

# SGXNET Announcement



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

## MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors (the “**Board**”) of (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 22 February 2019 in relation to unaudited financial statements of the Group (the “**Unaudited FS**”) for the financial year ended 31 December 2018 (“**FY2018**”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were certain material differences between the audited financial statements (the “**Audited FS**”) for FY2018 and the Unaudited FS following the finalisation of the audit on 30 March 2019.

Details and clarifications of the differences are set out as follows:

### Statements of financial position as at 31 December 2018

	Group (S\$'000)				Company (S\$'000)			
	Unaudited	Audited	Variance	Note	Unaudited	Audited	Variance	Note
<b><u>Non Current Assets</u></b>								
Property, plant and equipment	5,606	5,725	119	1	21	21	-	-
Intangible assets	16,815	17,717	902	1	-	-	-	-
<b><u>Current Assets</u></b>								
Finance lease asset	120	-	(120)	1	-	-	-	-
Inventories	28,221	27,433	(788)	2	-	-	-	-
Contract costs	-	788	788	2	-	-	-	-
Trade and other receivables	21,667	17,965	(3,702)	2	6,558	7,111	553	7
Contract assets	-	3,702	3,702	2	-	-	-	-
<b><u>Equity</u></b>								
Other reserves	790	95	695	3	620	1,188	(568)	7
Accumulated profits/(losses)	42,928	43,623	(695)	3	(13,230)	(13,678)	448	7
<b><u>Non Current Liabilities</u></b>								
Trade and other payables	-	907	(907)	6	-	907	(907)	6
Deferred tax liabilities	976	1,878	(902)	1	-	-	-	-
<b><u>Current Liabilities</u></b>								
Trade and other payables	36,609	33,094	3,515	2, 6	4,734	3,812	922	6
Contract liabilities	-	2,607	(2,607)	2	-	-	-	-
Current tax payable	7,284	7,284	-	-	864	1,312	(448)	7

**Consolidation statement of cash flows**  
**Year ended 31 December 2018**

	Group (S\$'000)			
	Unaudited	Audited	Variance	Note
Net cash from operating activities	33,524	34,090	566	4
Net cash used in investing activities	(12,722)	(13,240)	(518)	4

**Interested party transactions**

	Group (S\$'000)			
	Unaudited	Audited	Variance	Note
Advisory fees paid to Novo Tellus Capital Partners Pte Ltd	280	353	73	5

**Explanatory Notes:**

Applicable to the Group only:

- 1) Adjustments arising from the finalisation of purchase price allocation for the acquisition of Afore Oy.
- 2) Adjustment to prior year profit and loss upon adoption of Singapore Financial Reporting Standards (International) (SFRS(I)).
- 3) Presentation of statement of financial position items accounted for under SFRS(I) 15 *Revenue from contracts with Customers* separately on the face of the consolidated statement of financial position.
- 4) Mainly relates to reclassification of payment of deferred consideration relating to acquisition of subsidiary from operating activities to investing activities.
- 5) Disclosure of the Group's share of consultancy service fee paid by the Company's associated company, Novoflex Pte Ltd.

Applicable to the Group and Company:

- 6) Reclassification of non-current portion of purchase consideration for acquisitions from current other payables to non-current other payables.

Applicable to the Company only:

- 7) Recognition of tax liability and share-based payments previously recorded at the Group level.

The above changes and reclassifications do not have any impact on the Group's net assets, cash flow, profit before tax and net profit for FY2018.

BY ORDER OF THE BOARD

Loke Wai San  
Executive Chairman  
11 April 2019