Share of equity-accounted investees' (loss)/gain, net of tax		(326)	1,114	NM
<b>Profit before tax</b>	6	<b>1,027</b>	<b>23,853</b>	<b>(96%)</b>
Tax expense	7	(205)	(4,138)	(95%)
<b>Profit for the period</b>		<b>822</b>	<b>19,715</b>	<b>(96%)</b>
<b>Profit attributable to:</b>				
Owners of the Company		895	19,657	(95%)
Non-controlling interests		(73)	58	NM
<b>Profit for the period</b>		<b>822</b>	<b>19,715</b>	<b>(96%)</b>
<b>Earnings per share for profit for the period attributable to the owners of the Company:</b>				
Basic (SGD in cent)	8	0.29	6.37	(95%)
Diluted (SGD in cent)	8	0.29	6.33	(95%)

Note:

\*Increase/(decrease)

NM: Not meaningful

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

	<b>6 months ended 30 June 2024 ("1H2024") S\$'000</b>	<b>6 months ended 30 June 2023 ("1H2023") S\$'000</b>	<b>Change* %</b>
<b>Note</b>			
<b>Other comprehensive income/(loss)</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference – foreign operations	2,409	(2,152)	NM
Share of foreign currency translation difference of equity-accounted investees	–	29	NM
Foreign currency translation differences on loss of significant influence reclassified to profit or loss	600	–	NM
Other comprehensive income/(loss) for the period, net of tax	<u>3,009</u>	<u>(2,123)</u>	NM
<b>Total comprehensive income for the period</b>	<b><u>3,831</u></b>	<b><u>17,592</u></b>	<b>(78%)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	3,901	17,524	(78%)
Non-controlling Interests	(70)	68	NM
<b>Total comprehensive income for the period</b>	<b><u>3,831</u></b>	<b><u>17,592</u></b>	<b>(78%)</b>

Note:

\* Increase/(decrease)

NM: Not meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
Property, plant and equipment	12	37,620	40,097	12	12
Investment properties		1,704	1,754	–	–
Right-of-use assets		30,084	33,577	–	–
Intangible assets	11	128,974	125,277	39	64
Interests in subsidiaries		–	–	82,851	82,851
Investment in associates		–	8,821	–	–
Other investment		–	5,785	–	–
Deferred tax assets		1,339	1,396	19	19
<b>Non-current assets</b>		<b>199,721</b>	<b>216,707</b>	<b>82,921</b>	<b>82,946</b>
Inventories	13	327,778	328,616	–	–
Contract cost		–	–	–	–
Trade and other receivables		67,115	58,773	84,293	74,977
Contract assets		882	1,582	–	–
Cash and cash equivalents		79,022	101,849	23,752	33,240
<b>Current assets</b>		<b>474,797</b>	<b>490,820</b>	<b>108,045</b>	<b>108,217</b>
<b>Total assets</b>		<b>674,518</b>	<b>707,527</b>	<b>190,966</b>	<b>191,163</b>
<b>Equity</b>					
Share capital	15	187,826	187,577	187,826	187,577
Reserves		(29,643)	(32,900)	(7,542)	(8,019)
Accumulated profits		313,675	312,779	6,270	6,418
<b>Equity attributable to owners of the Company</b>		<b>471,858</b>	<b>467,456</b>	<b>186,554</b>	<b>185,976</b>
Non-controlling interests		6,354	6,930	–	–
<b>Total equity</b>		<b>478,212</b>	<b>474,386</b>	<b>186,554</b>	<b>185,976</b>
<b>Liabilities</b>					
Financial liabilities	14	48,854	42,471	–	–
Trade and other payables		192	603	–	–
Deferred tax liabilities		11,434	11,748	–	–
Provisions		1,139	1,672	–	–
Defined benefit obligations		858	1,059	–	–
<b>Non-current liabilities</b>		<b>62,477</b>	<b>57,553</b>	<b>–</b>	<b>–</b>
Financial liabilities	14	46,798	83,884	–	–
Trade and other payables		68,813	73,458	4,180	4,337
Contract liabilities		8,548	7,898	–	–
Current tax payable		5,053	6,391	232	850
Provisions		4,617	3,957	–	–
<b>Current liabilities</b>		<b>133,829</b>	<b>175,588</b>	<b>4,412</b>	<b>5,187</b>
<b>Total liabilities</b>		<b>196,306</b>	<b>233,141</b>	<b>4,412</b>	<b>5,187</b>
<b>Total equity and liabilities</b>		<b>674,518</b>	<b>707,527</b>	<b>190,966</b>	<b>191,163</b>

### C. Condensed interim statements of changes in equity

		Attributable to owners of the Company								
	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
<b>Group</b>										
<b>At 1 January 2023</b>		187,464	(10,477)	(9,421)	3,773	(11,293)	325,002	485,048	8,402	493,450
<b>Total comprehensive income for the period</b>										
Profit for the period		-	-	-	-	-	19,657	19,657	58	19,715
<b>Other comprehensive income/(loss)</b>										
Foreign currency translation difference – foreign operations		-	-	-	-	(2,162)	-	(2,162)	10	(2,152)
Share of foreign currency translation difference of equity-accounted investee		-	-	-	-	29	-	29	-	29
<b>Total comprehensive income for the period</b>		-	-	-	-	(2,133)	19,657	17,524	68	17,592
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners of the Company</b>										
Own shares acquired	15	-	(996)	-	-	-	-	(996)	-	(996)
Treasury shares reissued pursuant to share plans	15	-	1,382	145	(1,527)	-	-	-	-	-
Share options exercised	15	84	-	-	-	-	-	84	-	84
Share-based payment transactions		-	-	-	614	-	-	614	-	614
Final dividend of 3.6 cents per share in respect of 2022	9	-	-	-	-	-	(11,120)	(11,120)	-	(11,120)
Appropriation to other reserves		-	-	48	-	-	(48)	-	-	-
<b>Total contributions by and distributions to owners of the Company</b>		84	386	193	(913)	-	(11,168)	(11,418)	-	(11,418)
<b>Changes in ownership interests in a subsidiary</b>										
Acquisition non-controlling interests without a change in control		-	-	(1,000)	-	55	76	(869)	(1,568)	(2,437)
<b>Total changes in ownership interests in a subsidiary</b>		-	-	(1,000)	-	55	76	(869)	(1,568)	(2,437)
<b>Total transaction with owners</b>		84	386	(807)	(913)	55	(11,092)	(12,287)	(1,568)	(13,855)
<b>At 30 June 2023</b>		187,548	(10,091)	(10,228)	2,860	(13,371)	333,567	490,285	6,902	497,187

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

		Attributable to owners of the Company								
		Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group	Note									
<b>At 1 January 2024</b>		187,577	(10,091)	(10,323)	3,472	(15,958)	312,779	467,456	6,930	474,386
<b>Total comprehensive income for the period</b>										
Profit for the period		-	-	-	-	-	895	895	(73)	822
<b>Other comprehensive income/(loss)</b>										
Foreign currency translation difference – foreign operations		-	-	-	-	2,406	-	2,406	3	2,409
Foreign currency translation differences on loss of significant influence reclassified to profit or loss		-	-	-	-	600	-	600	-	600
<b>Total comprehensive income for the period</b>		-	-	-	-	3,006	895	3,901	(70)	3,831
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners of the Company</b>										
Treasury shares reissued pursuant to share plans	15	-	920	103	(1,023)	-	-	-	-	-
Ordinary shares issued pursuant to share plans	15	249	-	244	(493)	-	-	-	-	-
Share-based payment transactions		-	-	-	726	-	-	726	-	726
<b>Total contributions by and distributions to owners of the Company</b>		249	920	347	(790)	-	-	726	-	726
<b>Changes in ownership interests in a subsidiary</b>										
Acquisition of non-controlling interests without a change in control	16	-	-	(248)	-	22	1	(225)	(506)	(731)
<b>Total changes in ownership interests in a subsidiary</b>		-	-	(248)	-	22	1	(225)	(506)	(731)
<b>Total transactions with owners</b>		249	920	99	(790)	22	1	501	(506)	(5)
<b>At 30 June 2024</b>		187,826	(9,171)	(10,224)	2,682	(12,930)	313,675	471,858	6,354	478,212

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

	Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Accumulated (losses)/ profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>						
<b>At 1 January 2023</b>	<b>187,464</b>	<b>(10,477)</b>	<b>(1,556)</b>	<b>3,773</b>	<b>10,087</b>	<b>189,291</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>5,157</b>	<b>5,157</b>
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Own shares acquired	15	(996)	-	-	-	(996)
Treasury shares reissued pursuant to share plans	15	1,382	145	(1,527)	-	-
Share options exercised	15	-	-	-	-	84
Share-based payment transactions		-	-	614	-	614
Final dividend of 3.6 cents per share in respect of 2022	9	-	-	-	(11,120)	(11,120)
<b>Total transactions with owners</b>	<b>84</b>	<b>386</b>	<b>145</b>	<b>(913)</b>	<b>(11,120)</b>	<b>(11,418)</b>
<b>At 30 June 2023</b>	<b>187,548</b>	<b>(10,091)</b>	<b>(1,411)</b>	<b>2,860</b>	<b>4,124</b>	<b>183,030</b>
<b>At 1 January 2024</b>	<b>187,577</b>	<b>(10,091)</b>	<b>(1,400)</b>	<b>3,472</b>	<b>6,418</b>	<b>185,976</b>
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>(148)</b>	<b>(148)</b>
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Treasury shares reissued pursuant to share plans	15	920	103	(1,023)	-	-
Ordinary shares issued pursuant to share plans	15	249	244	(493)	-	-
Share-based payment transactions		-	-	726	-	726
<b>Total transactions with owners</b>	<b>249</b>	<b>920</b>	<b>347</b>	<b>(790)</b>	-	<b>726</b>
<b>At 30 June 2024</b>	<b>187,826</b>	<b>(9,171)</b>	<b>(1,053)</b>	<b>2,682</b>	<b>6,270</b>	<b>186,554</b>



## D. Condensed interim consolidated statement of cash flows

		6 months ended 30 June 2024 ("1H2024") S\$'000	6 months ended 30 June 2023 ("1H2023") S\$'000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Profit for the period		822	19,715
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		3,186	3,431
Depreciation of investment properties		14	15
Depreciation of right-of-use assets		4,371	5,695
Amortisation of intangible assets	11	4,157	4,074
Allowance for stock obsolescence	13	37	24
Impairment loss on trade receivables		-	(24)
Loss on disposal of property, plant and equipment	6	30	60
Write off of property, plant and equipment		13	-
Loss on disposal of an associate		2,349	-
Gain on disposal of other investment		(78)	-
Net finance expense		2,111	2,823
Foreign exchange differences arising from translation		259	(299)
(Reversal)/Provision for defined benefit obligations		(201)	86
Share of loss/(gain) of equity-accounted investees, net of tax		326	(1,114)
Equity-settled share-based payment expenses		726	614
Tax expense	7	205	4,138
		<u>18,327</u>	<u>39,238</u>
<i>Changes in:</i>			
Inventories		3,727	(1,323)
Contract costs		-	220
Trade and other receivables		(6,738)	(20,685)
Contract assets		700	517
Trade and other payables		(7,768)	(2,159)
Contract liabilities		626	1,251
Provisions		54	861
Cash from operating activities		<u>8,928</u>	<u>17,920</u>
Tax paid		<u>(1,858)</u>	<u>(15,258)</u>
<b>Net cash generated from operating activities</b>		<b><u>7,070</u></b>	<b><u>2,662</u></b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets	11	(7,418)	(7,742)
Interest received		587	829
Proceeds from disposal of property, plant and equipment		486	-
Proceeds from disposal of an associate		6,630	-
Proceeds from disposal of other investment		5,897	-
Payment of deferred and contingent consideration		-	(997)
Acquisition of property, plant and equipment	12	(1,498)	(4,481)
<b>Net cash generated from/(used in) investing activities</b>		<b><u>4,684</u></b>	<b><u>(12,391)</u></b>

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

		6 months ended 30 June 2024 ("1H2024") S\$'000	6 months ended 30 June 2023 ("1H2023") S\$'000
	<b>Note</b>		
<b>Cash flows from financing activities</b>			
Interest paid		(2,698)	(3,652)
Repayment of borrowings		(52,210)	(25,786)
Payment of lease liabilities		(3,619)	(5,303)
Proceeds from borrowings		25,000	23,470
Purchase of treasury shares	15	-	(996)
Proceeds from exercise of share options		-	84
Dividends paid	9	-	(11,120)
Acquisition of subsidiary's interests from the non-controlling interest	16	(731)	(2,437)
<b>Net cash used in financing activities</b>		<b>(34,258)</b>	<b>(25,740)</b>
<b>Net decrease in cash and cash equivalents</b>			
		(22,504)	(35,469)
Cash and cash equivalents at beginning of period		101,849	127,775
Effect of exchange rate fluctuations on cash held		(323)	523
<b>Cash and cash equivalents at end of period</b>		<b>79,022</b>	<b>92,829</b>

## **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 2024 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 related tooling parts.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2024 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 2023.

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 2024.

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

<b>S\$'000</b>	<b>TCS</b>	<b>INS</b>	<b>CM</b>	<b>Others</b>	<b>Total</b>
<b>1 January 2024 to 30 June 2024</b>					
Revenue from external parties	99,815	3,440	70,325	-	173,580
Inter-segment revenue	-	-	5,260	(5,260)	-
<b>Total segment revenue</b>	<b>99,815</b>	<b>3,440</b>	<b>75,585</b>	<b>(5,260)</b>	<b>173,580</b>
Depreciation and amortisation	(6,607)	(1,621)	(1,061)	(2,439)	(11,728)
Finance income	401	11	175	-	587
Finance costs	(2,404)	(3)	(75)	(216)	(2,698)
Foreign exchange gain/(loss), net	1,590	(198)	651	-	2,043
<b>Segment profit/(loss)</b>	<b>1,916</b>	<b>(3,021)</b>	<b>4,622</b>	<b>(2,164)</b>	<b>1,353</b>
Share of equity-accounted investees' loss					(326)
<b>Profit before tax</b>					<b>1,027</b>
Tax expenses					(205)
<b>Profit for the period</b>					<b>822</b>
<b>Expenditure for segment non-current assets</b>					
Additions to property, plant & equipment, intangible assets and right-of-use assets	7,438	1,329	1,832	-	10,599

<b>S\$'000</b>	<b>TCS</b>	<b>INS</b>	<b>CM</b>	<b>Others</b>	<b>Total</b>
<b>As at 30 June 2024</b>					
Segment assets	431,471	32,774	179,852	30,421	674,518
Segment liabilities	140,903	4,637	49,341	1,425	196,306

#### 4.1 Reportable Segments (cont'd)

<b>S\$'000</b>	<b>TCS</b>	<b>INS</b>	<b>CM</b>	<b>Others</b>	<b>Total</b>
<b>1 January 2023 to 30 June 2023</b>					
Revenue from external parties	172,499	3,989	98,733	-	275,221
Inter-segment revenue	-	-	8,492	(8,492)	-
Total segment revenue	172,499	3,989	107,225	(8,492)	275,221
Depreciation and amortisation	(8,476)	(1,575)	(1,032)	(2,132)	(13,215)
Finance income	533	11	285	-	829
Finance costs	(3,603)	-	(4)	(45)	(3,652)
Foreign exchange (loss)/gain, net	(1,698)	467	(66)	-	(1,297)
Segment profit/(loss)	21,296	(2,135)	10,037	(6,459)	22,739
Share of equity-accounted investees' profit					1,114
<b>Profit before tax</b>					<b>23,853</b>
Tax expenses					(4,138)
<b>Profit for the period</b>					<b>19,715</b>
<b>Expenditure for segment non-current assets</b>					
Additions to property, plant & equipment, intangible assets and right-of-use assets	19,356	1,548	1,991	-	22,895

<b>S\$'000</b>	<b>TCS</b>	<b>INS</b>	<b>CM</b>	<b>Others</b>	<b>Total</b>
<b>As at 30 June 2023</b>					
Segment assets	492,043	35,801	204,638	67,194	799,676
Segment liabilities	199,644	6,240	77,470	19,237	302,591

## 4.2 Disaggregation of Revenue

Set out below is an overview of the revenue of the Group for the six months ended 30 June 2024 and 30 June 2023:

	<b>Group</b>	
	<b>6 months ended 30 June 2024 ("1H2024") S\$'000</b>	<b>6 months ended 30 June 2023 ("1H2023") S\$'000</b>
<b>Types of goods or services:</b>		
Sale of goods	136,670	224,039
Rendering of Services	36,910	51,182
<b>Total revenue</b>	<b>173,580</b>	<b>275,221</b>
<b>Timing of revenue recognition:</b>		
At a point in time	138,322	224,039
Over time	35,258	51,182
<b>Total revenue</b>	<b>173,580</b>	<b>275,221</b>
<b>Geographic information:</b>		
Singapore	33,375	37,156
China	5,908	15,988
Costa Rica	22,360	29,573
Finland	1,984	7,700
France	563	1,141
Germany	4,964	13,252
Ireland	4,333	6,896
Malaysia	38,184	78,325
Republic of Korea	3,267	4,391
United Kingdom	3,577	7,178
United States of America	32,223	53,612
Vietnam	7,997	6,374
Other countries	14,845	13,635
<b>Total revenue</b>	<b>173,580</b>	<b>275,221</b>

## 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 2024 and 31 December 2023:

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
<b>Financial assets</b>				
Cash and bank balances	79,022	101,849	23,752	33,240
Trade and other receivables (financial assets) *	58,205	51,504	84,293	74,808
<b>Financial liabilities and trade and other payables</b>				
Financial liabilities	95,652	126,355	-	-
Trade and other payables (financial liabilities) **	59,258	66,750	3,908	4,282

\* Excluding deposits and prepayments

\*\* Excluding employees related payable

## 6. Profit before tax

### 6.1 Significant items

	Group	
	6 months ended 30 June 2024 ("1H2024") S\$'000	6 months ended 30 June 2023 ("1H2023") S\$'000
<b>Income</b>		
Finance income	587	829
Foreign exchange gain, net	2,043	-
Government grant income	1,042	1,385
Gain on disposal of other investment	78	-
<b>Expenses</b>		
Finance expenses	(2,698)	(3,652)
Foreign exchange loss, net	-	(1,297)
Depreciation and amortisation	(11,728)	(13,215)
Loss on disposal of property, plant and equipment	(30)	(32)
Legal and professional fees	(4,719)	(10,943)
Loss on disposal of an associate*	(2,349)	-
Allowance for stock obsolescence	(37)	(24)

\* On 25 June 2024, the Group entered into a share purchase agreement to dispose an aggregate of 470,504 common shares and 994,220 preferred shares of ATECO Inc. ("**ATECO**"), an associated company of the Group, representing all of the Group's shareholding interest in ATECO, for an aggregate purchase price of KRW6.8 billion (approximately S\$6.6 million). Included in the loss on disposal of an associate is S\$600,000 from foreign currency translation differences on loss of significant influence which has been reclassified to profit or loss.

## 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 2024 ("1H2024") S\$'000	6 months ended 30 June 2023 ("1H2023") S\$'000
Current income tax expense	(543)	(4,772)
Deferred income tax expense relating to origination and reversal of temporary differences	338	634
	<b>(205)</b>	<b>(4,138)</b>

## 8. Earnings per share

	Group	
	6 months ended 30 June 2024 ("1H2024")	6 months ended 30 June 2023 ("1H2023")
Basic earnings per share (Singapore cents)	0.29 cents	6.37 cents
Weighted average number of ordinary shares ('000)	309,481	308,818
Diluted earnings per share (Singapore cents)	0.29 cents	6.33 cents
Weighted average number of ordinary shares adjusted for the effect of dilutive potential ('000)	311,270	310,732



## 9. Dividends

	<b>Group</b>	
	<b>6 months ended 30 June 2024 ("1H2024") S\$'000</b>	<b>6 months ended 30 June 2023 ("1H2023") S\$'000</b>
Ordinary dividends paid: Final dividend of 3.6 cent per share paid in respect of 2022	-	11,120
Dividend per share, net of tax (Singapore cents)	-	3.6 cents

## 10. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Net asset value per ordinary share (Singapore cents)	151.0 cents	151.3 cents	59.7 cents	60.2 cents

The calculation of net asset value per ordinary share was based on the existing share capital less treasury shares of 312,401,000 ordinary shares as at 30 June 2024 (31 December 2023: 308,902,000).

## 11. Intangible assets

	Group						Total S\$'000
	Goodwill S\$'000	Technology S\$'000	Customer relationships S\$'000	Computer software S\$'000	Development costs S\$'000	Other S\$'000	
<b>At 31 December 2023</b>							
Cost	61,221	10,892	22,181	7,723	45,039	3,927	150,983
Accumulated amortisation	-	(3,318)	(5,774)	(6,475)	(9,347)	(792)	(25,706)
<b>Carrying amount</b>	<b>61,221</b>	<b>7,574</b>	<b>16,407</b>	<b>1,248</b>	<b>35,692</b>	<b>3,135</b>	<b>125,277</b>
<b>6 months ended 30 June 2024</b>							
Opening carrying amount	61,221	7,574	16,407	1,248	35,692	3,135	125,277
Additions	-	-	-	85	7,333	-	7,418
Amortisation charge	-	(378)	(685)	(371)	(2,554)	(169)	(4,157)
Translation adjustment	(6)	-	-	17	430	(5)	436
<b>Closing carrying amount</b>	<b>61,215</b>	<b>7,196</b>	<b>15,722</b>	<b>979</b>	<b>40,901</b>	<b>2,961</b>	<b>128,974</b>
<b>At 30 June 2024</b>							
Cost	61,215	10,892	22,181	7,897	52,825	3,916	158,926
Accumulated amortisation	-	(3,696)	(6,459)	(6,918)	(11,924)	(955)	(29,952)
<b>Carrying amount</b>	<b>61,215</b>	<b>7,196</b>	<b>15,722</b>	<b>979</b>	<b>40,901</b>	<b>2,961</b>	<b>128,974</b>

### Company Computer software S\$'000

<b>At 31 December 2023</b>	
Cost	1,340
Accumulated amortisation	(1,276)
<b>Carrying amount</b>	<b>64</b>
<b>6 months ended 30 June 2024</b>	
Opening carrying amount	64
Amortisation charge	(25)
<b>Closing carrying amount</b>	<b>39</b>
<b>At 30 June 2024</b>	
Cost	1,340
Accumulated amortisation	(1,301)
<b>Carrying amount</b>	<b>39</b>

## 11.1 Goodwill impairment

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

	<b>Group</b>	
	<b>30 June 2024 S\$'000</b>	<b>31 December 2023 S\$'000</b>
Test Cell Solutions (TCS)	33,190	33,196
Test and Measurement Solution (TMS)*	1,230	1,230
Contract Manufacturing (CM)	26,795	26,795
	<b>61,215</b>	<b>61,221</b>

\* This CGU was grouped under Instrumentation segment

### *Test Cell Solutions (TCS)*

The recoverable amount of this 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.

### *Test and Measurement Solution (TMS)*

The recoverable amount of this 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.

### *Contract Manufacturing (CM)*

The recoverable amount of this 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 2024, the Group acquired assets amounting to S\$1,498,000 (30 June 2023: S\$4,625,000) and disposed of assets amounting to S\$516,000 (30 June 2023: S\$32,000).

### 13. Inventories

	<b>Group</b>	
	<b>30 June 2024 S\$'000</b>	<b>31 December 2023 S\$'000</b>
Raw materials	156,884	161,289
Work-in-progress	33,911	64,363
Finished goods	136,088	102,038
Goods in-transit	895	926
	<b>327,778</b>	<b>328,616</b>

The Group recognised an allowance for stock obsolescence of S\$37,000 (1H2023: S\$24,000) based on slow-moving inventories. The allowance are included in "cost of sales" within the condensed interim consolidated statement of profit or loss.

### 14. Financial liabilities

	<b>Group</b>	
	<b>30 June 2024 S\$'000</b>	<b>31 December 2023 S\$'000</b>
<b>Amount repayable within one year or on demand</b>		
Lease liabilities	7,943	7,877
Secured bank loans	3,346	3,851
Unsecured bank loans	35,509	72,156
	<b>46,798</b>	<b>83,884</b>
<b>Amount repayable after one year</b>		
Lease liabilities	23,282	26,475
Secured bank loans	290	303
Unsecured bank loans	25,282	15,693
	<b>48,854</b>	<b>42,471</b>
<b>Total</b>	<b>95,652</b>	<b>126,355</b>

## 15. Share capital

	<b>Group</b>					
	<b>Total Issued Shares</b>		<b>Total Treasury Shares</b>		<b>Total Issued Less Treasury shares</b>	
	<b>Number of shares '000</b>	<b>Amount S\$'000</b>	<b>Number of Shares '000</b>	<b>Amount S\$'000</b>	<b>Number of Shares '000</b>	<b>Amount S\$'000</b>
Fully paid ordinary shares, with no par value:						
<b>At 1 January 2023</b>	<b>311,784</b>	<b>187,464</b>	<b>(3,031)</b>	<b>(10,477)</b>	<b>308,753</b>	<b>176,987</b>
Purchase of treasury shares	-	-	(360)	(996)	(360)	(996)
Issue of shares under Performance Share Plan	-	-	406	1,382	406	1,382
Share options exercised	103	113	-	-	103	113
<b>At 31 December 2023 &amp; 1 January 2024</b>	<b>311,887</b>	<b>187,577</b>	<b>(2,985)</b>	<b>(10,091)</b>	<b>308,902</b>	<b>177,486</b>
Issue of shares under Performance Share Plan	136	249	272	920	408	1,169
Bonus issue	3,118	-	(27)	-	3,091	-
<b>At 30 June 2024</b>	<b>315,141</b>	<b>187,826</b>	<b>(2,740)</b>	<b>(9,171)</b>	<b>312,401</b>	<b>178,655</b>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

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

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 for the acquisition is KRW717 million (S\$731,000). Consequent to the investment, the Group's effective interest in Nestek increased from 62.2% to 64.9%. As part of the investment agreement, 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.

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.

	<b>Group S\$'000</b>
Carrying amount of NCI acquired	506
Consideration paid to NCI	(731)
Decrease in equity attributable to owners of the Company	<b>(225)</b>

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

- a decrease in Other reserves of S\$248,000;
- an increase in Currency translation reserves of S\$22,000; and
- an increase in Accumulated profits of S\$1,000.

## **17. Use of proceeds**

On 31 August 2021, the Company allotted and issued 26,800,000 shares to Venezio Investments Pte. Ltd. for an aggregate cash consideration of S\$103,118,000 pursuant to a share placement. After deducting related expenses, net proceeds amounted to S\$102,981,000 (the "Net Proceeds"). As stated in the Company's announcement dated 6 August 2021 in relation to the above-mentioned share placement, the Company intends to use the Net Proceeds to finance the Group's business expansion (including organic expansion and mergers and acquisitions).

During the six months ended 30 June 2024, S\$7,418,000 has been used for acquisition of intangible assets mainly for research & development, S\$1,498,000 used for acquisition of property, plant and equipment for business expansion, and also S\$731,000 used for the acquisition of Nestek's interests from non-controlling interest.

As at 30 June 2024, approximately S\$35,993,000 (31 December 2023: S\$45,640,000) remains unutilised out of the Net Proceeds of S\$102,981,000 from the above-mentioned share placement exercise.

The above utilisation of the Net Proceeds is consistent with the intended use of the net proceeds as disclosed in the Company's previous announcements released in relation to 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.

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## Other Information

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### 1. Review

The condensed consolidated statements of financial position of AEM Holdings Ltd. and its subsidiaries as at 30 June 2024 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-month 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, including Jobs Growth Incentive and Wage Credit Scheme.

##### Finance income

The lower finance income in 1H2024 compared to 1H2023 was mainly due to lower bank and fixed deposit balances during 1H2024.

##### Finance expenses

The lower finance expenses in 1H2024 compared to 1H2023 was mainly due to lower bank borrowings during 1H2024.

##### Foreign exchange gain, net

Foreign exchange gain, net, recorded in 1H2024 was largely due to a stronger United States Dollar vis-à-vis Singapore Dollar.

##### Other expenses

Included in other expenses is the loss on disposal of an associate of S\$2.3 million.

##### Depreciation and amortisation

The decrease in depreciation and amortisation in 1H2024 compared to 1H2023 was mainly due to the lower depreciation of right-of-use assets that have fully depreciated in 2023.

##### Legal and professional fees

Legal and professional fees for 1H2024 decreased compared to 1H2023 mainly due to lower legal fees related to the Group's arbitration which had concluded in 2H2023.

##### Allowance for stock obsolescence

The allowance for stock obsolescence were 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 1H2024 decreased by 37% to S\$173.6 million from S\$275.2 million in 1H2023. The revenue decline is primarily due to weaker demand from its key semiconductor customer for Test Cell Solutions segment (declined 42% year-on-year) and prolonged inventory digestion in the industrial sector for Contract Manufacturing segment (declined 29% year-on-year).

Gross profit margin decreased from 30% in 1H2023 to 25% in 1H2024 mainly due to lower revenue and product mix.

Other income remained relatively flat at S\$1.3 million (1H2023: S\$1.5 million) which included government grant income.

Other expenses included loss on disposal of an associate of S\$2.3 million.

Research & development (“R&D”) expenses decreased to S\$11.5 million (1H2023: S\$15.2 million). 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 expenses are lower compared to 1H2023 mainly due to lower legal fees and slow-down in business activity and proactive approach to manage operating costs.

Overall, profit before tax in 1H2024 decreased to S\$1.0 million from S\$23.9 million in 1H2023.

#### 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

Decrease in right-of-use assets mainly due to depreciation charges, partially offset by new property leases entered by the Group during the current period.

##### Inventories

Inventories remain relatively flat due to longer-dated, non-cancellable purchase orders, entered with our key customer.

##### Trade and other receivables

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

##### Financial liabilities (current and non-current)

Decrease in financial liabilities mainly due to repayment of borrowings.

##### Current tax payable

The decrease was primarily due to lower profit before tax in 1H2024 and tax payment during the current period.

Overall, total assets and total liabilities decreased to S\$674.5 million and S\$196.3 million, respectively, as at 30 June 2024. Net asset value per share remained stable at 151.1 Singapore cents as at 30 June 2024, compared to 151.3 Singapore cents as at 31 December 2023.

#### Analysis of Consolidated Statement of Cash Flows

The Group’s net cash generated from operating activities amounted to S\$7.1 million for 1H2024 arising primarily from profit for the period, partially offset by higher trade and other receivables, payment to trade payables and tax payment during the current period.

Net cash generated from investing activities amounted to S\$4.7 million for 1H2024 arising primarily from the proceeds from disposal of an associate and other investment, partially offset by acquisition of property, plant and equipment and R&D expenditures incurred during the current period.

For 1H2024, net cash used in financing activities amounted to S\$34.3 million due mainly to repayment of borrowings, payment for lease liabilities and interest expense, and acquisition of additional interest in Nestek from non-controlling interest.

Consequently, cash and cash equivalents decreased to S\$79.0 million as at 30 June 2024 from S\$101.8 million as at 31 December 2023.



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

In the press release “First Quarter Business Updates” dated 8 May 2024, the Group has maintained its 1H2024 guidance at between S\$170 million to S\$200 million.

The Group has achieved a revenue of S\$173.6 million for 1H2024.

**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**

For 2H2024, the Group forecasts revenue in the range of S\$160 million to S\$180 million. Despite moderate test utilization and a decrease in near-term new capacity demand from the Group’s key customer, quarter-on-quarter revenue growth is anticipated in 4Q2024 driven by new customer business growth.

**6. Dividend information**

6a. Current Financial Period Reported on

Any dividend declared for the current financial period reported on? No

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

Not applicable.

6d. Book Closure Date

Not applicable.

**7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No interim dividend has been declared or recommended for the current financial period in order to continue to invest in new customer programs.

## 8. Interested person transactions

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

Name of interested person	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	1H2024	1H2023
	S\$	S\$
NT Thor Holdings Pte. Ltd. (“NT Thor”)	5,897,000	-
Chok Yean Hung	120,000	-
	6,017,000	-

NT Thor is regarded as an associate of Mr. Loke Wai San. The IPT of S\$5,897,000 for 1H2024 relates to disposal of 3,060,000 shares in NT Thor by a subsidiary of the Company.

Mr. Chok Yean Hung is a Director of the Company. The IPT of S\$120,000 in 1H2024 relates to consultancy services paid by the Company to Mr. Chok Yean Hung.

## 9. 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.

## 10. 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-month period ended 30 June 2024 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

14 August 2024