AEM Holdings Ltd.
Annual Report 2024

Testing Innovation

Table of Contents

Our **Vision** for the Future

A Zero Failure World

We are on a **Mission**

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

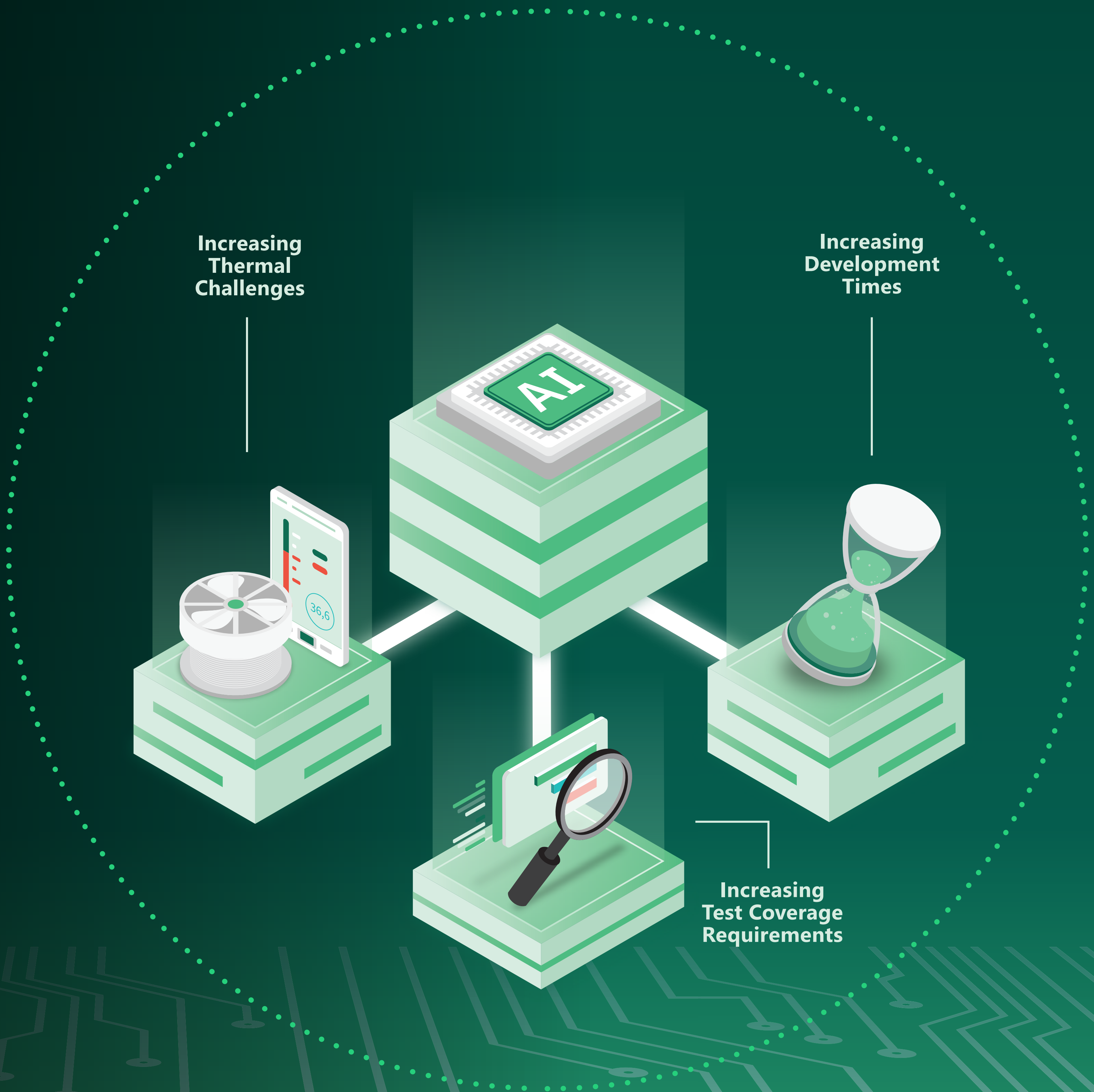
Powering the AI Revolution
with Advanced Test and Thermal Solutions

With the rise of artificial intelligence (AI), the demand for powerful AI chips continues to surge, driving the semiconductor industry towards a trillion-dollar market. These next-generation chips require advanced packaging, high-power thermal management, and rigorous test coverage.

As a leader in Active Thermal Control technology, AEM provides innovative full-stack test solutions designed to enhance test cell throughput and lower test costs. PiXL™—our patented, intelligent thermal management technology - provides rapid, precise control of test environments.

PiXL™ is utilised across all testing stages, from engineering labs to high-volume manufacturing, thus accelerating time-to-market and enhancing yield insights. Together with our automation capabilities and application-specific test instruments, our Test 2.0 solutions are revolutionising 2.5D/3D advanced packaging testing for AI and High-Performance Computing (HPC) devices.

Through our innovative, highly parallel, high-power test solutions, AEM empowers customers to realise the full potential of AI and future semiconductor advancements.



Loke Wai San

Non-Executive Chairman

Dear Shareholders and Readers,

Those who have followed AEM will know that we are a vertically integrated engineering solutions company with core technologies for semiconductor and interconnect test solutions, consumables and automation. These form the basis for our longer-term market growth as semiconductors become more complex, integrated through advanced packaging and eventually move into embedded electronics and embedded industrial applications. This integrated vision was manifested in our Test 2.0 platform which starts with our foundation in semiconductor test chips and expands into semiconductor panels and embedded systems.

Our first beachhead in semiconductor capital equipment happens to be one of the most exacting industries globally that demands the highest levels of innovation and engineering execution to thrive. AEM's solutions are not 'me too' offerings and we have been engaged with several leading logic and memory customers for their next-generation test needs. I am hopeful that when we look back at 2024, we will remember it as a milestone year in our next chapter of growth, where we were able to move from lab evaluations to becoming the production plan-of-record for a major High-Performance Computing (HPC) and Artificial Intelligence (AI) chip company. Many years of hard work by our AEM team went into securing this initial production win, and we are just beginning as we have been multi-threaded in our Test 2.0 engagements.

We will also remember 2024 as a year when AEM emerged stronger in our operations as we worked with our key customer through their unprecedented slowdown and restructuring of their business. In last year's remarks, I discussed in detail our own share of challenges with inventory misstatement, which should never have happened. I am confident that we have successfully moved to close the gaps, and our company is in good shape to scale with our customers in the future. Across our other units in automation and contract manufacturing, I also see improvements in engineering capabilities and operational excellence to grow with all our customers.

Our FY2024 financial performance reflected the reality of the slowdown in business from our key customer and the expenses associated with ramping up engineering and operational infrastructure to support new customer growth in their production environment. We are seeing the fruits of our R&D and operational investments, and we remain steadfast in our commitment to delivering on our long-term growth plans while maintaining a laser focus on controlling costs across our operations.

The excitement I feel today is reminiscent of 2016, when we were on the cusp of growth with our first major customer. As a Singapore-headquartered company, it is a proud moment to know that our technologies are being used to test the latest chips from some of the world's most prominent semiconductor manufacturers.

Technology Innovation as a Catalyst for Growth

Innovation is at the heart of what we do at AEM, and the new generation packaging technologies are driving a clear need for more complex testing solutions. In 2024, we launched the industry's first fully automated high-throughput burn-in system optimised for AI/HPC applications, the AMPS-BI. The market's response so far has been promising, and we see this as the start of a multi-year adoption cycle across our existing and new customers.

Alongside AMPS-BI, PiXL™, our intelligent thermal control technology, has gained traction

AEM had the distinct honour of hosting esteemed leaders, including Singapore's Prime Minister, Lawrence Wong; India's Prime Minister, Narendra Modi; Singapore's Minister for Home Affairs and Minister for Law, K. Shanmugam; and India's Minister of External Affairs, Subrahmanyam Jaishankar. *Chairman Loke Wai San and CEO Amy Leong warmly welcomed these distinguished guests and guided them through a tour of our cutting-edge Burn-in, Final Test, and System Level Test systems, all enhanced by our innovative PiXL thermal management technology.*

in System Level Test (SLT) applications. AEM is well positioned to develop and commercialise solutions like PiXL™, which lays the foundation for a transition towards high-value, differentiated test platforms.

These technological developments are critical in bolstering AEM's goal of long-term, sustainable growth. The semiconductor industry is undergoing a structural shift as AI is driving new demands in thermal management and high-throughput testing. AEM's continued investment in research and development keeps us ahead of these trends, delivering solutions that fit the needs of our customers.

Our Expanding Market Footprint

The semiconductor industry has consolidated considerably over the past few years, with few players competing for shared customer attention. The mission-critical nature creates high barriers to replacing an incumbent that is operating as the Plan-of-Record test solutions partner. Nonetheless, our technology differentiation has enabled us to capture a share of the pie with several new customer engagements across AI/HPC, memory, and advanced logic segments in the last couple of years.

Our other business teams in customised automation, test & measurement, and contract manufacturing have also been expanding their customer bases with higher-value engineering solutions and operational availability. We continue to invest in building our capabilities across our teams to deliver full-stacked solutions for our customers.

Strengthening the Team to Accelerate Our Next Chapter

To accelerate our next chapter of growth, it is critical that we deliver success across three main areas – technology leadership, customer relationships, and operational excellence. Throughout 2024, we have taken steps to set ourselves up for success by reorganising the team and bringing on individuals who can help us in our next chapter of growth. In mid-2024, we welcomed Amy Leong as AEM's Chief Executive Officer to help lead the overall organisation. Together, we have worked on our mid-term and longer-term strategies, and we have the pieces in place to execute on our next chapter of growth.

Appreciation

The external and internal challenges over the past two years have weighed heavily on our growth but with an enlarged customer base, we are on the right track. We are extremely thankful to our shareholders who have shown incredible patience as we focus on developing our unique set of capabilities. To the team at AEM, my deepest gratitude for your efforts in building our business with all our customers across custom automation, contract manufacturing, test & measurement and our Test 2.0 platforms. To our customers and business partners, thank you for your trust and continued support. As we focus on AEM's growth in the longer term, we remain committed to delivering sustainable value.

Loke Wai San

Amy Leong

Chief Executive Officer

Dear Shareholders and Readers,

As I reflect on AEM's journey over the past year, I am filled with a strong sense of optimism and determination. Having assumed the CEO role on 1 July 2024, I have had the privilege of witnessing firsthand the resilience and commitment of our team as we navigated a year of transformation. In light of the challenges faced by the semiconductor industry during the financial year under review—marked by market fluctuations and shifting technological demands—AEM has proven its ability to adapt and emerge stronger. We closed the year with a total revenue of S$380.4M and achieved a Profit Before Tax (PBT, excluding exceptional items) of S$19.8M. The second half of the year was a key turning point, with revenue growing by 19% sequentially and PBT soaring by 151% compared to the first half. These results reflect the collective strength of our team, and as we move forward, we are in a solid position to capitalise on future growth opportunities, driving innovation and excellence across the semiconductor landscape.

Testing The Limit

2024 was a defining year for AEM as we continued to lead the semiconductor testing industry. Our extensive R&D efforts began to yield significant results, driving market and customer diversification and positioning us at the forefront of the Future of Computing—from High-Performance Computing (HPC) and Artificial Intelligence (AI) to Quantum Computing. We successfully pushed the boundaries of testing high-power processors that are "too hot to test" and Quantum chips operating at near absolute zero temperatures considered "too cold to test".

Elevating Power Limit for AI/HPC Package Test

With the rise of AI and HPC and the growing complexity of the Advanced Packaging manufacturing process, AEM has solidified itself as the industry leader in Thermal Management for Package Test. We're proud to introduce PiXL™—our patented, intelligent thermal management technology that provides rapid, precise control of test environments. Customisable for chiplet-based Advanced Packages, PiXL™ ensures optimal test yield and quality. Alongside our application-optimised test instruments and advanced automation, we empower AI/HPC customers to optimise their test content across various test insertions - ultimately driving down the cost of testing per packaged device.

Our industry-leading thermal technology enables customers to push the boundaries of AI/HPC device development. As power levels surpass 3kW and package sizes exceed 150mm, the increasing number of chiplets per package is driving a step-function increase in test complexity and duration. Managing these thermal challenges is more critical than ever. As our customers navigate this pivotal shift in Advanced Package testing, we remain fully committed to evolving alongside them by delivering cutting-edge solutions that ensure their continued success. We are at the forefront of forging strong partnerships with leading AI and HPC customers. Our technology breakthroughs have allowed us to engage with various AI and HPC fabless markets, with major successes in the Package Test application. This includes System Level Test (SLT) and Burn-in/High-Voltage Stress Testing Systems for Graphic Processors (GPUs) used in AI data centres and graphic DRAMs (GDDRx). These complement our existing Key Customer in the Central Processing Units (CPUs) segment. With these milestones, we're poised to surpass the S$100M mark in 2025 through new customer wins, setting the stage for sustained growth and success.

Wafer Testing at Below 2 Kelvin Temperature

Expanding into Wafer Test to drive the upstream migration of Test 2.0 is a key strategic initiative for AEM. Our Wafer Test team in Finland continues to lead the specialty wafer probe segment. In partnership with Bluefors, the industry leader in Dilution Refrigerators, we have strengthened our patent portfolio and reinforced our leadership in cryogenic wafer probing for Quantum Computing applications. In 2024, we successfully delivered multiple 300mm cryogenic wafer probers capable of testing quantum wafers at sub-2 Kelvin temperatures—accelerating both research and the commercialisation of quantum computing.

Supply Chain Resilience

Our manufacturing facilities are strategically located across Southeast Asia, including Penang, Malaysia; Vietnam; and Batam, Indonesia. Anchored by our headquarters in Singapore, our network ensures long-term supply chain resilience amid evolving geopolitical uncertainties.

Our contract manufacturing business, operated by our subsidiary CEI Pte. Ltd. (CEI), is one of our key pillars of diversification and supply chain flexibility. CEI has established itself as a trusted partner for companies seeking top-tier, high-mix, low-volume contract manufacturing solutions. CEI offers services such as New Product Introduction (NPI), Printed Circuit Board (PCB) Assembly, Wire Harness Assembly, and System Level Assembly. CEI serves a variety of vertical markets, including life sciences, aerospace & defense, and industrial, oil & gas segments. In 2024, we achieved multiple new customer wins, including one that quickly became a top-10 customer within its first year.

Driving Long-Term Growth

As we look ahead, we remain committed to executing our four-point strategy to ensure sustained long-term growth and industry leadership:

1) Expand and Diversify Market Presence
We are focused on driving revenue growth by deepening engagement with our Key Account and expanding into new market segments and regions. Our teams are equipped to turn groundbreaking innovations into commercial success, making a tangible impact on Advanced Packaging manufacturing processes.

2) Strengthening Our Leadership in Test 2.0
We continue to lead the industry with ongoing investment in innovation and technology. Our Test 2.0 vision is designed to maximise chip production yield while lowering the cost of testing—from wafer probe to final test, burn-in, and SLT. With significant investments in our three core competencies—Thermal Management, Advanced Automation, and Application-Optimised Test Instruments—we are advancing Test 2.0. Our PiXL™ intelligent thermal management technology plays a pivotal role in making this vision a reality, reducing the cost-of-test per device.

3) Achieving Operational Excellence
We are committed to continuous improvement through enhancement of processes, optimisation of cost structures, and refinement of execution to achieve world-class operational excellence. Our focus on efficiency and strategic cost management enables us to strengthen gross and net margins, reinforcing a solid foundation for future growth.

4) Building a High-Performance, Results-Driven Culture
Our success is driven by our people. We are dedicated to attracting, developing, and retaining top talent by fostering a culture of excellence. Through career development programmes, targeted training, and clear, measurable KPIs (key performance indicators), we empower our teams to deliver impactful results. Our results-based rewards system ensures that performance and execution are at the heart of everything we do.

Forging Ahead: Innovation, Growth, and Excellence

I'm excited about our future. With these strategic priorities, we are well-positioned to capitalise on new opportunities, strengthen our competitive edge, and drive long-term value for our customers, partners, and stakeholders.

I want to express my heartfelt appreciation to our dedicated team members across AEM's global offices for their hard work and contributions. I also extend my gratitude to our Board of Directors, shareholders, customers, and partners for their continued trust and support, which drive our success.

In the spirit of Vincent van Gogh's words, "Great things are not done by impulse, but by a series of small things brought together", we recognise that AEM's success is not the result of a single breakthrough, but rather the culmination of continuous, deliberate efforts. From pioneering innovations in semiconductor testing to forging strategic partnerships and staying ahead of the technological curve, every small step contributes to our vision – A Zero Failure World.

As we move forward, we'll continue this path, knowing that steady progress, backed by our team's commitment, will lead us to even greater achievements.

Leong Chunyi Yin (Amy)

Samer Kabbani

President & Chief Technology Officer

Dear Shareholders and Readers,

2024 was a pivotal moment in AEM's evolution, as we made significant strides toward becoming a global leader in advanced thermal and automation solutions for the semiconductor backend test market. Our investments in research and development over the past four years have led to groundbreaking technologies, enabling us to meet customer needs with innovative solutions and operational excellence. Reflecting on this year's achievements and challenges, I am both inspired by our progress and excited about the opportunities that lie ahead.

Innovations in Thermal Management and Test Automation

The global High-Performance Computing (HPC) market continues to expand rapidly, fuelled by advancements in Artificial Intelligence (AI), cloud computing, and data-intensive applications. This growth underscores the critical need for efficient thermal management and reliable test automation solutions. As HPC systems generate unprecedented levels of heat, AEM's PiXL™-powered platforms address these challenges with exceptional power density management and unique multi-zone thermal control capabilities. Our capabilities and abilities to provide and innovate solutions ensure that we remain a trusted partner to our customers, providing them with the confidence they need to navigate an increasingly complex and rapidly evolving technological landscape.

Today, HPC customers seek trusted partners who can offer innovative solutions, a broad product portfolio, and global service support. AEM is laser-focused on becoming the global leader in thermal management and high-parallel test automation—key technology pillars that support our "Follow the Chiplet" strategy and form the foundation of a new framework driving our strategic growth. At the heart of this approach is the PiXL™ common thermal architecture, uniquely integrated across all test insertions—Wafer Probe, Package Burn-In, Package Final Test, and System Level Test (SLT). This breakthrough innovation powers our two primary growth engines in the semiconductor test space.

The first growth engine, Distributed Parallel Test Solutions, provides adaptive, massively parallel test cells that significantly boost test output while offering disruptive cost-of-test advantages. An excellent example of the unique value proposition within this growth engine is the AMPS-BI. Additionally, we strengthened our position in SLT with the deployment of our new High-Density Performance Tester (HPST) at an emerging hyperscaler.

The second growth engine, Standard Products, scales our proprietary innovations—including the Z-Series Final Test handlers and the PX/BX/FX/SX series—with groundbreaking thermal capabilities. Together, these initiatives highlight our ability to meet evolving customer needs while balancing customisation with the scalability required for sustainable growth.

AEM's Breakthrough with AMPS-BI

Our achievements in 2024 reflect the collective efforts of our teams and the strength of our innovations. A key milestone was the introduction of AEM's highly parallel, fully automated Burn-In solution, AMPS-BI, and its rapid production adoption at a leading HPC and AI processor producer. This followed a two-year extensive customer selection process, during which AEM competed against—and ultimately surpassed—large, well-established test supplier incumbents.

AMPS-BI is a solution that dramatically scales production output and enables our customers to test highly complex, next-generation server and AI processors — a clear demonstration of the value and impact of our innovation. Our new platform is fully automated and nearly doubles the test density per square foot. It represents the culmination of several internal technology differentiation efforts spanning high-power test instrumentation, leading thermal control, and Factory 4.0 automation solutions.

Burn-In test insertion has traditionally been a highly entrenched process, with customers often hesitant to displace long-standing suppliers. Our key win—along with the rapid high-volume manufacturing proliferation at one of the leading CPU (central processing unit) producers in the world—underscores AEM's growing dominance in the Automated Burn-In space.

Our Strategic Patents and Game-Changing Technologies

We are excited to announce that we secured numerous key patents that further solidify our leadership in multi-zone thermal control, wafer probe control, and high-speed automation technologies. We are particularly proud of our successful demonstration of the Z-Series' advanced thermal and automation capabilities to a leading memory device manufacturer, which was a significant achievement that paves the way for expanded market opportunities in the rapidly growing advanced memory IC testing sector.

Additionally, the development of our PX technology, targeting wafer probe, reached a critical integrated chip (IC) milestone in late 2024, showcasing its potential to redefine wafer thermal control during probe. We are extremely bullish about our PX offering and anticipate launching evaluations at all three advanced node (sub-7nm) foundry suppliers by late 2025.

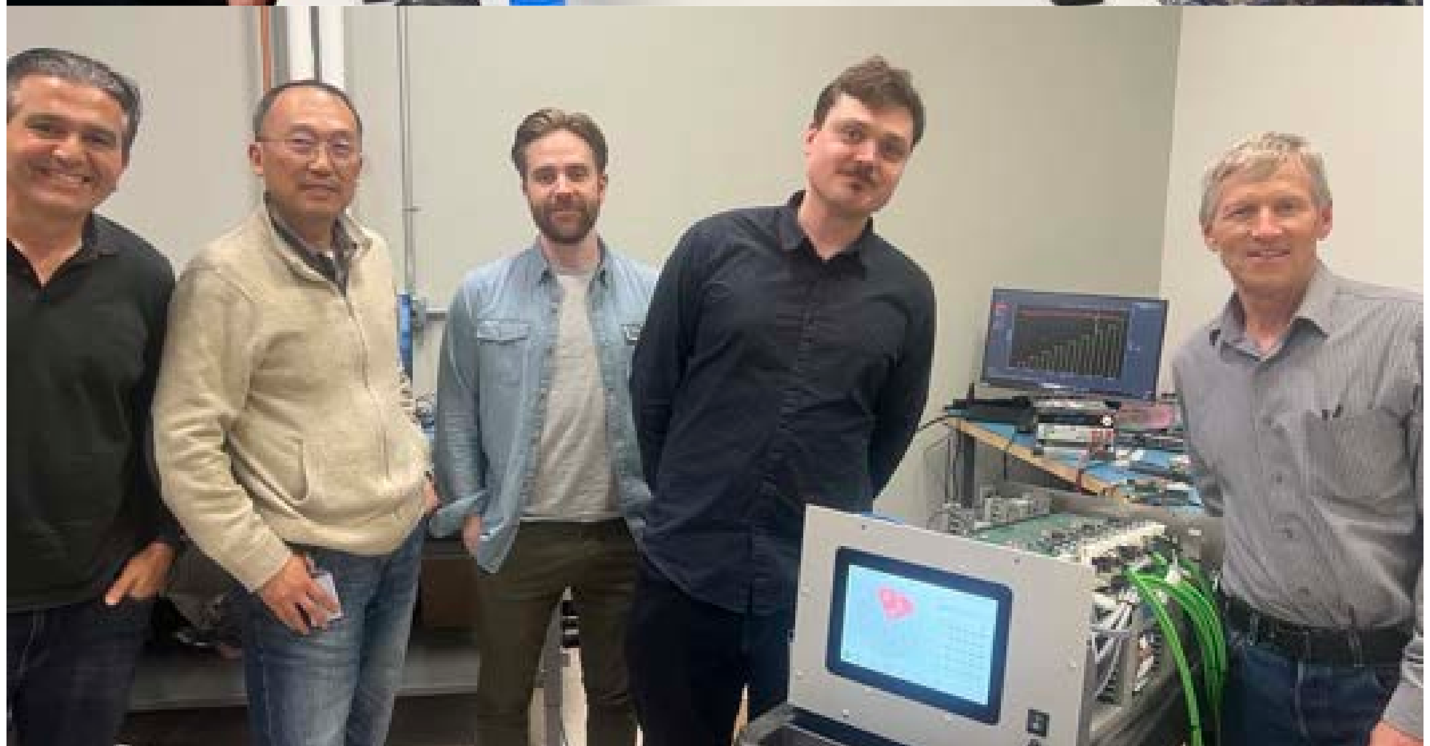
From Strength to Strength: AEM's Roadmap to 2025

Despite these accomplishments, we recognise the ongoing need for improvement. Delays in certain programme executions have highlighted opportunities to refine our processes and better align with customer timelines and expectations. We are committed to addressing these challenges by prioritising quality, operational excellence, and collaboration across all levels of the organisation.

Looking ahead to 2025, AEM is well-positioned to capitalise on the technological and strategic advancements made in 2024. Our priorities include accelerating the adoption of PiXL™-based solutions, advancing our "Follow the Chiplet" strategy, and deepening our presence in high-growth markets such as AI, HPC, and memory technologies. We also aim to foster a culture of innovation and resilience, investing in team development to ensure we remain agile and visionary.

With our unwavering focus on delivering value to our customers, I am confident that AEM will continue redefining the test and automation landscape in the future.

Samer Kabbani



AEM'S BOARD OF **DIRECTORS**

Loke Wai San
(56)

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

Chok Yean Hung
(60)

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

André Andonian
(62)

Independent Director, Chairman of the Nominating Committee, and Member of the Strategy Committee

Chou Yen Ning @ Alice Lin
(57)

Independent Director and Chairman of the Audit & Risk Management Committee

James Toh Ban Leng
(60)

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

Loh Kin Wah
(70)

Independent Director, Member of the Nominating Committee, Member of the Remuneration Committee, and Member of the Strategy Committee

Tham Min Yew (Russell)
(57)

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

Loke Wai San
(56)

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 fund adviser 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 to an emerging global technology provider of semiconductor backend test solutions. He has also provided leadership for AEM's acquisitions. Mr. Loke also serves on the board of Temasek Polytechnic and on the boards of several other public and private companies in the region.

Chok Yean Hung
(60)

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

After helming the company as its Chief Executive Officer, Mr. Chok Yean Hung joined AEM's Board of Directors. 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 to sustainable, independent, publicly-listed companies. Before his tenure with AEM, Mr. Chok successfully co-founded two OSAT companies, UTAC and Ellipsiz Test/EEMS Asia.

André Andonian
(62)

Independent Director, Chairman of the Nominating Committee, and Member of the Strategy Committee

Mr. André Andonian has over 30 years of experience in consulting companies across the Semiconductors, Industrials & Electronics, Automotive & Assembly, and Aerospace & Defense industries on strategic, operational, and organisational topics. He has extensive experience in transforming companies into global leaders and in the assessment and development of 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 mostly focusing on North Asia and is 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.

Chou Yen Ning @ Alice Lin
(57)

Independent Director and Chairman of the Audit & Risk Management Committee

Ms. Chou Yen Ning @ Alice Lin brings a wealth of leadership experience that spans the corporate, investments, and philanthropic sectors. She served as CFO of Oracle Asia Pacific, managing finance and M&A for the multi-billion US-listed technology company in the region. Ms. Lin's experience covers multiple geographies and functions, including a stint as Director of Globalisation at Oracle. She is a shareholder and director of Green Mountains Investments Ltd., focusing on a broad range of late-stage and listed companies. She was a founding board member of Asian University for Women Support Foundation in Singapore and Hong Kong.

James Toh Ban Leng
(60)

Lead Independent Director, Chairman of the Remuneration Committee, Member of the Audit & 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. Mr. Toh started his career in management consulting at Booz Allen & Hamilton, and subsequently A.T. Kearney. 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 won the "Patron of the Arts" award from the National Arts Council in 2023. He has been the patron of vocal group Resonance of Singapore since its inception.

Loh Kin Wah
(70)

Independent 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 AG, Non-Executive Chairman at Kinergy Corporation Ltd, Director at UTAC Pte. Ltd., and Chairman of Huba Control AG. Over the last 30 years, his appointments include Vice Chairman of Ampleon BV, Executive Vice President, Global Sales and Marketing of NXP Semiconductors, President and CEO of Qimonda AG, and Executive Vice President, Communications Group of Infineon Technologies AG.

Tham Min Yew (Russell)
(57)

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

Mr. Tham Min Yew (Russell) brings extensive experience in the technology industry. Mr. Tham is currently the Head of Strategic Development, and Joint Head of Enterprise Development Group of Temasek International, focusing on building new businesses and investing globally in early-stage high potential Science & Technology ventures. He was the President of Applied Materials Southeast Asia from 2009 to 2018, leading the regional business and overseeing the company's expansion into manufacturing, supply chain, R&D, and product development for global markets in Singapore.

AEM'S **MANAGEMENT TEAM**

Leong Chunyi Yin (Amy)

Chief Executive Officer

Samer Kabbani

President &
Chief Technology Officer

Chua Tat Ming

Chief Operating Officer,
Global Engineering & Operations

Kwek You Cheer

Chief Financial Officer

Mark Yaeger

Senior Vice President, Global Sales

Samir Mowla

Vice President, Corporate Development,
Marketing and IT

Andrew Tham

Vice President, CEI

Stuart Pearce

Senior Director, Test 2.0 Solutions

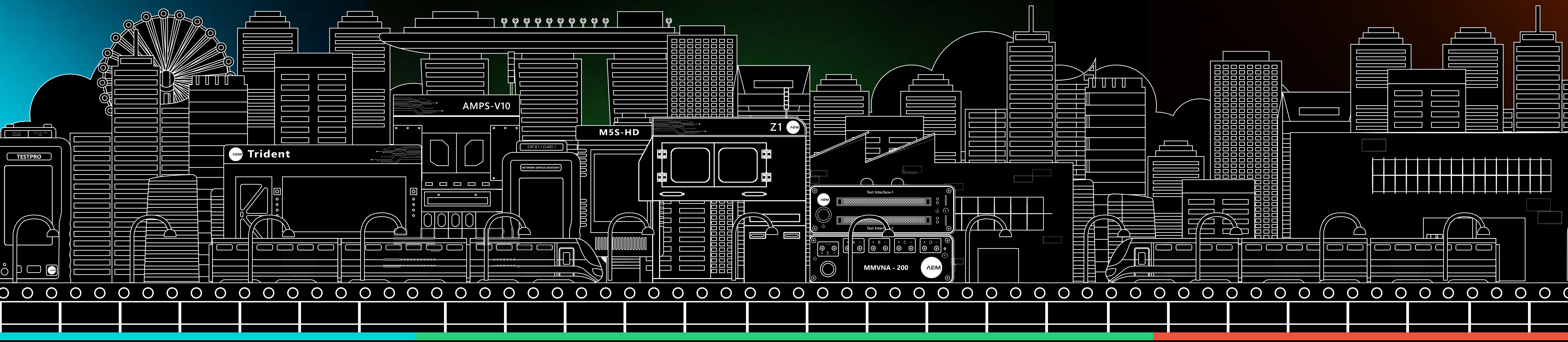
Samson Mah

Corporate Counsel

Paul Wong

Deputy Director, Human Resources
Business Partner

AEM Financial, Sustainability, and Operational Highlights



Financial Highlights

Revenue
S$380.4M

Profit Before Tax
(excluding exceptional items)
S$19.8M

Net Asset Value Per Share
(in Singapore Cents)
155.2

Profit Before Tax
(including exceptional items)
S$14.1M

Sustainability Highlights

Zero cases of corruption.

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

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

Continuous improvement in workforce gender diversity ratio, **with female employees representing 60% in FY2024.**

An average of **33.8 hours of training** provided to each employee.

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

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

A **29% reduction in electricity consumption** and a **21% reduction in Scope 2 emissions**.

Operational Highlights

Driving Efficiency, Enhancing Profitability through close collaboration with stakeholders, we implemented strategic cost-optimisation initiatives that strengthened our bottom line and reinforced our commitment to long-term profitability.

Building a Culture of Excellence by instilling a culture of discipline and compliance, we elevated our operational standards, ensuring consistency, agility, and excellence across all facets of our business.

2024
Strategic Partnerships & Recognitions

At AEM, 2024 has been a year of significant growth and innovation, defined by strategic partnerships, technological advancements, and industry recognition that strengthen our position as a trusted leader across semiconductor, custom automation, test & measurement, and contract manufacturing.

By collaborating closely with our valued customers and world-class partners, and driven by a relentless passion for innovation, we have developed cutting-edge solutions that address the ever-evolving needs of our clients in Artificial Intelligence (AI), High-Performance Computing (HPC), network infrastructure testing, and printed circuit boards (PCBs) design.

AEM Designated Plan-of-Record Thermal Solutions Provider for Leading AI and HPC Semiconductor Manufacturer

Launch of AMPS-BI: Advanced Burn-In System for AI & HPC Chip Reliability

AEM Expands SLT Capabilities on AMPS Platform for Scalable, Cost-Effective Solutions

Global Theme Park Implements AEM's Network Service Assistant to solve PoE Anomalies for IoT Connected Devices

Patented CWP Technology in China & Japan

First Barometric Wafer Prober Order Confirmation in Japan

Introduced the Industry's First Power over Ethernet (PoE) Passthru Test Adapter

AEM-CEI Named Tier 1 Supplier by Bio-Rad

Fraunhofer Institute Awards AEM ATE Radiation Testing System Contract

HERE ARE

KEY HIGHLIGHTS

of our achievements this year →

Expansion of System Level Test (SLT) Capabilities

AEM announced the expansion of its SLT capabilities on the modular AMPS platform, providing integrated chips (ICs) manufacturers with cost-effective, scalable solutions for testing next-generation devices, from lab to high-volume manufacturing. The AMPS platform integrates high-throughput automation, application-specific test instruments, and AEM's patented PiXL™ thermal engine for precise multi-zone thermal control. This expansion positions AEM as a key enabler in meeting the growing test demands of High-Performance Computing (HPC) and Artificial Intelligence (AI) applications exceeding 2,000 watts.

Launch of AMPS-BI: Revolutionising Burn-In Testing

AEM released AMPS-BI, a high-power, fully automated burn-in system designed specifically for High-Performance Computing and AI chips. Leveraging AEM's automation and thermal management expertise, the AMPS-BI ensures reliability through advanced multi-zone intelligent thermal control. This system significantly reduces test times, enhances test coverage, and lowers the cost of testing for semiconductor manufacturers, making it an essential tool for ensuring the quality and reliability of next-generation devices.

Industry-leading Thermal Control Solutions for HPC and AI Semiconductor Providers

A major HPC and AI semiconductor manufacturer selected AEM's active thermal control solutions as the Plan-of-Record, ensuring the reliable and high-efficiency testing of next-generation devices. AEM's CFC (chlorofluorocarbons)-free thermal engine, designed for high-volume manufacturing, offers superior thermal performance while minimising environmental impact. This reinforces our commitment to delivering sustainable, high-quality test solutions for the semiconductor industry and positions AEM as a trusted partner in advancing semiconductor testing technologies.

Strengthening Leadership in Sustainable Test Solutions

Further strengthening our industry leadership, another major HPC and AI semiconductor company selected AEM as the Plan-of-Record thermal control solution provider. Our sustainable, high-efficiency test solutions are designed to meet the stringent demands of high-power devices. The CFC-free thermal engine enhances reliability, reduces environmental impact, and supports the evolving test requirements for next-generation AI chips, ensuring AEM remains at the forefront of sustainable technological innovations.

Power over Ethernet (PoE) Passthru Adapter for IoT (Internet of Things) Devices

AEM introduced another innovative solution in the IoT testing space. A globally renowned theme park has implemented AEM's Network Service Assistant, featuring a custom-designed PoE Passthru adapter developed specifically for their needs, but has use in any smart building deployment to support IoT connected devices that require PoE as the power source. This solution enables our customers to swiftly identify power failures, significantly reducing the time and effort typically spent on troubleshooting. The test adapter, which can be used in both the Network Service Assistant and TestPro, sits in-line between the Power Source Equipment (PSE) and Powered Devices (PD), to monitor power draw over time, helping to identify intermittent power anomalies in PoE-enabled IoT devices.

AEM ATE's Radiation Testing System Awarded by Fraunhofer Institute

AEM Automated Test Equipment (ATE) received an award from the prestigious Fraunhofer Institute in Germany through a public tender for a fully configured M-10S ATE system to be delivered for a radiation testing project in December 2025. The M-10S system offers high flexibility and portability, ensuring that the performance of radiation testing remains uncompromised while meeting customer requirements. This project further reinforces AEM's role in providing high-performance, adaptable ATE solutions for testing parts at full speed in radiation environments.

Innovative Barometric Wafer Level Prober

AEM's first barometric wafer level prober order confirmation to the Japanese market was a significant milestone. Designed to operate within a pressure range of 10mbar to 3500mbar, this innovative solution ensures precise and reliable testing for a wide array of semiconductor applications. The advanced design enhances testing efficiency and performance, providing semiconductor manufacturers with cutting-edge capabilities to support their manufacturing processes.

Tier 1 Supplier Recognition by Bio-Rad

In another significant milestone, AEM's subsidiary, CEI, was recognised as a Tier 1 supplier by Bio-Rad, a global leader in life sciences and biotechnology. This prestigious recognition underscores our commitment to excellence in product quality and customer satisfaction, solidifying our partnership with one of the industry's foremost innovators.

Patented Cryogenic Wafer Prober (CWP) Technology, in partnership with Bluefors

AEM continues to demonstrate its leadership in advanced semiconductor testing with the granting of three patents in the CWP technology in both China and Japan. These patents reflect our ongoing commitment to advancing testing technologies and solidifying AEM's position as a leader in the field of cryogenic testing solutions.

These accomplishments underscore AEM's unwavering commitment to technological leadership and excellence in the test industry.

Through deep collaboration with our customers, forging strategic partnerships, driving innovation, and embracing sustainability, we are poised to continue shaping the future of testing across various sectors, including semiconductors, high-performance computing, artificial intelligence, Smart Building/Internet of Things (IoT), and more.

Our solutions ensure reliability, performance, and efficiency for our diverse customer base. As we move forward, AEM remains committed to delivering next-generation solutions that address the evolving needs of these industries, reinforcing our position as a trusted and invaluable partner in technological advancement.

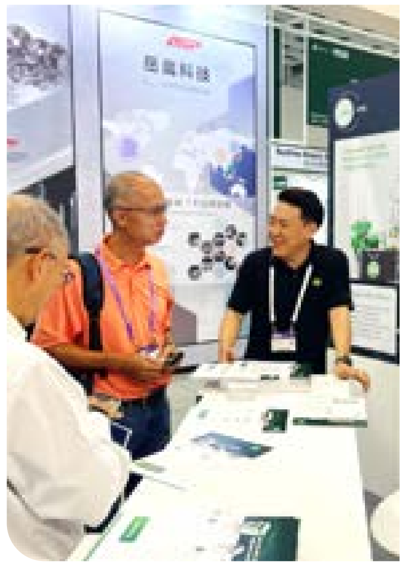
A Year of Engagement, Innovation, and Growth

Throughout the year, AEM has actively participated in key industry events, strategic engagements, and thought leadership platforms to strengthen its position across various sectors. From global trade shows to high-profile ministerial visits, our team has been at the forefront of innovation, collaboration, and meaningful industry dialogues.

Global Trade Show Presence

Showcasing Innovation at SEMICON Taiwan 2024

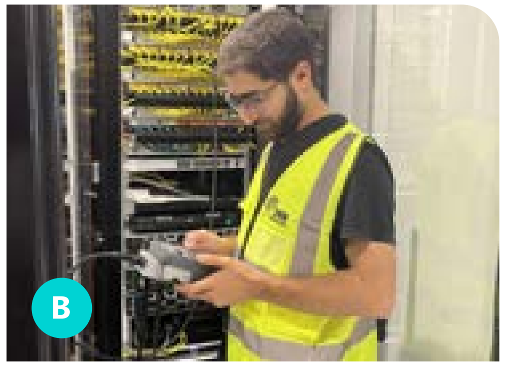
AEM had a strong presence at SEMICON Taiwan 2024, engaging with key customers and industry leaders to showcase our advanced Burn-in, Final Test, and System Level Test solutions. There were several closed-door customer engagements and insightful discussions, especially on AEM's PiXL™ technology, led by our President and CTO, Samer Kabbani. The event reinforced AEM's leadership in delivering industry-leading test solutions to enable the rapid evolution of High-Performance Computing and Artificial Intelligence.



Precision Cable Test Team's Global Outreach

Our Precision Cable Test (PCT) team demonstrated its global reach by participating in multiple trade shows, with the support of our global distribution channel. Events included Building Industry Consulting Services International (BICSI) in the USA, and India. The team also supported Data Centre focused events in Spain, Oman, Turkey, and France. The PCT team also supports hundreds of on-site sales and customer visits around the world.

- **A** BICSI USA
- **B** On-site hands-on sales visit
- **C** Data Centre Event – Madrid, Spain, with our Distribution partner Digatel
- **D** Data Centre Event – Muscat, Oman
- **E** BICSI India



Industry Events

Showcasing Innovation at WorldSkills Lyon 2024

AEM played a key role in WorldSkills Lyon 2024 by providing its TestPro CV100-K60E CAT6 & CAT8 multi-function cable certifier, which was used during the competition to ensure high-performance and accurate cable testing. AEM's technology supported the competition by demonstrating reliability and precision in a world-class environment where future professionals showcased their skills. Through our partner RentalTec, AEM's solutions were highlighted on a global stage, reinforcing our commitment to innovation and industry excellence.

Advancing Semiconductor Testing at iTest Inc Open House 2024

Our team joined iTest Inc's Open House 2024 in the USA, engaging with industry experts and showcasing AEM's latest innovations in our Automated Test Equipment (ATE) Solutions and ATOM-IC Handler, highlighting our ongoing commitment to advancing ATE and ATOM handler solutions to meet evolving industry needs. We're also proud to be one of the event sponsors.

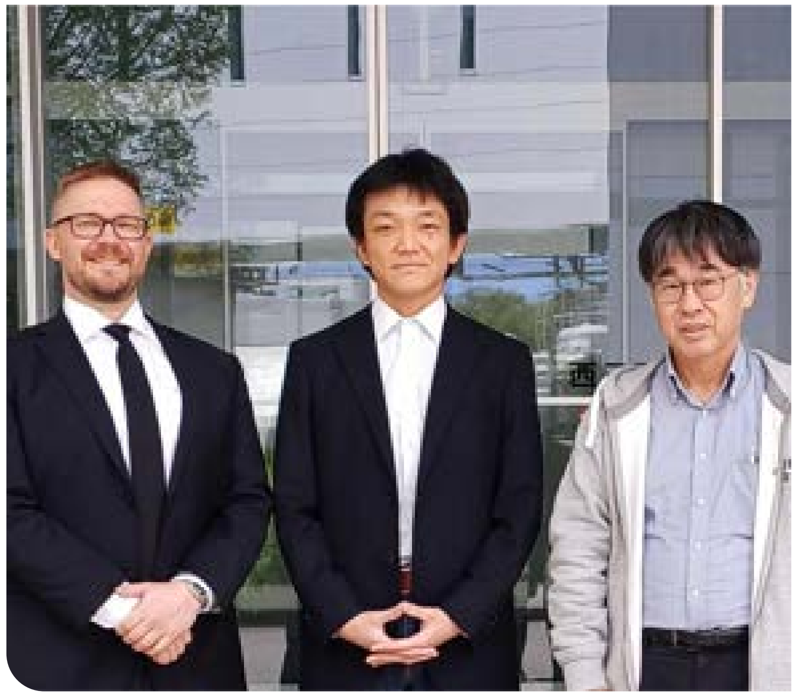
L to R:
***Stuart Pearce**, Senior Director Test 2.0 Solutions, AEM, **Larry Jorstad**, CTO, iTest, **Mark Stenholm**, Director of Applications Engineering, AEM*

Tech Talk with Steve - Global - AEM-Test

The team also marked a milestone with the 69th episode of Tech Talk with Steve Live Podcast, further cementing AEM's expertise in copper and fiber optic cable testing of Smart Buildings.

Strategic Customer Engagements

Our AEM Finland team embarked on strategic customer visits to reinforce partnerships and explore emerging technological frontiers. These visits, which included engagements with the Murata Manufacturing team in Kyoto, the National Institute of Advanced Industrial Science and Technology (AIST) in Tsukuba, and the NYCREATES Nanotechnology Center in New York, provided valuable insights into evolving industry requirements, enabling AEM to tailor its solutions for next-generation Wafer Level Test.



Corporate Milestones

Strengthening Global Ties: Singapore & India Leaders Visit AEM HQ

AEM welcomed distinguished guests, including Singapore's Prime Minister, Lawrence Wong; India's Prime Minister, Narendra Modi; Singapore's Minister for Home Affairs and Minister for Law, K. Shanmugam; and India's Minister of External Affairs, Subrahmanyam Jaishankar, to our Singapore headquarters. Hosted by Chairman Loke Wai San and CEO Amy Leong, this visit provided an opportunity to showcase AEM's role as a key player in the global semiconductor value chain. Demonstrating our industry-leading Burn-in, Final Test, and System Level Test solutions powered by PiXL™ thermal management technology, this visit reinforced our commitment to driving innovation and maintaining a competitive edge in the semiconductor ecosystem.

AEM Annual General Meeting 2024 Driving Growth & Innovation

The 2024 AEM Annual General Meeting was a valuable platform for our leadership to share the company's performance highlights, strategic outlook, and growth plans. Chairman Loke Wai San, then-CEO Chandran Nair, COO Chua Tat Ming, and Vice President of Group Finance Lim Kim Hua, alongside our esteemed Board of Directors, engaged in insightful discussions with shareholders, addressing key business developments and reinforcing our commitment to sustainable growth and innovation.

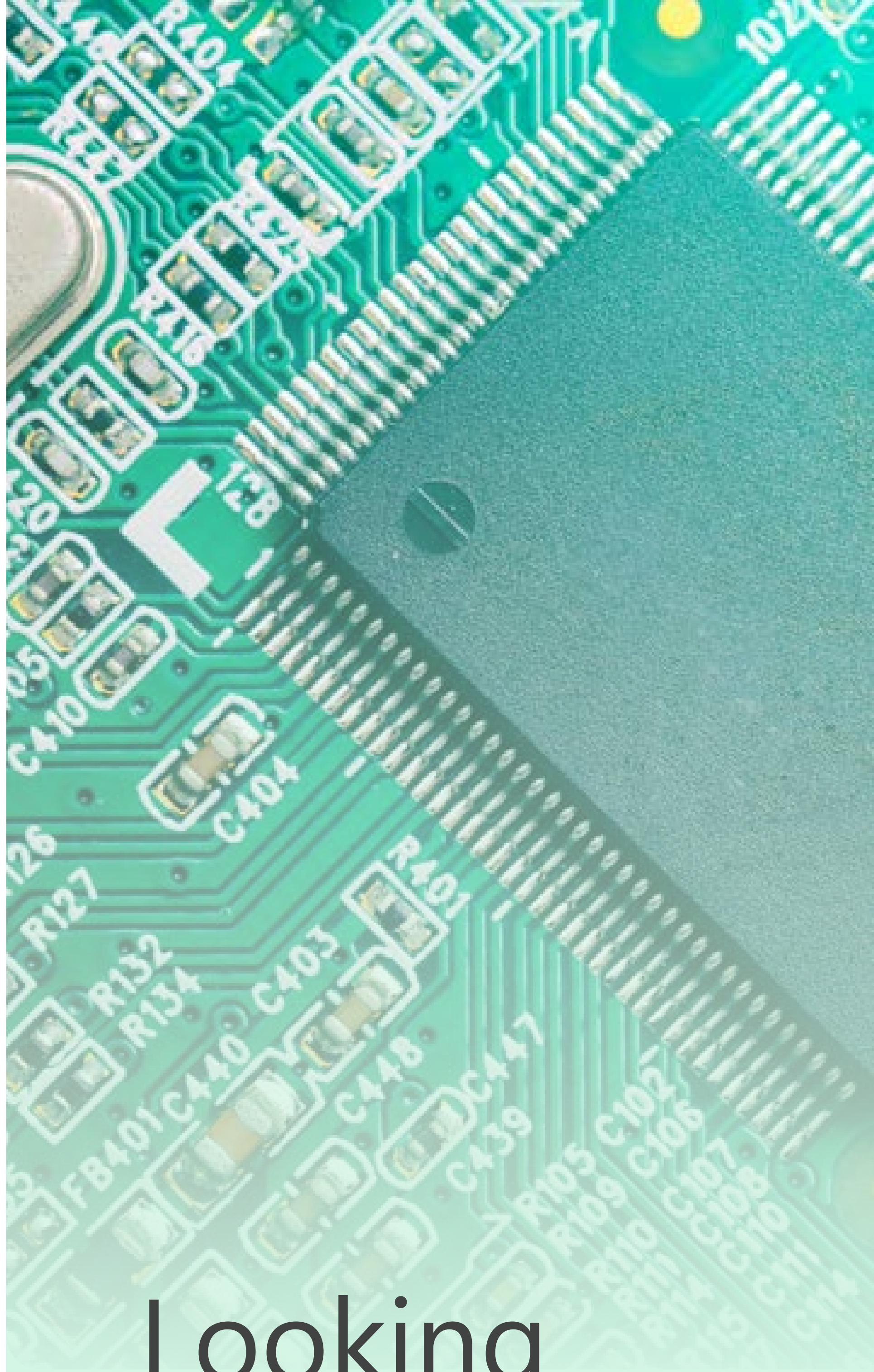
Thought Leadership and Investor Engagements

The Future of Semiconductor Testing at SHINE Technical Workshop

Vice President of Corporate Development, Marketing & IT, Samir Mowla represented AEM at the SHINE 5th Technical Workshop at the National University of Singapore's College of Design and Engineering. In his presentation, "Addressing Next-Generation Semiconductor Test Challenges Today", he highlighted AEM's leadership in developing innovative solutions to tackle the complexities of semiconductor testing, further positioning the company as a thought leader in the field and influencing the direction of the industry.

Engaging Investors at the 5th Annual Needham Virtual Conference

AEM's leadership team, including Chairman Loke Wai San, CEO Amy Leong, Vice President of Group Finance Lim Kim Hua, and Vice President of Corporate Development, Marketing and IT Samir Mowla, participated in this high-profile investor conference. Through virtual one-on-one meetings, the Leadership Team engaged with investors to discuss AEM's latest technological advancements, business developments, and strategic growth initiatives. This conference served as a critical platform for strengthening investor confidence and showcasing AEM's long-term vision.



Looking Ahead

AEM's active participation in these key events reflects our unwavering commitment to innovation, strategic growth, and industry leadership. We remain steadfast in our mission as we continue to drive technological excellence and build strong relationships with customers, investors, and industry stakeholders. We look forward to another year of breakthroughs, collaborations, and continued success.

AEM's Technology Leadership in 3 Critical Verticals

Industry-Leading Active Thermal Control

Thermal technology is the critical test enabler for Artificial Intelligence (AI) and Advanced Packaging.

PiXL™ is AEM's patented, intelligent thermal management technology that provides rapid, precise control of test environments and is the common thermal architecture that is uniquely integrated across all test insertions—Wafer Probe, Package Burn-In, Package Final Test, and System Level Test. With our application-specific test instruments and advanced automation, we enable our customers in the High-performance Computing (HPC) and AI spaces to optimise their test processes across multiple test insertions, significantly reducing the testing cost per packaged device.

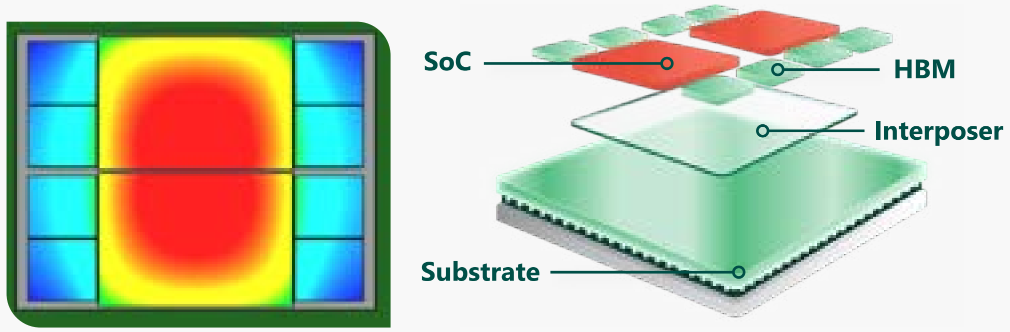
PiXL™ thermal technology is a key enabler in chiplet-based advanced package testing, delivering precise thermal management to optimise heat dissipation and ensure accurate, reliable results. By integrating eco-friendly coolant materials with advanced electronic controls, PiXL™ enhances equipment utilisation while maintaining exceptional test quality. This innovation reduces the risk of over-testing or under-testing, minimising material waste, and improving energy efficiency throughout the testing process. With PiXL™, AEM empowers customers to achieve higher throughput, better yield, and more sustainable testing operations.

With significant investments in our three core competencies—industry-leading Active Thermal Control, Advanced Automation, and Application-Optimised Test Instruments—we are shaping the future of semiconductor testing, enabling our customers to achieve greater efficiency, precision, and scalability in an increasingly complex industry.

PiXL™

AEM's Patented Thermal Engine for Intelligent Multi-zone Control

Advanced Packaging Increases Thermal Gradient During Test



High-throughput Automated Burn-in with Intelligent Thermal Control

AMPS-BI

Powered By PiXL™

Advanced Automation

Factory 4.0 automation for massively parallel test insertions optimised for maximum throughput and lowest cost of test.

Application-Optimised Test Instruments

Highly optimised test instrumentation, coupled with active thermal control and automation, that challenges the current cost-prohibitive traditional Automated Test Equipment (ATE) test methodology.

At AEM, we are redefining the future of semiconductor testing with world-class technologies across high-end thermal control, instrumentation, test, automation, robotics, optical inspection, and software.

Our deep expertise in customising advanced test solutions enables us to meet the evolving demands of Artificial Intelligence (AI), High-Performance Computing (HPC), and Quantum Technologies. As semiconductor technology evolves to power AI, HPC, and Quantum applications, precise and cost-effective testing becomes essential to unlocking innovation and mitigating risk.

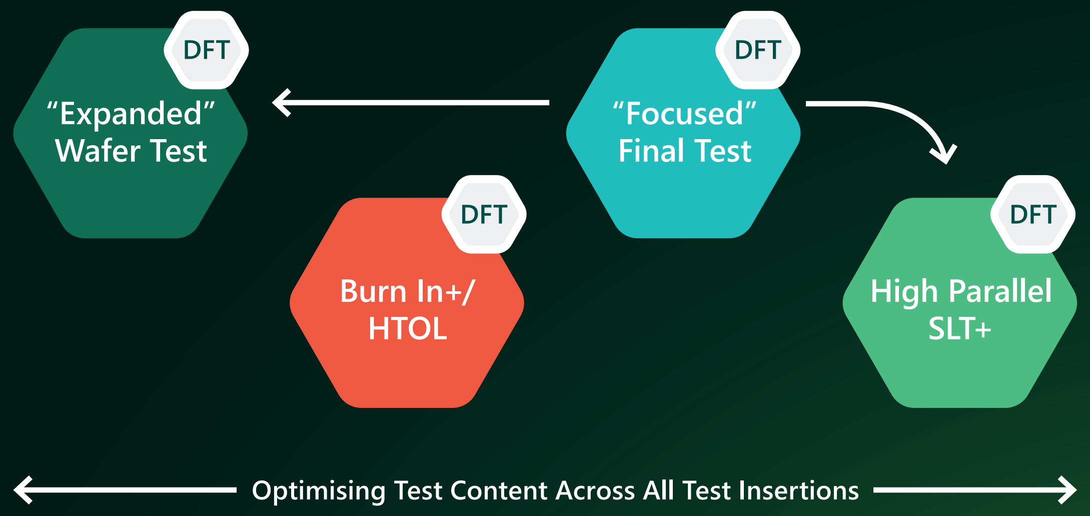
Powered by AEM's PiXL™ technology, our Test 2.0 platforms and solutions integrate precision thermal control, automation, and application-specific test instrumentation to optimise efficiency, lower test costs, and ensure exceptional critical defect detection. By reducing test costs per advanced package by over 30%, AEM enables customers to scale next-generation technologies while maintaining the highest levels of quality and reliability.

With a broad product portfolio that supports integrated circuit (IC) testing from engineering validation to high-volume production, we deliver precision, reliability, and efficiency at every stage.

Testing High-Power Processors & Quantum Chips Beyond Extremes

The limitations of traditional test methodologies have driven a paradigm shift in semiconductor testing—one that requires a rethink of conventional approaches. At AEM, we lead this transformation through Test 2.0, a new test paradigm designed to meet the demands of increasingly complex devices.

Test 2.0 integrates big data, intelligent automation, and application-specific instrumentation to deliver comprehensive testing at both the device and system levels. This holistic approach enhances test accuracy, improves quality assurance, and significantly reduces costs while accelerating time-to-market. By redefining how devices are tested, AEM's Test 2.0 ensures our customers stay ahead in a rapidly evolving technological landscape.



AEM's High-Throughput Production Test Solutions

AMPS-BI

AEM's new generation of advanced automated burn-in system, AMPS-BI, is built for efficient high-voltage stress testing on High-Performance Computing (HPC) units and Artificial Intelligence (AI) processors.

HPST

HPST is AEM's high-power, advanced System Level Test platform. It is a fully automated, highly parallel, modular system designed to perform simultaneous system-level testing on hundreds of devices.

Z-Series

The Z-Series Handlers offer high-performance solutions for diverse product lines. The Z1 tests high-power compute products, while the Z4 handles up to 512 memory integrated chips (ICs) in parallel. Both are powered by AEM's scalable PiXL™ thermal engine and feature advanced automation for seamless Factory 4.0 integration.

Cryogenic Wafer Prober (CWP) developed with Bluefors

The CWP enables testing of cryogenic quantum devices, electronics, and detectors at temperatures below 2K measured from the surface of the wafer.

Engineering Test Systems

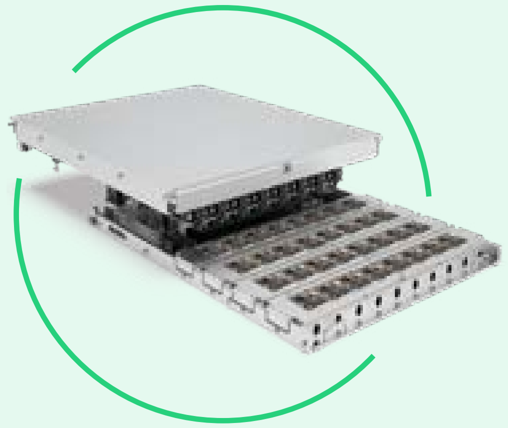
ATOM V2

The ATOM V2 Handler is transforming engineering characterisation and small production lot testing by eliminating the need for manual device handling. Designed for maximum flexibility and cost efficiency, its innovative architecture streamlines testing processes while reducing maintenance requirements. Ideal for modern engineering test floors and development operations, the ATOM V2 delivers precision, reliability, and operational simplicity, empowering customers to accelerate product development and optimise resource use.

AMPS-E

The AMPS-E platform is specifically designed to support the testing needs of lab and engineering environments, offering full testing capability for a single configurable test unit (CTU). Ideal for small engineering lot testing with manual operation, it provides an efficient solution for debugging, troubleshooting, and repairing CTUs. The AMPS-E also serves as a robust platform for creating and evaluating test instructions, enabling engineers to fine-tune test processes for initial product engineering development. With the flexibility to accommodate single or dual CTUs, it is the perfect choice for early-stage product development and optimising engineering workflows.

Test Consumables & Collaterals

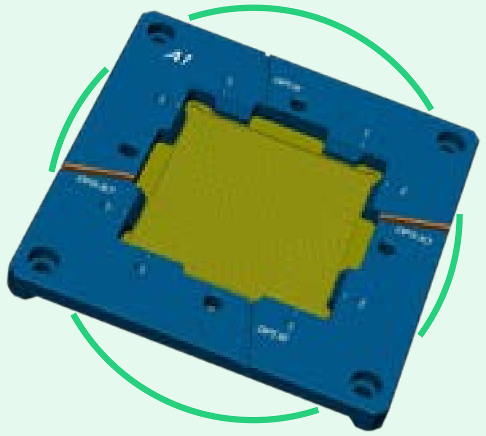


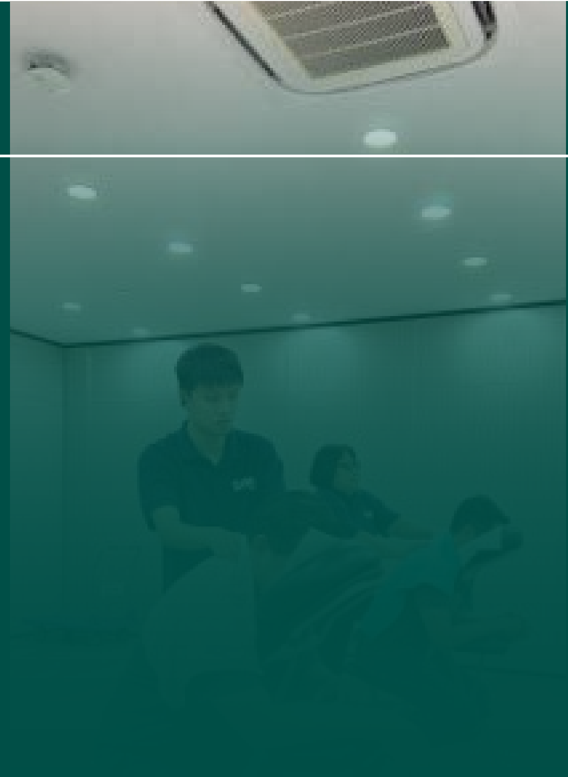
Configurable Test Unit

The Configurable Test Unit (CTU) enables rapid scaling from lab to high volume manufacturing by using common equipment, thus reducing the need for correlation when going from one environment to the next.

Sockets

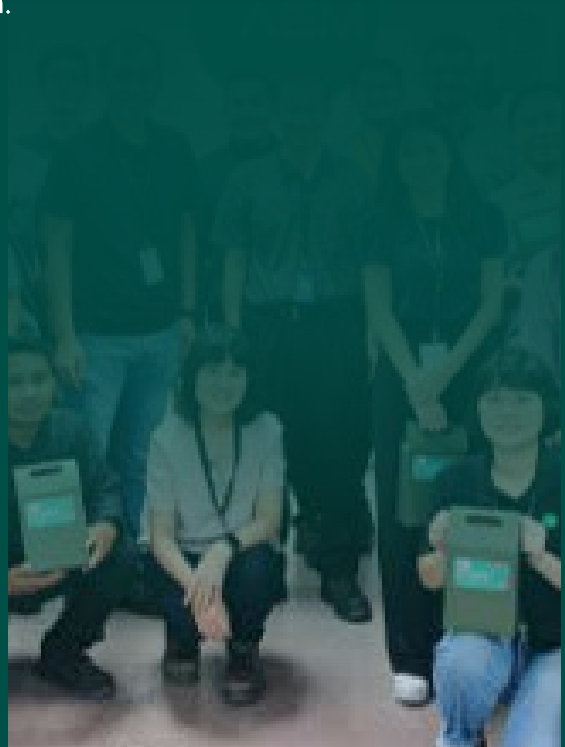
AEM provides a comprehensive range of application-specific customer interfaces, designed to meet the diverse needs of modern semiconductor testing. Our test sockets and interfaces support a variety of testing applications, including bare die, package testing, and massively parallel test solutions. In addition, we offer custom alignment solutions and thermal management interfacing systems, ensuring optimal performance and precision across all test environments. These advanced consumables and collaterals are engineered to enhance the efficiency and reliability of our customers' testing processes, delivering tailored solutions that meet the highest standards of accuracy and thermal control.

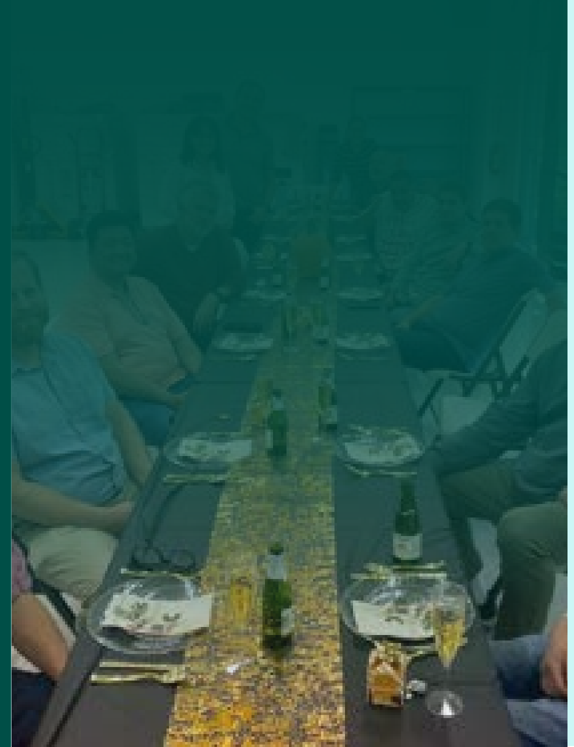




AEM's Commitment to Employee Engagement and Well-being in 2024

At AEM, our employees are at the heart of everything we do. In 2024, we strengthened our commitment to fostering a vibrant, supportive, and engaging workplace by organising diverse activities across our global sites. From cultural celebrations to wellness initiatives, professional development workshops, and team bonding events, we prioritised meaningful experiences that nurture well-being, connection, and growth.





A Culture of Connection and Growth

Through these initiatives, AEM continues cultivating an environment where employees feel valued, engaged, and empowered. Whether through cultural festivities, wellness programs, or professional growth opportunities, we remain dedicated to fostering a workplace that prioritises both individual and collective well-being.

As we look ahead, we remain committed to creating enriching experiences that inspire our employees to thrive personally and professionally. Here's to another year of connection, growth, and success at AEM!

1

Cultural Celebrations:
Honoring Traditions, Strengthening Bonds

Cultural diversity is a cornerstone of AEM's global workforce, and we take pride in celebrating the traditions that unite us. This year, our employees came together for:

A

Chinese New Year Celebration

Our AEM-CEI team in Singapore ushered in the Lunar New Year with festivities that fostered camaraderie and joy.

B

Deepavali Gift Giveaway

In Malaysia, our AEM Penang team celebrated the Festival of Lights with a thoughtful gift distribution, spreading warmth and inclusivity.

C

Thanksgiving Celebration

Our R&D team in California, USA, expressed gratitude and appreciation, reinforcing the spirit of togetherness.

D

Christmas Get-Togethers

Festive cheer filled our global offices, including our Tempe Field Service team in the USA, as colleagues celebrated the holiday season together.

2

Wellness and Health:
Investing in Our People

Employee well-being remains a key focus for AEM, and in 2024, we introduced various initiatives to promote physical and mental health:

E

"How to Lead a Mindful Way" Workshop

Employees explored mindfulness techniques to enhance their focus and resilience at work.

F

"Unleashing Neck and Back Pain" Workshop

Practical strategies were shared to alleviate common workplace discomforts and improve posture.

G

Firefighting Training Day

Employees gained essential emergency response skills, reinforcing workplace safety.

H

Health Screening & Massage by the Blind

Employees benefited from comprehensive health checkups and therapeutic massages, highlighting the importance of proactive healthcare.

I

Wellness Day

A dedicated day for employees to recharge and prioritise self-care.

3

Team Bonding and Engagement:
Creating Meaningful Connections

Strong teams drive success, and AEM continues to invest in opportunities for employees to connect outside of their daily work routines:

J

Breakfast Team Get-Together

A casual yet meaningful gathering by our team in Costa Rica to foster closer ties among colleagues.

K

Durian Festival

A uniquely Malaysian event where employees bonded over the country's beloved king of fruits.

Talent wins game, but teamwork and intelligence wins championship.

MICHAEL JORDAN

Corporate Governance & Anti-Corruption

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

Zero
cases of corruption.

Sustainable Supplier Management

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

Reduction of Electricity Usage and Emissions

28%
decrease in electricity consumption.

21%
decrease
in Scope 2 emissions.

Training

33.8 hours
of training provided to each employee on average.

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.

Gender Diversity

Continual improvement in workforce gender diversity ratio,
with female employees representing 60% in FY2024.

Customer Privacy

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

We understand that the success of our business is deeply interconnected with the sustainable growth of the communities and environments in which we operate globally.

Our sustainability program is built upon three core pillars, which have served as the cornerstone of our commitment to sustainability.

Read Our **Sustainability Report 2024** here.

Sustainable Growth

Environmental Conscientiousness

Solidifying Relationships with Our Stakeholders

Revenue
(in S$' Million)

380.4
FY2024

481.3
FY2023

Profit Before Tax
(in S$' Million)

14.1
FY2024

7.6
FY2023

Net Asset Value Per Share
(in Singapore Cents)

155.2
FY2024

151.3
FY2023

Diluted Earnings/ (Loss) Per Share
(in Singapore Cents)

3.65
FY2024

(0.40)
FY2023

Performance Summary

Profit or Loss Statement	FY2024 S$'000	FY2023 S$'000	FY2024 vs FY2023 Change
Revenue	**380,410**	**481,283**	**(21%)**
Cost of sales	(282,796)	(351,987)	(20%)
Gross profit	**97,614**	**129,296**	**(25%)**
Research and development expenses	(23,684)	(24,350)	(3%)
Selling, general and administrative expenses	(56,376)	(64,471)	(13%)
Foreign exchange gain/(loss), net	4,291	(3,290)	NM
Other (expenses), net	(3,873)	(23,433)	(83%)
Finance costs, net	(3,575)	(5,525)	(35%)
Share of equity-accounted investees' loss, net of tax	(326)	(641)	(49%)
Profit before tax	**14,071**	**7,586**	**85%**
Tax expense	(2,465)	(8,750)	(72%)
Profit/(loss) for the year	**11,606**	**(1,164)**	**NM**

NM: Not meaningful

Financial Position

Balance Sheet Highlights	31 Dec 2024 S$'000	31 Dec 2023 S$'000
Property, plant and equipment	35,834	40,097
Right-of-use assets	21,094	33,577
Intangible assets	129,828	125,277
Investment in associates	-	8,821
Inventories	296,773	328,616
Trade and other receivables	142,658	58,773
Cash and cash equivalents	43,775	101,849
Total assets	673,175	707,527
Financial liabilities	94.379	126,355
Trade and other payables	54,018	74,061
Total liabilities	180,861	233,141
Net asset value per share (Singapore cents)	**155.2**	**151.3**

Cash Flows

Cash Flows Statement Highlights	FY2024 S$'000	FY2023 S$'000
Net cash (used in)/from operating activities	(17,539)	40,168
Net cash used in investing activities	(8,791)	(20,087)
Net cash used in financing activities	(31,753)	(46,915)
Net decrease in cash	(58,083)	(26,834)
Cash & cash equivalents as at 31 Dec	**43,775**	**101,849**

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") operate 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 (Penang), Indonesia (Batam), Vietnam, Finland (Lieto), Republic of Korea, and the United States of America.

Operations Review

AEM reported revenue of S$380.4 million for FY2024, a 21% decline from S$481.3 million in FY2023. This decrease was primarily driven by reduced demand from the Group's key semiconductor customer and the digestion of inventory surpluses by its contract manufacturing customers. Despite these challenges, AEM continued to focus on cost management and strategically invested in Test 2.0 solutions and R&D efforts in securing design wins with new customers.

Profits before tax (PBT) for FY2024 was S$14.1 million, up 85% from S$7.6 million in FY2023. The Group achieved a net profit of S$11.6 million in FY2024, at 3% of revenue, turning around from the net loss of S$1.2 million in FY2023.

FY2024 proved to be a pivotal year for AEM, with the securing of key patents, the introduction of PiXL™, the launch of several new products, and winning new customers. The Group remains dedicated to its long-term strategic objectives, emphasizing innovation, operational efficiency, and maintaining strong relationships with customers and partners to navigate market fluctuations and drive sustainable growth.

Treasury Shares

In FY2024, AEM reissued 272,000 treasury shares (FY2023: 406,000) under its Performance Share Plan.

The bonus issue in June 2024 resulted in an additional 27,000 treasury shares.

As of 31 December 2024, the Company held 2,740,000 treasury shares, valued at S$9.2 million, a decrease from 2,985,000 shares valued at S$10.1 million as of 31 December 2023.

Compensation and Benefits Policy

As of 31 December 2024, there were 2,372 (31 Dec'23: 2,576) employees in the Group.

The Group focuses on retaining and attracting top talent while ensuring its competitiveness within the industry. This is achieved through a comprehensive review and adjustment of compensation packages to align with market standards. The compensation package includes various components such as base salary, allowances, cash bonuses, and share awards. Individual remuneration is determined based on factors such as skills, job responsibilities, performance, and contributions to the Group's operational efficiency, profitability, and long-term objectives.

In addition, the Group offers benefits-in-kind, including medical, dental, and life insurance coverage, as part of its commitment to supporting employee well-being and overall satisfaction.

Foreign Currency Risk Management

The Group's foreign currency risk stems from entities that conduct transactions in currencies other than their respective functional currencies, such as the Singapore Dollar (S$), United States Dollar (US$), Euro, Malaysian Ringgit, and Korean Won. To mitigate this risk, the Group aims to reduce foreign currency exposure through natural hedges, where sales and purchases are made in the same currency.

Performance Summary

Revenue for FY2024 was S$380.4 million, a 21% decline from S$481.3 million in FY2023. Test Cell Solutions contributed 60.7% (FY2023: 56.4%) of total sales, while Contract Manufacturing and Instrumentation segments accounted for the remaining 39.3% (FY2023: 43.6%).

Gross profit margin for FY2024 declined 1.2pts to 25.7%, from 26.9% in FY2023, primarily due to lower revenue and changes in the product mix.

R&D expenses decreased slightly to S$23.7 million (6% of revenues) from S$24.4 million (5% of revenues) in FY2023. The increase R&D spend as % of revenues reflects the Group's continued focus and investments in innovation and emerging technologies aimed at driving long-term growth.

Selling, general & administrative ("SG&A") expenses reduced 13%, to S$56.4 million in FY2024 (FY2023: S$64.5 million). This decrease was largely driven by proactive cost management.

Net foreign exchange gain amounted to S$4.3 million in FY2024 mainly due to the strengthening of the United States Dollar against the Singapore Dollar.

Other expenses, net of other income significantly decreased to S$3.9 million in FY2024, compared to S$23.4 million in FY2023. The decrease is primarily due to the non-recurring one-time S$26.7 million (US$20 million) settlement of an arbitration case in the prior year.

Net finance costs decreased to S$3.6 million in FY2024, down from S$5.5 million in FY2023, mainly due to reduced borrowings and lower interest expenses.

Profit before tax ("PBT") increased to S$14.1 million in FY2024, an 85% rise from S$7.6 million in FY2023, driven by lower one-time expenses and cost optimisation efforts. PBT as a percentage of revenue was 4% in FY2024.

Tax expense as a percentage of PBT was 18% in FY2024.

Financial Position

As of 31 December 2024, the Group's total assets amounted to S$673.2 million, a decrease from S$707.5 million in FY2023, coming mainly from reduction in inventories, property, plant and equipment, and right-of-use assets. Total liabilities decreased by 22%, from S$233.1 million to S$180.9 million, primarily due to the repayment of borrowings.

The Group's net asset value per share increased from 151.3 Singapore cents as of 31 December 2023 to 155.2 Singapore cents as of 31 December 2024.

Property, plant and equipment ("PPE")

(31 Dec'24: S$35.8 million, 31 Dec'23: S$40.1 million)
The decline in PPE was primarily due to depreciation charges and disposal of equipment, partially offset by purchase of new equipment during the year.

Right-of-use assets ("ROU")

(31 Dec'24: S$21.1 million, 31 Dec'23: S$33.6 million)
The Group's ROU reduced to S$21.1 million as of 31 December 2024, down from S$33.6 million at the end of FY2023. The decrease was mainly attributable to depreciation and derecognition of right-of-use assets, partially offset by the acquisition of new property leases during the year.

Intangible assets

(31 Dec'24: S$129.8 million, 31 Dec'23: S$125.3 million)
The increase primarily resulted from the capitalisation of development costs associated with existing ongoing and new research and development (R&D) project, partially offset by amortisation charges and impairment charge during the year.

Inventories

(31 Dec'24: S$296.8 million, 31 Dec'23: S$328.6 million)
Inventories decreased due to consumption during the current year.

Trade and other receivables

(31 Dec'24: S$142.7 million, 31 Dec'23: S$58.8 million)
The increase was primarily driven by the Group's key customer pulling in systems from FY2025 into end FY2024, which resulted in higher revenue and trade receivables balance.

Financial liabilities (current and non-current)

(31 Dec'24: S$94.4 million, 31 Dec'23: S$126.4 million)
This reduction was mainly attributed to the Group's repayment of borrowings during the year.

Trade and other payables (current and non-current)

(31 Dec'24: S$54.0 million, 31 Dec'23: S$74.1 million)
The decrease was primarily attributed to the payment of the final tranche of the arbitration settlement during the year.

Cash Flows

AEM reported a net cash outflow of S$17.5 million from ***net cash used in operating activities*** in FY2024. This was primarily driven by an increase in receivables arising from year-end sales revenue and payment of the final trance of the arbitration settlement.

Net cash used in investing activities in FY2024 amounted to S$8.8 million, mainly due to the acquisition of property, plant, and equipment, along with research and development expenditure incurred during the year. This was partially offset by proceeds from the disposal of an associate and other investment.

The Group recorded ***net cash used in financing activities*** of S$31.8 million in FY2024. This was mainly due to partial repayment of borrowings, payment for interest expenses and lease liabilities.

As a result, ***cash and cash equivalents*** declined from S$101.8 million as of 31 December 2023 to S$43.8 million as of 31 December 2024.

Dividend

The Group do not propose a final dividend for FY2024 as the group continues to invest in new customer engagements where initial design wins could be supported by the group's robust balance sheet.

Outlook

AEM anticipates the continued success in diversifying its customer base, driven by its leading thermal technology. With its solutions, the Group is well-positioned to capitalise on growth opportunities in emerging markets, particularly in High-Performance Computing (HPC) and Artificial Intelligence (AI) sectors. AEM's technology solutions address the increasing demand for advanced testing and optimisation in these areas.

Looking ahead, AEM will maintain its focus on operational efficiency, customer diversification, and innovation to strengthen its market position. The Group remains confident in its ability to adapt to changing market dynamics and continues to invest in key areas to drive sustainable long-term growth.

Corporate Information

Board of Directors

Loke Wai San
Non-Executive Chairman

James Toh Ban Leng
Lead Independent Director

Loh Kin Wah
Independent Director

Chou Yen Ning @ Alice Lin
Independent Director

André Andonian
Independent Director

Chok Yean Hung
Non-Executive,
Non-Independent Director

Tham Min Yew (Russell)
Non-Executive,
Non-Independent 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 (Russell)

Loh Kin Wah

Remuneration Committee

James Toh Ban Leng - Chairman

Loh Kin Wah

Tham Min Yew (Russell)

Strategy Committee

Loke Wai San - Chairman

Loh Kin Wah

Chok Yean Hung

Tham Min Yew (Russell)

André Andonian

Chief Executive Officer

Leong Chunyi Yin (Amy)

Company Secretary

Kevin Cho Form Po

Registered Office

52 Serangoon North Avenue 4
Singapore 555853
Tel: (65) 6483 1811
Fax: (65) 6483 1822
Website: **www.aem.com.sg**

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Auditors

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

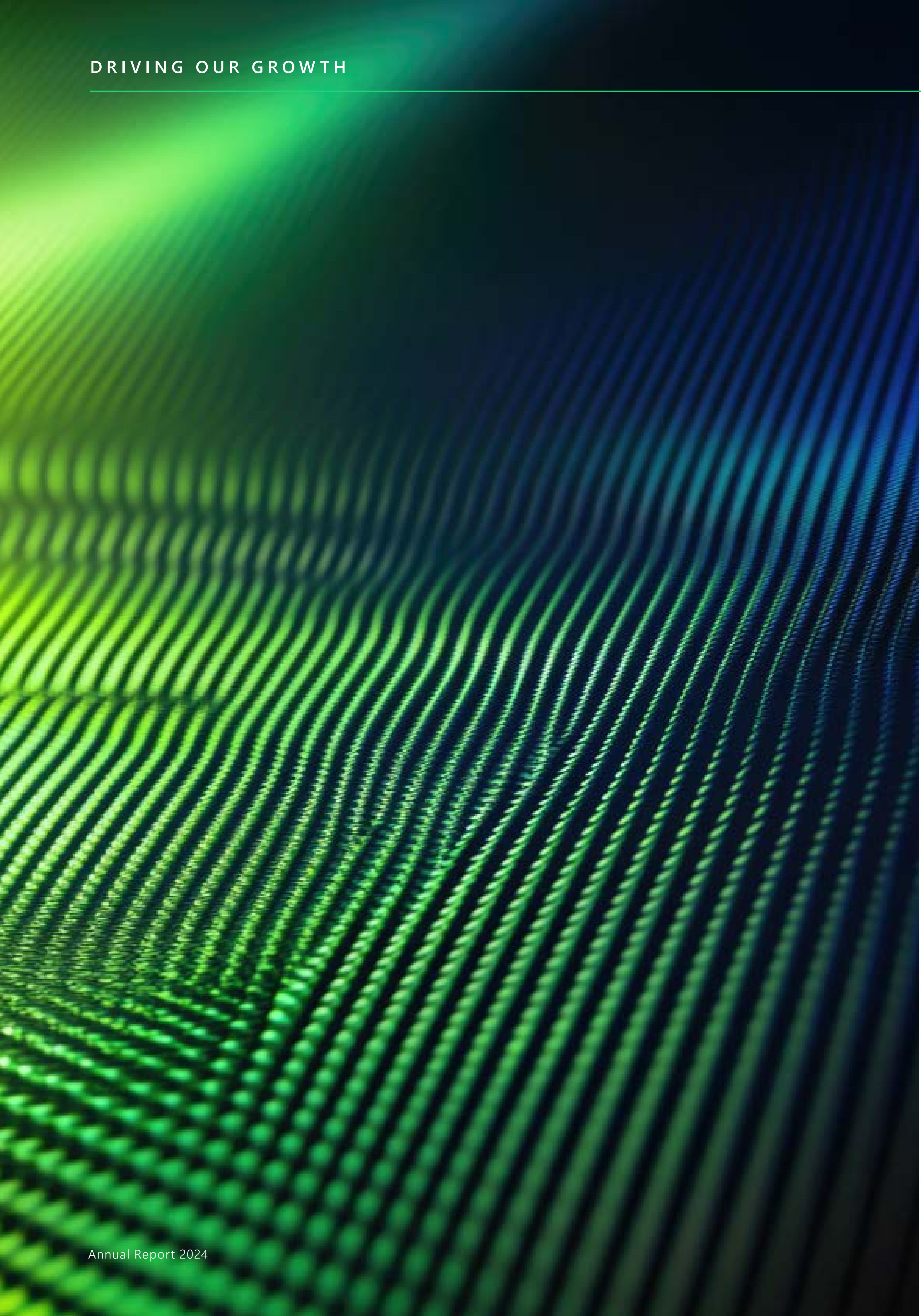
Audit Partner-in-charge
Yeo Lik Khim
Since Financial Year 2021

Principal Bankers

Malayan Banking Berhad, Singapore Branch

United Overseas Bank Limited

The Hongkong and Shanghai Banking Corporation Limited



Driving Our Growth

AEM Holdings Ltd. (the "**Company**" or together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance for ensuring the long-term sustainability of the Group's operations and bolstering investor confidence in the Company. The board of directors ("**Board**") and the management ("**Management**") of the Company will continue to adhere to sound corporate governance practices to enhance long-term value and returns for the shareholders while safeguarding their interests.

This corporate governance report ("**CG Report**") outlines the Company's corporate governance practices for the financial year ended 31 December 2024 ("**FY2024**" or the "**financial year under review**") with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"). Throughout FY2024, the Company has complied with all the principles and provisions of the Code and Listing Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**"). Where the Company's practices differ from the principles and provisions of the Code, the Company's position and reasons in respect of the same are stated accordingly in the relevant sections.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provisions of the Code	*Group's Corporate Governance practices*
1.1 *Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*	The Group is committed to upholding high standards of business ethics and corporate governance across all activities and operations. Employees are required to act ethically, lawfully, and in the public interest, even under pressure. These standards are detailed in the AEM Code of Business Conduct, accessible on the Company's corporate website. The Board is responsible for the Company's long-term sustainable success. Key responsibilities include leading and supervising Management for the benefit of shareholders. All Directors have acted with honesty, integrity, personal excellence, accountability, led by example, established a positive organisational culture, and promoted ethical standards. All Directors recognise that they must fulfil their fiduciary duties, acting objectively in the Company's best interests, and hold the Management accountable for performance. The Board is accountable to shareholders through effective business governance. As at the date of this report, there are seven (7) Directors on the Board which comprises a Non-Executive Chairman, two Non-Executive Directors and four Non-Executive Independent Directors ("**Independent Director**"). The primary functions of the Board include: (i) provide entrepreneurial leadership, set strategic objectives, which include appropriate focus on value creation, innovation and sustainability; (ii) ensure necessary resources are in place for the Company to meet its strategic objectives; (iii) oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance; (iv) monitoring the Company's risk of becoming subject to, or violating any Sanctions Law and ensuring timely and accurate disclosures to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and other relevant regulatory bodies; (v) review annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals; (vi) monitor the financial performance of the Group and Management's performance; (vii) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and duly met; (viii) consider sustainability issues such as environmental and social factors as part of its strategic formulation; and (ix) ensure transparency and accountability to key stakeholder groups. The Board has performed the above duties during the financial year under review. Directors have adopted a documented guideline on, inter alia, the following principles regarding conflicts of interest: (i) always maintain transparency and avoid placing himself in a position of conflict that may arise in any respect and to immediately disclose all contractual interest whether directly or indirectly; and (ii) not to take improper advantage of his position. Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, would be required to declare their interests in accordance with the Company's Constitution and the provisions of the Companies Act 1967, and in the case of any actual or potential conflicts of interest, recuse themselves from participating in the deliberation and abstain from decision making on such transactions.
1.2 *Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.*	The Company has in place an orientation programme to familiarise new directors with the Company's structure and organisation, businesses and governance policies. The Company is responsible for arranging and funding the training of Directors. The Directors are provided with updates on the relevant laws, financial reporting standards, SGX-ST Listing Manual, and relevant codes and regulations to enable them to make informed decisions. Directors are informed and encouraged to attend relevant courses conducted by the Singapore Institute of Directors ("**SID**"), Singapore Exchange Limited, business and financial institutions, and consultants. As at the date of this report, all Directors have attended a mandatory training on sustainability matters as prescribed under Rule 720(7) of the Main Board SGX-ST Listing Manual. During the financial year under review: (i) The external auditors regularly briefed the Audit and Risk Management Committee ("**ARC**") members on the developments in accounting and auditing standards; (ii) The Chief Executive Officer ("**CEO**") and the Chief Technology Officer ("**CTO**") updated the Board at each Board meeting on business and strategic developments in the semiconductor industry; (iii) Management circulated regular informational industry updates to the Board pertaining key industry developments and trends in the semiconductor industry; and (iv) The Board and Management had in-depth discussions on the strategic issues and direction of the Group at the Board meetings, and various Board Committee meetings.
1.3 *The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring Board approval are disclosed in the company's annual report.*	The Group has in place detailed guidelines that set forth all the matters reserved for the Board's decision and which provide Management with clear directions on the matters that require the prior approval of the Board, such as financial authorisation limits for operating and capital expenditure and other matters that fall outside the annually approved budgets, the drawing down or obtaining of credit lines and the acquisition and disposal of material assets and investments.
1.4 *Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.*	To efficiently discharge its responsibilities, the Board has established several board committees, namely the ARC, the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Strategy Committee ("**SC**") (collectively, "**Board Committees**"). These Board Committees are given specific responsibilities and are empowered to deal with matters within the limits of the authority set out in their terms of reference ("**Terms of Reference**"). They assist the Board operationally without the Board losing authority over major issues. The SC was formed in April 2020. It is chaired by Mr. Loke Wai San and its members are Mr. Loh Kin Wah, Mr. Chok Yean Hung, Mr. Tham Min Yew (Russell) and Mr. André Andonian. The SC has oversight responsibilities in (a) the development of the long-term strategic plan, (b) the improvement and enhancement of the decision-making process relating to investment, and (c) the review of major investments and strategic initiatives.

Provisions of the Code	Group's Corporate Governance practices
1.5 *Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.*	The Board conducts regular scheduled meetings during the year and ad-hoc meetings, including teleconferencing meetings, are convened when circumstances require. The number of scheduled meetings held by the Board and Board Committees during the year were: • Board 4 • Audit and Risk Management Committee 5 • Remuneration Committee 1 • Nominating Committee 1 • Strategy Committee 1 Please refer to ***Table 1 – Attendance at Board, Board Committee meetings and Annual General Meeting ("AGM")*** at the "Other Corporate Governance Matters" section. The meeting schedule for the Board and each of the Board Committees is firmed up before the end of each financial year for the following year so that all Directors can arrange their schedules accordingly. If Directors are unable to attend any meeting, valid reasons are required to be provided. If any Director's attendance falls below 75%, their performance shall be critically reviewed by the NC. Notwithstanding such disclosure, the Board is of the view that the contribution of each Director should not be focused only on their attendance at the general meetings and at meetings of the Board and/or the Board Committees. A Director's contribution extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice and experience with other Directors and the Company's Management, and strategic networking relationships which would further the interests of the Company.
1.6 *Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.*	Management recognises that complete, adequate and timely information prior to meetings and on an on-going basis is essential for the Board's effective and efficient discharge of its duties. To allow sufficient time for the Directors to prepare, all scheduled Board and Board Committee papers are distributed to the Directors in advance of the meeting. This allows the Directors to focus on the questions or raise issues which they may have at meetings. Any additional material or information requested by the Directors would be promptly furnished. As part of AEM's sustainability efforts, printed Board and Board Committee papers are no longer provided as notices of meetings and meeting materials would be circulated through an online portal accessible by the Directors. For matters whereby Board approval is required, Management would provide explanatory information such as relevant background facts, resources, risk analysis, mitigation strategies, financial impact, expected outcomes, conclusions and recommendations. Material variance between any projection and the actual results would be highlighted and explained to the Board. Employees who can provide additional insight into the matters would be invited to attend the Board and Board Committee meetings. Draft agendas for the Board and Board Committee meetings are circulated to the relevant Chairpersons, in advance, for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda. All Board members are invited to each Board Committee meeting for the purpose of transparency in the discussions and all members of the Board who choose to attend were welcomed to provide their perspective, experience and knowledge at such Board Committee meetings. During every Board meeting, the CEO and other senior Management provided updates on the key aspects of the Group's business and operations, and/or a macro perspective on the industry's trends and developments. Where required, the Board also holds a private session for the Directors.
1.7 *Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.*	The Board has direct and independent access to Management and have various opportunities to interact with them, for instance, during regular briefings for the Board, off-site meetings, and other informal events with Management and selected employees. The Board also has separate and independent access to the Company Secretary at all times. The Company Secretary (and/or representative(s)) will attend Board and Board Committees' meetings as required by the Board. They are responsible for, amongst others, ensuring that Board procedures and applicable rules and regulations are observed and complied with. The Company Secretary also provides the Board with advice, guidance and updates on best corporate governance practices and processes with a view to enhancing long-term shareholder value. The appointment and removal of the Company Secretary are subject to the Board's approval. The Board, individually or as a group, may seek and obtain independent professional advice at the Company's expense, if necessary, in furtherance of their duties and responsibilities as Directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions of the Code	Group's Corporate Governance practices
2.1 *An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.* 2.2 *Independent Directors make up a majority of the Board where the Chairman is not independent.* 2.3 *Non-executive directors make up a majority of the Board.*	The Company complied with the minimum requirements of the Code and Rule 210(5)(c) of the SGX-ST Listing Manual wherein, independent directors must comprise at least one-third of the board. As at the date of this CG Report, four (4) out of the seven (7) Directors of the Company are independent directors, based on the criteria for independence under the SGX-ST Listing Manual and the Code. The Board, taking into account the nature and scope of the Company's business and the number of Board Committees, considers that a strong and independent element in the Board is necessary to exercise objective judgment on corporate affairs. As at the date of this report, the Board composition is as follows: Loke Wai San — Non-Executive Chairman James Toh Ban Leng — Lead Independent Director Loh Kin Wah — Independent Director Chou Yen Ning @ Alice Lin — Independent Director André Andonian — Independent Director Chok Yean Hung — Non-Independent, Non-Executive Director Tham Min Yew (Russell) — Non-Independent, Non-Executive Director Mr. James Toh Ban Leng, Mr. Loh Kin Wah, Ms. Chou Yen Ning @ Alice Lin and Mr. André Andonian are considered independent as they have no relationship with the Company, its related corporations, substantial shareholders or Management that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgment in the best interests of the Company. Please refer to the section entitled "Board of Directors" of the annual report for further details on the Directors. The Non-Executive Directors and Independent Directors have at least four regular meetings with Management to keep abreast of the Group's business, financial performance, and strategy plans. The Board members with majority being Non-Executive Directors including Independent Directors have been actively participating in discussions and decision-making at the Board and the Board Committees' levels and had open discussions with Management. Management regularly puts up proposals or reports for the Board's consideration and approval, for instance, proposals relating to specific transactions or general business direction or strategy of the Group. The Non-Executive Directors and Independent Directors will then evaluate these proposals or reports and where appropriate, provide guidance to Management.

Provisions of the Code	*Group's Corporate Governance practices*
2.4 *The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*	The Board Diversity Policy of the Company endorses the philosophy that the Board should have the balance of skills, knowledge, experience and other aspects of diversity that enhance the quality of the Company's performance in its pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, expertise, experience, skills and knowledge to ensure that the Company can benefit from all available sources of competencies.

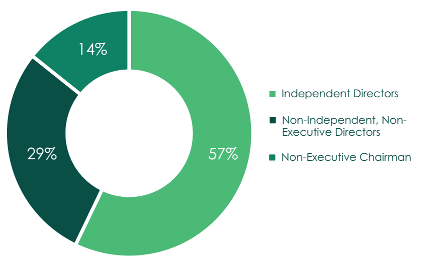
The NC is responsible for reviewing and assessing the composition of the Board and making recommendations on the appointment of new Directors. The NC reviews the structure, size, balance and diversity of the Board annually and recommends any proposed changes to the Board to complement the Company's objectives and strategies. Where required, the NC may engage external search firms to identify candidates for appointment.

The core competencies of the Board members are as follows:

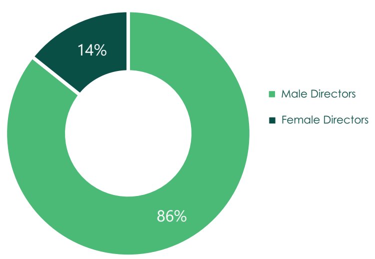
	Accounting and Finance	Business and Management	Industry Knowledge	Strategic Planning	Legal and Regulatory
Loke Wai San	✓	✓	✓	✓	
James Toh Ban Leng	✓	✓		✓	
Loh Kin Wah		✓	✓	✓	
Chou Yen Ning @ Alice Lin	✓	✓		✓	✓
André Andonian		✓	✓	✓	
Chok Yean Hung		✓	✓	✓	
Tham Min Yew (Russell)		✓	✓	✓	

The Board comprises Directors who have broad and complementary skills to serve the Company's global business objectives and governance standards. The Directors have the relevant qualifications, experience and knowledge in various fields including technology, law, accounting, finance, mergers and acquisitions, strategic planning, and management to meet the goals of the Company in the global semiconductor industry. The Independent Directors contribute their independent views and objective judgements on issues of strategy, business performance, resources and standards of conduct.

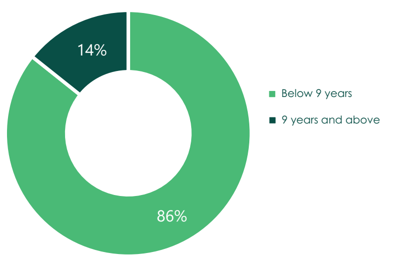
INDEPENDENCE



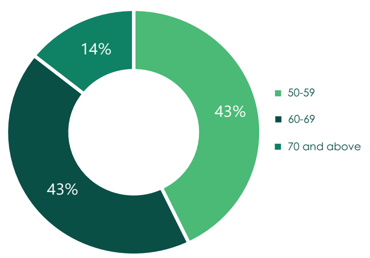
GENDER DIVERSITY



LENGTH OF SERVICE



AGE OF DIRECTORS



Provisions of the Code	*Group's Corporate Governance practices*
	The NC is of the view that the current Board and Board Committees possess the necessary competencies, skills and attributes required to meet the operations of the Group.

Gender diversity is recognised by the Board as an essential aspect of a well-balanced Board and currently the Board comprise only one (1) female Director. The Company will continue to enhance diversity on the Board's composition. When making recommendations to the Board for the appointment of a Director, the NC will ensure that:

- female candidates are included for consideration; and
- the requirement to present female candidates will be made known where external consultants are used for the search.

The NC adopts a deliberate and targeted board renewal process. It proactively assesses the Company's Board's composition needs and uses it as an objective criterion for candidate selection. The final decision is based on merit, to complement and expand the skills and experience of the Board as a whole.

2.5 *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*	The Independent Directors meet regularly without the presence of Management to ensure effective and independent discussion of Board matters. The outcome or suggestion arising from such meetings will be provided to the Non-Executive Chairman.

PRINCIPLE 3: NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions of the Code	*Group's Corporate Governance practices*
3.1 *The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*	The Non-Executive Chairman and the CEO are separate persons to ensure an appropriate balance and separation of power, increased accountability, and greater capacity of the Board for independent decision making. The division of responsibilities between the Non-Executive Chairman and the CEO are clearly demarcated. Having clarity of their respective responsibilities and separating the respective roles avoids concentration of power, ensures a degree of check and balances, increases accountability and ensures greater capacity of the Board for independent decision making. The Non-Executive Chairman and the CEO do not have any familial relationship with each other. The Board has put in place a Terms of Reference of the Non-Executive Chairman, CEO and Lead Independent Director. It clearly spells out their key roles and responsibilities.
3.2 *The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.*	Mr. Loke Wai San is the Non-Executive Chairman of the Company and Ms. Leong Chunyi Yin (Amy) is the CEO of the Company. The Non-Executive Chairman's primary role is to lead and ensure the Board's effectiveness by fostering a culture of openness and discussion. This role involves facilitating the effective contribution of all directors, promoting high standards of corporate governance, and serving as the face of the Board to ensure effective communication with shareholders and other stakeholders. Additionally, the Non-Executive Chairman is responsible for maintaining constructive relationships between the Board and Management, particularly with the CEO.

Provisions of the Code	*Group's Corporate Governance practices*
	The responsibilities of the Non-Executive Chairman include leading the Board strategically and decisively, setting agendas, and ensuring adequate time is available to discuss strategic issues. The Non-Executive Chairman promotes openness and debate within the Board, ensures Directors receive complete and timely information, and facilitates effective communication with stakeholders. Furthermore, the Non-Executive Chairman encourages constructive relationships within the Board and with Management, ensures that Non-Executive Directors contribute effectively and that their contributions are recognised, and promotes high standards of corporate governance. The CEO is tasked with leading the development and execution of the Company's long-term strategy and plans, with a focus on maximising value creation for stakeholders. This includes collaborating with the Board to develop the Company's vision and mission, making strategic proposals to the Board, implementing and executing the Group's strategies and policies, and assuming executive responsibility for the day-to-day management of the Group. Additionally, the CEO ensures that the Board is informed about key company activities and issues, and fulfils all other specific roles and responsibilities outlined in the CEO's service agreement.
3.3 *The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.*	Mr. James Toh Ban Leng is the Lead Independent Director of the Company. The Lead Independent Director is tasked with providing leadership in situations where the Non-Executive Chairman faces conflicts of interest, particularly when the Non-Executive Chairman is not independent. This role involves acting as a spokesman and serving as an impartial check to balance the Non-Executive Chairman's influence, thereby enhancing the Board's objectivity and independence. In addition, the Lead Independent Director is responsible for being available to shareholders and stakeholders to address concerns unresolved through normal communication channels with the Non-Executive Chairman, CEO, or CFO. He attends meetings with major shareholders to understand their concerns, arranges and leads meetings of Non-Executive and Independent Directors without Management, mediates conflicts among Directors, assists in performance evaluations and succession planning for the Non-Executive Chairman and CEO, and supports the Remuneration Committee in assessing the Non-Executive Chairman's remuneration, if requested by the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions of the Code	*Group's Corporate Governance practices*
4.1 *The Board establishes a Nominating Committee ("**NC**") to make recommendations to the Board on relevant matters relating to:*	The Board is of the view that Board renewal is essential to ensure good corporate governance as well as to maintain relevance to the changing needs of the Group's business. The NC is responsible for identifying candidates and reviewing all nominations for the appointment and selection of new Directors.
(a) the review of succession plans for Directors, in particular the appointment and/ or replacement of the Chairman, the CEO and key management personnel,	The Board understands the importance of succession planning as part of corporate governance. Board membership will be reviewed and refreshed in a progressive manner to avoid disruption to the institutional memory. The NC also reviews succession and development plans for Key Management Personnel in line with the Company's succession planning policy, which will be subsequently approved by the Board.
(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors,	The structure, size and composition of the Board are reviewed periodically by the NC to ensure their relevance. The NC takes into consideration factors such as the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The NC evaluates the Board's effectiveness as a whole, including the contribution of the Board Committees and of each Director to the effectiveness of the Board. The Board has implemented a system for evaluating the performance of the Board, its Board Committees, and individual Directors, primarily through a self-assessment process.
(c) the review of training and professional development programmes for the Board and its directors, and	The NC reviews the skill, training and professional development needs and programmes for the Board and its Directors regularly to ensure that the Directors possess the required skills and knowledge to function as an effective Board.
(d) the appointment and re-appointment of directors (including alternate directors, if any).	The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new Directors. When the need for a new Director arises, the NC, in consultation with the Board, evaluates and determines the selection criteria for the appointment of the new Director collectively, by taking into account their skills, experience, contribution to the Board diversity as well as industry knowledge. The NC seeks potential candidates beyond the recommendation of Directors and Management and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary. The NC also oversees the process of Directors' re-appointment, after giving due regard to the Director's contributions and performance (such as contribution, participation and attendance). The Constitution of the Company currently requires one-third of the Directors to retire and subject themselves to re-election by the shareholders in every AGM. All Directors of the Company, including the Non-Executive Chairman, shall retire from office at least once every three years. The Constitution of the Company also provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment. Thereafter, he/she is subject to be re-elected at least once every three years. A Director who is due for retirement, shall abstain from voting on any resolution in respect of his/her re-nomination as a Director. Currently, the Company does not have any alternate director.
4.2 *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*	The NC comprises five (5) Directors, a majority of whom are non-executive and independent. The NC Chairman is an Independent Director and is not directly associated with any substantial shareholder of the Company. The Lead Independent Director is a member of the NC. The NC comprises the following members: • André Andonian — Chairman • James Toh Ban Leng — Member • Loke Wai San — Member • Tham Min Yew (Russell) — Member • Loh Kin Wah — Member
4.3 *The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.*	Please refer to Provision 4.1(d) above.

Provisions of the Code	*Group's Corporate Governance practices*
4.4 *The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.*	The NC is responsible for reviewing the independence of each Director based on the provisions set out in the Code. The Board conducts the review annually and requires each Independent Director to confirm annually, that there are no material relationships which would render him/her non-independent. All Independent Directors are given an independence declaration form annually for which they are requested to assess their own independence, with specific references to the relevant provisions in the SGX-ST Listing Manual, the Code, and its accompanying Practice Guidance. The NC has reviewed and is satisfied with the independence of the Independent Directors.
4.5 *The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.*	An orientation programme to better understand the Director's duties and the Company's business is conducted for newly appointed Directors. All Directors are required to declare their board representations. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out their duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board, with the concurrence of the NC, has set a guideline of not more than six (6) listed board representations by the Directors of the Company so that sufficient time and attention can be given to the affairs of the Company.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual Directors.

Provisions of the Code	*Group's Corporate Governance practices*
5.1 *The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.*	The NC periodically reviews the Board's performance and its ability to steer the Group in the right direction. It has adopted a system of evaluating the effectiveness of the Board and Board Committees as well as the Chairman and individual Director's performance, through principally a self-assessment process based on factors such as size, skills, expertise and communications of the Board and its ability to account, provide oversight and guide the Company. The completed evaluation forms were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the effectiveness of the Board, Board Committees, the Chairman and individual Directors. Following the review, the Board is of the view that the Board and Board Committees operate effectively, and the Chairman and each Director is contributing to the overall effectiveness of the Board.
5.2 *The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.*	The NC evaluates the Chairman's and Directors' performance through a process that would enable the members of the NC to assess the contribution of each individual Director to the effectiveness of the Board, taking into account numerous factors, including the Chairman's and individual Directors' attendance, participation and contribution at the Board and various Board Committee meetings. The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. Where appropriate, the NC will consider such engagement.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions of the Code	*Group's Corporate Governance practices*
6.1 *The Board establishes a Remuneration Committee ("**RC**") to review and make recommendations to the Board on:* *(a) a framework of remuneration for the Board and key management personnel; and* *(b) the specific remuneration packages for each director as well as for the key management personnel.*	The RC is responsible to review and to recommend to the Board a general framework of remuneration for the Directors and Key Management Personnel in ensuring that the level of remuneration is appropriate to attract, retain and motivate the Directors and Key Management Personnel to run the Group successfully. In summary, the Company's remuneration policies for Key Management Personnel are based on the following principles:

Philosophy	Principles
Shareholder & Business Alignment	• Build **sustainable value in alignment** with shareholder interests • Attract and **retain** key talents to build a world class organisational capability • A **cost-effective** compensation system in line with the Company's strategic goals • Create an **ownership** mindset for the long-term success of the Company
Motivate Right Behaviours	• **Pay for performance** – align, differentiate and balance rewards according to country, business units and individual performance • Strengthen **line-of-sight** linking rewards and performance goals • **Robust target setting** taking into account shareholder expectations over foreseeable performance horizon and commensurate with reward levels • Foster Group-wide interests to **drive Group performance**
Fair, Appropriate and Effective Implementation	• Maintain **rigorous corporate governance** standards • Exercise appropriate **flexibility** to meet strategic business needs and practical implementation considerations • Facilitate **employee understanding** to maximise the value of the remuneration programmes • Disclose **relationships between remuneration, performance and value creation for shareholders and other stakeholders**

Provisions of the Code	*Group's Corporate Governance practices*
6.2 *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*	The RC comprises three (3) Non-Executive Directors, of whom two (including the RC Chairman) are independent. The RC comprises the following members: ● James Toh Ban Leng – Chairman ● Loh Kin Wah – Member ● Tham Min Yew (Russell) – Member
6.3 *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.* 6.4 *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*	The key responsibilities of the RC include the following: (i) to review and recommend to the Board a general framework of remuneration for the Board and Key Management Personnel and to review and recommend to the Board the specific remuneration packages and terms of employment; (ii) to review whether Executive Directors (if any) and Key Management Personnel should be eligible for benefits under any long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; (iii) to administer any share plan established from time to time; (iv) to review and approve any bonuses, pay increases and/or promotions for employees related to the Directors, CEO and/or substantial shareholders; (v) to carry out its duties in the manner it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board; and (vi) to ensure that remuneration, including fees and benefits, align with the Company's long-term interests, is performance-related and industry-comparable, and that the measures for assessing Key Management Personnel's and Executive Directors' performance are appropriate and meaningful. The RC has full discretion to invite any Director, Management or external consultant to attend its meetings. No Director is involved in any discussion relating to their own compensation and the terms and conditions of service and the review of their own performance. For the financial year under review, there were no Executive Directors appointed. The Remuneration Breakdown is set out at Table 2 and Table 3 at the "Other Corporate Governance Matters" section.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions of the Code	*Group's Corporate Governance practices*
7.1 *A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.*	The Company adopts a remuneration framework that is responsive to the market conditions and performance of the Group. It is structured to link a significant proportion of the rewards to the Group's and each individual's performance and value creation for the Company's stakeholders. The grant of share awards promotes ownership and accountability for the long-term success of the Company. The RC carries out annual reviews of the remuneration packages of the Executive Directors (if any) and the Key Management Personnel, with regard to their contributions as well as the financial and non-financial performance of the Company. For the financial year under review, the remuneration structure for the Key Management Personnel comprised the following components: **Fixed Component ("Salary")** The fixed component comprises annual base salary, contractual Annual Wage Supplement ("**AWS**") equivalent to 1 month of base salary, Provident Fund and, in the case of the Key Management Personnel, certain fixed cash allowances. The fixed components are benchmarked to comparable positions in the market and reflect the market worth of the positions. **Performance Bonus (Annual Cash Incentive)** The variable bonus is in the form of a Performance Target Bonus ("**PTB**") plan for all Key Management Personnel based on individual performance scorecard and achievement factors as determined by the Company. The said variable bonus would also be subject to moderation by the RC taking into account the context within which performance is delivered. For other Key Management Personnel, the Board initially decides the incentive funding for the Company based on the Company's results. The pool is then allocated to the Key Management Personnel based on their individual contribution, assessed based on Objectives and Key Results ("**OKR**") achievement. **Equity Incentive** **(A) Share Option Plan** The AEM Employee Share Option Scheme 2014 ("**ESOS 2014**") was approved and adopted at an extraordinary general meeting held on 25 April 2014. No share options have been granted pursuant to the ESOS 2014 since early April 2020, and it is intended that no further share options be granted pursuant to the ESOS 2014. The RC approved the termination of the ESOS 2014 with effect from 25 March 2023. The termination of the ESOS 2014 shall be without prejudice to the rights accrued to any options which have been granted pursuant to the ESOS 2014 and which are subsisting and have not lapsed. **(B) Performance Share Plan** The AEM Performance Share Plan 2017 ("**PSP 2017**") was approved and adopted at an extraordinary general meeting held on 27 April 2017. The Rules of the PSP 2017 were amended and adopted 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 ESOS 2014.

Provisions of the Code	Group's Corporate Governance practices
	At the upcoming AGM, the Company will be seeking the approval of the shareholders, *inter alia*, to empower the Directors to allot and issue from time to time such number of shares in the Company not exceeding in aggregate 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 PSP 2017 subject to the rules of the PSP 2017. Unless revoked or varied by the shareholders in general meeting, the authority will 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. **(C) Restricted Share Plan** The AEM Restricted Share Plan 2024 ("**RSP 2024**") was approved and adopted at the 2024 AGM to reward, retain and motivate employees to achieve superior performance. At the upcoming AGM, the Company will be seeking the approval of the shareholders, *inter alia*, to empower the Directors to allot and issue from time to time such number of shares in the Company not exceeding in aggregate 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 RSP 2024 subject to the rules of the RSP 2024. Unless revoked or varied by the shareholders in general meeting, the said authority will 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. Further details on the equity incentive plans are in the Directors' Statement section. In addition to the above total compensation structure, the Company also offers standard market benefits. The Remuneration Breakdown is set out at Table 2 and Table 3 at the "Other Corporate Governance Matters" section.
7.2 *The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.*	The RC reviews Non-Executive Directors' fees annually and makes recommendations to the Board and shareholders for endorsement and approval at AGMs, respectively. For the financial year under review, the Director's remuneration framework was as follows:

	Remuneration	Annual Amount (S$)
A.	**For Board**	
(i)	Chairman[1]	327,000
(ii)	Member	60,000
(iii)	Lead Independent	8,000
B.	**For Board Committees**	
(i)	Chairperson of:	
	• ARC and NC, respectively	24,000
	• RC and SC, respectively	8,000
(ii)	Member of:	
	• ARC	12,000
	• NC, RC and SC, respectively	4,000

Note:

1. Mr Loke Wai San is the Non-Executive Chairman and is paid an all-in Chairman's fee.

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

The RC having reviewed the roles, responsibilities, business changes, corporate governance, regulatory rules and industry practices is satisfied with the current remuneration framework. For financial year ending 31 December 2025, the RC recommends that the aggregate Directors' fees of up to S$900,000 (FY2024: actual paid S$811,000) be payable on a quarterly basis in arrears. The increase was intended for an additional industry independent non-executive director who would be able to assist with the Company's ecosystem development.

Provisions of the Code	Group's Corporate Governance practices
7.3. *Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.*	The remuneration framework for fixing Directors' fees and the Key Management Personnel remuneration adopted by the Company takes into consideration the need to pay competitively to attract, retain and motivate the Non-Executive Directors and the Key Management Personnel whilst ensuring that the Independent Directors are not over-compensated to the extent that their independence may be compromised. The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors (if any) and Key Management Personnel as the Executive Directors (if any) and Key Management Personnel owe a fiduciary duty to the Company. In exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company, the Board believes that remedies against the Executive Directors (if any) and Key Management Personnel in case of such breach of fiduciary duties will be available.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions of the Code	Group's Corporate Governance practices
8.1 *The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:* *(a) each individual director and the CEO; and* *(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.*	Please refer to Provisions 7.1 to 7.3. The Board has, on review, decided to disclose the remuneration of Key Management Personnel (who are not Directors or CEO of the Company) in remuneration bands of S$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration, given the competitive pressures in a specialised industry, potential for poaching of staff and other disadvantages that this might bring. The remuneration and breakdown of the gross remuneration (inclusive of the fair value of share awards for the financial year under review) of the Non-Executive Chairman, Non-Executive Directors, and CEO (in absolute terms) for FY2024 are set out in ***Table 2 – Directors and CEO Remuneration Breakdown*** at the "Other Corporate Governance Matters" section. The remuneration bands and breakdown of the gross remuneration (inclusive of the fair value of share awards for the financial year under review) of the Key Management Personnel of the Company (in percentage terms) for FY2024 are disclosed in ***Table 3 – Key Management Personnel Remuneration Breakdown*** at the "Other Corporate Governance Matters" section. The cost of share awards are computed based on fair value recognised over the respective vesting periods.
8.2 *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*	There is no employee who is a substantial shareholder of the Company or immediate family member of any of the Directors, CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the financial year under review.

Provisions of the Code	*Group's Corporate Governance practices*
8.3 *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key Management personnel of the company. It also discloses details of employee share schemes.*	During FY2024, under the PSP 2017, the Company granted 456,540 shares on 1 April 2024 and 665,512 shares on 1 June 2024. During FY2024, under the RSP 2024, the Company granted 1,454,550 shares on 1 June 2024 and 119,402 shares on 1 December 2024.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provisions of the Code | *Group's Corporate Governance practices*

9.1 *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

Risk management forms an integral part of business management. The Group's risk and control framework is designed to provide reasonable assurance that business objectives are met by embedding management control into daily operations to achieve efficiency, effectiveness, and safeguard of assets, ensuring compliance with legal and regulatory requirements, and ensuring the integrity of the Group's financial reporting and its related disclosures. It makes the Management responsible for the identification of critical business risks and the development and implementation of appropriate risk management procedures to address these risks.

A framework has been established and the Board continues, through the ARC and Management, to improve and enhance it on a continuing basis. The system of operational, financial, compliance and information technology ("**IT**") internal controls established by the Company provides reasonable, but not absolute, assurance that the Company's assets and investments are safeguarded. The likelihood of achieving the internal control objectives is affected by limitations inherent in all internal controls and risk management systems. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The following sets out an overview of the key risks faced by the Company, the nature and the extent of the Group's exposure to these risks and the approach to managing these risks.

(i) Compliance risk

The Group operates in Asia, Europe and North and Central America and is therefore exposed to compliance risks, including sanctions risks, changes in government regulations and any unfavourable political development which may limit the realisation of business opportunities and investments in these countries. In addition, the Group's business operations are exposed to economic uncertainties that affect the global economy and international capital markets. Although such risks are beyond the Company's control, the Board and Management consistently keep themselves abreast with the changes in sanctions, political, economic, and industrial developments so as to be able to anticipate or respond to any adverse changes in market conditions in a timely manner.

(ii) Operational risk

The Group's operating risk is managed at each operating unit and monitored at the Group level. The operating risks of the Group include human error, loss of skilled and key staff, product quality problems, lack of material supplies, loss of physical assets, customer concentration, safety, and health issues. As operational risk cannot be eliminated completely, the Group balances between the cost of the risks occurring and the cost of managing the risks. The Group maintains insurance coverage on its property, plant and equipment and assets to minimise the risk of losses arising from natural calamity, accident, fire and theft. The Group has established operating systems and procedures to govern its business operations, which are subject to close supervision by managers. The Group has a few business divisions operating in different locations, thereby providing diversification from over-reliance on a particular product, business or customer.

(iii) Financial risk

The Group's financial risks include credit, foreign exchange, interest rate, and liquidity risk. The risk management objectives and policies on these financial risks are included in the notes to the financial statements of the annual report.

(iv) Investment risk

Investments, major acquisitions, and disposals are undertaken only after extensive due diligence and risk/benefit analysis. Such investments, acquisitions and disposals must be in line with the Group's strategies. All investment proposals must be evaluated and must meet the minimum hurdle rate determined by the Group. All investments, major acquisitions and disposals are tabled and recommended for the Board's approval.

(v) IT risk

IT risks include breakdown, disruption, viruses, scams and malicious attacks on its infrastructure, application systems, hardware and network. The Group has in place IT controls, maintenance and monitoring methodologies to adequately address these risks. A structured way of implementing and testing new software and applications is adopted to ensure requirements and specifications are met. Measures are put in place to safeguard against data security and loss of information so as to ensure business continuity.

9.2 *The Board requires and discloses in the company's annual report that it has received assurance from:*

(a) the CEO and the Chief Financial Officer ("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

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board has received assurance from the current CEO and 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 regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

In addition, the current CEO and CFO have given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and IT risks.

The risk management and internal control procedures for financial, operational, compliance and IT and their effectiveness and adequacy are reviewed by the ARC and the Board and updated regularly to reflect changes in market conditions and the activities of the Group.

Based on the work carried out by the internal auditors, the reviews undertaken by the external auditors and representations made by the Management to the Board that internal controls are in place, the Board is of the opinion (with the concurrence of the ARC) that there are adequate and effective internal controls and risk management systems in place to help mitigate the critical and significant risks in the following areas: Financial, Operational, Compliance and IT Risks. The Board has also confirmed that there has been no material change in the risk of the Company being subject to any Sanctions Law. That notwithstanding, the Board remains vigilant in monitoring said risk in view of the recent geo-political movements.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions of the Code	*Group's Corporate Governance practices*
10.1 The duties of the AC include: *(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;* *(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;* *(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;* *(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;* *(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and* *(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.*	The ARC performs the following main functions: *(i)* Reviews the financial information provided by the Group, in particular the relevance and consistency of the accounting standards used by the Group. *(ii)* Reviews disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems in relation to financial reporting and financial-related risks and controls, including assurances received from the CEO and CFO or other Key Management Personnel. *(iii)* Monitoring the Company's risk of becoming subject to, or violating any Sanctions Law and ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities. *(iv)* Reviews the Company's overall risk assessment processes and reviews the assurance provided by 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. *(v)* Reviews and approves the audit plans, taking into consideration independence, effectiveness, scope of work, remuneration and terms of engagement of the internal and external auditors and adequacy and effectiveness of the internal and external auditors. *(vi)* Nominates the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors. *(vii)* Reviews the effectiveness of the internal controls, risk management systems, findings of the internal and external auditors and the responses and follow-up actions from Management. *(viii)* Reviews the half yearly and full year announcements and the financial statements of the Group and of the Company, Management representation letter as well as the auditors' report thereon before they are submitted to the Board for approval. *(ix)* Reviews the requirements for approval and disclosure of interested person transactions. *(x)* Investigates any matters reported to the ARC about improprieties in matters of financial reporting or other matters within its Terms of Reference. *(xi)* Reviews and approves the corporate governance and control policies of the Group. *(xii)* Advises the Board on the Company's overall risk tolerance and strategy. *(xiii)* Oversees and advises the Board on the current risk exposures and future risk strategy of the Company. *(xiv)* Assist the Board in overseeing matters pertaining to sustainability (including the oversight of climate-related risks and opportunities). The role of the ARC in relation to financial reporting is to monitor the integrity of the half yearly and full year financial statements. The ARC considers whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient. The ARC has conducted an annual review of the amount of non-audit services provided by the external auditors and satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before recommending their re-nomination to the Board. Further to that, pursuant to the International Ethics Standards Board for Accountants ("**IESBA**"), the ARC has developed and implemented a policy on engaging external auditors to supply non-audit services. A breakdown of the fees in total for audit and non-audit services is set out in the notes to the financial statements. In addition, the ARC has reviewed the adequacy of the resources, experience of the external auditors and of the audit engagement partner assigned to the audit. The ARC is satisfied that the external auditors are able to meet their audit obligations and has recommended the re-appointment of the external auditors at the forthcoming AGM of the Company. The Company has put in place a Whistle-Blowing policy and procedures, endorsed by the ARC, where employees of the Group, may in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters relating to the Group and its employees, to the Board through the Company Secretary. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law. Details of the Whistle-Blowing policy and procedures have been made available to all employees of the Group and published on the Company's corporate website for ease of reference by various stakeholders for raising concerns. The ARC is responsible for oversight and monitoring of whistle-blowing. The ARC is given full access to Management and receives its full cooperation. The ARC has full discretion to invite any Director or Executive Officer to attend its meetings. It has full access to records, resources and personnel to enable it to discharge its functions properly. For FY2024, the Group has complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual issued by the SGX-ST in relation to the appointment of the auditing firms.
10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The ARC comprises three (3) members, all non-executive, and a majority of its members are independent including the Chairman. These members are suitably qualified and possess relevant accounting and/or related financial management expertise or experience for effective discharge of their responsibilities as members of the ARC. The ARC comprises the following members: ● Chou Yen Ning @ Alice Lin — Chairman ● Chok Yean Hung — Member ● James Toh Ban Leng — Member
10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	No former partner or director of the Company's existing auditing firm or audit corporation is a member of the ARC.

Provisions of the Code	Group's Corporate Governance practices
10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The ARC approves the appointment, removal, evaluation, and fees of the outsourced internal audit function. The Group outsourced its internal audit function to an independent professional firm, RSM Risk Advisory Pte Ltd to provide internal audit services, as recommended by the ARC. The internal auditors report directly to the ARC on internal audit matters and to the CFO on administrative matters. The internal auditors have unfettered access to the ARC, the Company's documents, records, and personnel. The ARC ensures the adequacy of the internal audit function by examining the scope of the internal auditors' work, the quality of their reports, their qualifications and training, their relationship with the external auditors and their independence of the areas reviewed. RSM Risk Advisory Pte Ltd is a corporate member of the Institute of Internal Auditors Singapore and staffed with professionals with relevant qualifications and experience. The ARC reviews the independence, adequacy, and effectiveness of the internal audit function annually. The ARC is satisfied that the internal auditors are independent and effective, and the internal auditors are adequately resourced and has the appropriate standing within the Company.
10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The ARC meets with the internal and external auditors without the presence of Management at least once a year in order to have free and unfiltered access to information it may require. The ARC has reviewed and approved the financial statements, which could be found in the financial statements section of the annual report.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions of the Code	Group's Corporate Governance practices
11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	The Group encourages active shareholder participation at the general meetings of the Company. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars. These circulars and notices are published on the Company's corporate website and posted onto the SGXNet. Shareholders are encouraged to attend the general meetings and given the opportunity to participate effectively and vote for resolutions to be passed at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated. A relevant intermediary may appoint more than two proxies to attend and vote at the AGM. The Company reserves the rights to allow any observers to attend its AGM.
11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	Resolutions at general meetings are each on separate issues. The resolutions at the general meetings are single item resolutions. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of general meeting. All resolutions at general meetings of the Company will be put to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency. The results of the poll voting on each resolution tabled will be announced after the general meetings via SGXNet and the Company's corporate website.

Provisions of the Code	Group's Corporate Governance practices
11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.	The Non-Executive Chairman, Directors and the Chairmen of the various Board Committees of the Company are present at each shareholders' meeting to respond to questions from shareholders. Please refer to ***Table 1 – Attendance at Board, Board Committee Meetings and AGM*** at the "Other Corporate Governance Matters" section. The external auditors are also present to address shareholders' queries in relation to the conduct of audit and the preparation and content of the external auditors' report. The responses from the Board and Management during the AGM or Extraordinary General Meeting, and minutes are available on the Company's corporate website as soon as practicable.
11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	For greater transparency, the Company has implemented electronic poll voting since its 2019 AGM. Where shareholders are entitled to attend general meetings in person, they will be invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all cast for, or against each resolution are then screened at the meeting and announced to SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings. If any shareholder is unable to attend the meeting, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. As the authentication of shareholder identity and other related security and integrity issues still remain a concern, the Company is reviewing the implementation of voting in absentia (such as via mail, or email). 2025 AGM The Company will hold its upcoming AGM physically to engage with its shareholders, details of which are set out in the Notice of AGM. Shareholders can attend, raise questions in advance of, or at, the AGM and vote in person or through an appointment of proxy.
11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. The minutes of the general meetings will be published on the Company's corporate website and SGXNet within one month after the general meetings. The Company also makes available minutes of general meetings to shareholders upon their requests.
11.6 The company has a dividend policy and communicates it to shareholders.	In determining the dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. The Company has established and announced a policy on payment of dividends of not less than 25% of the Company's consolidated profit after tax, excluding non-recurring, one-off and exceptional items, in respect of any financial year to its shareholders, subject to the Company's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans and other relevant factors. The Board did not recommend a dividend for FY2024 in order to continue to invest in new customer programmes.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions of the Code	*Group's Corporate Governance practices*
12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Company adopts the practice of regularly communicating major developments in its business and operations through SGXNet and where appropriate also directly to shareholders, analysts, the media, and its employees. The announcements of the Group's results and material developments are released through SGXNet and the Company's corporate website in a timely manner to ensure fair disclosure of information. The Company does not practise selective disclosure of material information, where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly as soon as practicable. The Board provides the shareholders a balanced and clear assessment of the Group's performance, financial position, and prospects on a quarterly basis. The Company releases its half yearly results and full year results to shareholders no later than 45 days and 60 days respectively after the relevant financial period with accompanied press release on the Company's corporate website and SGXNet. Briefings for analysts, with a PowerPoint presentation, are held in conjunction with the release of all results with the presence of the Non-Executive Chairman, CEO and CFO to address the relevant questions which analysts may have. The PowerPoint presentation and briefing for analysts are also posted on the Company's corporate website and SGXNet. The Company is committed to disclosing all relevant information as much as possible in a timely, fair and transparent manner as well as to hearing and addressing its stakeholders' concerns.
12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Group encourages feedback, views and participation of its shareholders at all general meetings and such feedback and views can be posted to investor.relations@aem.com.sg, and further encourages shareholders to visit the investor relations page on the Company's corporate website.
12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	The Company has put in place an Investor Relations policy to enhance effective communications and engagements with its investors and shareholders.

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions of the Code	*Group's Corporate Governance practices*
13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	Stakeholder relations are important for the sustainable growth of the Company's business and therefore the Company seeks to maintain an open and transparent dialogue with its material stakeholders. The Company engages its stakeholders regularly through the following channels to understand and address their needs and expectations. Detailed information on the Group's efforts on sustainability management in FY2024 will be disclosed in the Sustainability Report for FY2024 on a standalone basis within the timeline stipulated by the SGX-ST. It will be published on the Company's corporate website and made available on the SGXNet.
13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	The Company has put in place a Stakeholder Engagement policy to enhance effective communications and engagements with its material stakeholders. More details of the Stakeholders Engagement policy can be found on the Company's corporate website at https://www.aem.com.sg/company.
13.3 The company maintains a current corporate website to communicate and engage with stakeholders.	The Company strives to build and maintain strong relationships based on trust and respect to all stakeholders including the investment community, employees, suppliers and trade customers, regulators and the broader community. The Company has arrangements in place to engage with its material stakeholder group to manage its relationships with such groups. The Company also maintains a corporate website at https://www.aem.com.sg to communicate and engage with stakeholders.

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

The Company has adopted its own internal compliance code of best practice on securities transaction to guide its officers with regard to dealings in securities of the Company while in possession of price-sensitive information and which prohibits the Company and its officers from dealing in securities of the Company during the relevant blackout periods of one month prior to the announcement of the Group's half yearly and full year financial results and two weeks prior to the announcement of its 1st quarter and 3rd quarter business updates, and ending on the date of the announcement of the relevant results or business updates. Directors, Key Management Personnel and any other persons, as determined by Management, who may possess unpublished material price-sensitive information of the Group ("relevant personnel") are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any price-sensitive and confidential information regarding the Group, or on short-term considerations. A reminder will be circulated to Directors, Executive Officers, and relevant personnel of the Group before the commencement of each closed period, during which, dealing of the Company's securities are prohibited and to those with access to price-sensitive and confidential information. The Company is in compliance with SGX Listing Rule 1207(19) with regards to Dealing in Company's securities.

Material Contracts

Except as disclosed on SGXNet or herein for the financial year under review, there were no material contracts entered into by the Group involving the interests of the CEO, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions ("IPT")

The Company has established procedures for all interested person transactions to be reviewed and approved by the ARC on a quarterly basis and to ensure that these transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

The details of the IPT during FY2024 are as follows:

Name of interested person	Nature of relationship	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)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)[1]
NT Thor Holdings Pte. Ltd. ("NT Thor")	Associate of a Director of the Company	S$5,897,000	Not applicable
Chok Yean Hung	Non-Executive Director	S$240,000	Not applicable

Notes:

NT Thor is regarded as an associate of Mr. Loke Wai San. The IPT of S$5,897,000 for FY2024 comprised 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$240,000 comprised consultancy services paid by the Company to Mr. Chok Yean Hung.

[1] The Company has not sought a general mandate from shareholders pursuant to Listing Rule 920.

Table 1 – Attendance at Board, Board Committee Meetings and AGM

The attendance of the Directors at meetings during FY2024 and the frequency of these meetings, are disclosed as follows:

	Board		Audit and Risk Management Committee		Remuneration Committee		Nominating Committee		Strategy Committee		AGM	
Name of Director	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance
Loke Wai San	4	4	NA	NA	NA	NA	1	1	1	1	1	1
James Toh Ban Leng	4	4	5	5	1	1	1	1	NA	NA	1	1
Loh Kin Wah	4	4	NA	NA	1	1	1	1	1	0	1	1
Chok Yean Hung	4	4	5	5	NA	NA	NA	NA	1	1	1	1
Tham Min Yew (Russell)	4	4	NA	NA	1	1	1	1	1	1	1	0
Chou Yen Ning @ Alice Lin	4	4	5	5	NA	NA	NA	NA	NA	NA	1	1
André Andonian	4	4	NA	NA	NA	NA	1	1	1	1	1	1

Table 2 – Directors and CEO Remuneration Breakdown

The breakdown of the gross remuneration of the Directors and CEO of the Company in absolute amount for FY2024 are set out below:

	Directors' Fees	Fixed Salary	Variable Bonus	Shares from PSP 2017	Shares from RSP 2024	Other Fees / Allowances	Total
Directors (non-executive)	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**
Loke Wai San	327,000	–	–	–	–	–	327,000
James Toh Ban Leng	92,000	–	–	–	–	–	92,000
André Andonian	88,000	–	–	–	–	–	88,000
Loh Kin Wah	72,000	–	–	–	–	–	72,000
Chok Yean Hung	76,000	–	–	–	–	240,000[(1)]	316,000
Tham Min Yew (Russell)	72,000	–	–	–	–	–	72,000
Chou Yen Ning @ Alice Lin	84,000	–	–	–	–	–	84,000
CEO							
Leong Chunyi Yin (Amy)	–	310,054	153,615	91,396[(2)]	167,558[(3)]	72,380	795,003
Chandran Ramesh Nair	–	262,617	–	370,402[(4)]	–	44,160	677,179

(1) Consultancy service fees.

(2) Based on 256,849 shares granted pursuant to PSP 2017 with a fair value of S$1.83 per share, amortised over vesting period of 3 years with effect from 1 June 2024.

(3) Based on 256,849 shares granted pursuant to RSP 2024 with a fair value of S$1.83 per share, amortised over vesting period of 3 years with effect from 1 June 2024.

(4) Based on: (a) 130,800 shares granted pursuant to PSP 2017 with a fair value of S$3.67 per share, amortised over vesting period of 3 years with effect from 18 June 2021; and (b) 100,420 shares granted pursuant to PSP 2017 with a fair value of S$4.78 per share, amortised over vesting period of 3 years with effect from 4 April 2022; and (c) 153,600 shares granted pursuant to PSP 2017 with a fair value of S$3.25 per share, amortised over vesting period of 3 years with effect from 3 April 2023. With Mr. Chandran Ramesh Nair's resignation, the remaining unvested shares under (b) and (c) had been accelerated. Please refer to SGX announcement dated 3 June 2024.

The previous CEO, Mr. Chandran Ramesh Nair, had resigned from his position with effect from 30 June 2024 and was succeeded by our current CEO, Ms. Leong Chunyi Yin (Amy) effective 1 July 2024.

Table 3 – Key Management Personnel Remuneration Breakdown

Due to the confidentiality and sensitivity on remuneration matters, the Board is of the view that the Group's Key Management remuneration shall be disclosed as bands, as indicated in the following table. The Board has considered the recommendations set out in Provision 8.1 of the Corporate Governance Code carefully, and believes that, taken as a whole, the disclosures provided are meaningful and sufficiently transparent in giving an understanding of the remuneration of its Key Management Personnel, the Company's remuneration policies, level and mix of remuneration, performance and value creation.

For FY2024, the Company's Key Management Personnel (who are not Directors or CEO of the Company) are Mr. Samer Kabbani, Ms. Leong Sook Han[1], Mr. Chua Tat Ming, Mr. Mark Yaeger, and Mr. Samir Mowla.

Remuneration Band (S$)	No. of employees	Fixed Salary (%)	Variable Bonus (%)	Other Allowance (%)	Share Awards (%)	Total
< S$250,000	1	52	–	18	30	100
S$250,001 to S$500,000	1	77	10	6	7	100
S$500,001 to S$750,000	2	70	17	2	11	100
S$750,001 to S$1,000,000	–	–	–	–	–	–
S$1,000,001 to S$1,250,000	–	–	–	–	–	–
S$1,250,001 to S$1,500,000	–	–	–	–	–	–
S$1,500,001 to S$1,750,000	1	32	29	3	36	100
Total Aggregate Compensation	5					**S$3,258,491**

(1) **Note: Last day of employment on 16 April 2024**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

(a) the financial statements set out on pages 49 to 76 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 2024 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

(b) 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

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
<u>AEM Holdings Ltd.</u>		
Loke Wai San		
- ordinary shares, fully paid (direct interest)	824,000	832,240
- ordinary shares, fully paid (deemed interest)	6,828,977	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)	10,000,000	10,100,000
- ordinary shares, fully paid (deemed interest)	1,196,772	1,208,739
Loh Kin Wah		
- ordinary shares, fully paid (deemed interest)	525,000	530,250
Chok Yean Hung		
- ordinary shares, fully paid (direct interest)	1,091,133	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
Chou Yen Ning @ Alice Lin		
- ordinary shares, fully paid (deemed interest)	5,000	5,050
André Andonian		
- ordinary shares, fully paid (direct interest)	–	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) 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.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2025.

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.

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 2024	Granted	Exercised	Forfeited/ expired	Outstanding at 31 December 2024	Exercise period
15/1/2019	0.890	76,000	–	–	–	76,000	16/1/2020- 14/1/2029
7/10/2019	1.142	600,666	–	–	(60,000)	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
1/4/2020	1.652	206,897	–	(206,897)	–	–	2/4/2021-31/3/2030
1/4/2020	1.652	206,897	–	(206,897)	–	–	2/4/2022-31/3/2030
1/4/2020	1.652	206,896	–	(206,896)	–	–	2/4/2023-31/3/2030
		2,346,690	**–**	**(620,690)**	**(60,000)**	**1,666,000**	

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

Details of options granted to directors and employees of the Company or its subsidiaries under the Scheme are as follows:

	Number of options to subscribe for ordinary shares				
	Options granted during the financial year ended 31 December 2024	Aggregate options granted since commencement of the Scheme to 31 December 2024+	Aggregate options exercised since commencement of the Scheme to 31 December 2024+	Aggregate options forfeited since the commencement of the Scheme to 31 December 2024	Aggregate options outstanding at 31 December 2024
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
Others					
Company	–	4,135,002	(4,135,002)	–	–
Subsidiaries	–	4,533,000	(4,091,000)	(276,000)	166,000
Total	**–**	**14,996,002**	**(12,378,002)**	**(952,000)**	**1,666,000**

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

There were no options granted during the financial year.

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 performance shares awarded under the PSP 2017 are as follows:

Participants	Share awards granted during the financial year ended 31 December 2024	Aggregate share awards granted since commencement of PSP 2017 to 31 December 2024+	Aggregate share awards vested since commencement of PSP 2017 to 31 December 2024+	Aggregate share awards forfeited since commencement of PSP 2017 to 31 December 2024	Aggregate share awards outstanding at 31 December 2024
Under PSP 2017					
Directors and key executives	1,122,052	8,395,875	(6,848,384)	(523,020)	1,024,471

\+ 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 performance shares granted to directors under PSP 2017 are as follows:

	Share awards granted during the financial year ended 31 December 2024	Aggregate share awards granted since commencement of PSP 2017 to 31 December 2024+	Aggregate share awards vested since commencement of PSP 2017 to 31 December 2024+	Aggregate share awards forfeited since commencement of PSP 2017 to 31 December 2024	Aggregate share awards outstanding at 31 December 2024
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.

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 five 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

3 April 2025

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 2024, 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 49 to 76.

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 2024, 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have 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.

<table>
<tr><td colspan="2">Impairment of goodwill
(Refer to note 6 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>As at 31 December 2024, the Group recorded goodwill of $60,625,000 (2023: $61,221,000), which represented 32% (2023: 28%) of its total non-current assets.

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.

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.

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.</td><td>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.

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 also tested the mathematical accuracy of the discounted cash flow and performed sensitivity analysis, focusing on plausible changes in key assumptions or discount rate and analysed the impact to the carrying amount.</td></tr>
<tr><td colspan="2">Findings

We found the identification of CGUs to be appropriate. The assumptions and resulting estimates applied by the Group in determining the goodwill were aligned with the Group's historical performance, future business plans and consideration of market data.</td></tr>
</table>

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 have obtained all other information prior to the date of this auditors' report.

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, 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.

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.

- 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
3 April 2025

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Assets					
Property, plant and equipment	4	**35,834**	40,097	**10**	12
Investment properties		**1,600**	1,754	**–**	–
Right-of-use assets	5	**21,094**	33,577	**67**	–
Intangible assets	6	**129,828**	125,277	**15**	64
Interests in subsidiaries	7	**–**	–	**82,851**	82,851
Investment in associates	9	**–**	8,821	**–**	–
Other investment	10	**–**	5,785	**–**	–
Deferred tax assets	18	**837**	1,396	**71**	19
Non-current assets		**189,193**	216,707	**83,014**	82,946
Inventories	11	**296,773**	328,616	**–**	–
Trade and other receivables	12	**142,658**	58,773	**108,926**	74,977
Contract assets	22	**776**	1,582	**–**	–
Cash and cash equivalents	13	**43,775**	101,849	**3,299**	33,240
Current assets		**483,982**	490,820	**112,225**	108,217
Total assets		**673,175**	707,527	**195,239**	191,163
Equity					
Share capital	14	**188,851**	187,577	**188,851**	187,577
Reserves	15	**(27,371)**	(32,900)	**(6,318)**	(8,019)
Accumulated profits		**324,218**	312,779	**6,256**	6,418
Equity attributable to owners of the Company		**485,698**	467,456	**188,789**	185,976
Non-controlling interest		**6,616**	6,930	**–**	–
Total equity		**492,314**	474,386	**188,789**	185,976
Liabilities					
Financial liabilities	16	**15,895**	42,471	**–**	–
Trade and other payables	17	**282**	603	**–**	–
Deferred tax liabilities	18	**11,634**	11,748	**–**	–
Provisions	19	**3,648**	1,672	**–**	–
Defined benefit obligations	21	**1,007**	1,059	**–**	–
Non-current liabilities		**32,466**	57,553	**–**	–
Financial liabilities	16	**78,484**	83,884	**67**	–
Trade and other payables	17	**53,736**	73,458	**5,710**	4,337
Contract liabilities	22	**7,324**	7,898	**–**	–
Current tax payable		**6,326**	6,391	**673**	850
Provisions	19	**2,525**	3,957	**–**	–
Current liabilities		**148,395**	175,588	**6,450**	5,187
Total liabilities		**180,861**	233,141	**6,450**	5,187
Total equity and liabilities		**673,175**	707,527	**195,239**	191,163

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

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	22	**380,410**	481,283
Cost of sales		**(282,796)**	(351,987)
Gross profit		**97,614**	129,296
Other income		**2,213**	4,352
Research and development expenses		**(23,684)**	(24,350)
Selling, general and administrative expenses		**(56,376)**	(64,471)
Foreign exchange gain/(loss), net		**4,291**	(3,290)
Other expenses		**(6,086)**	(27,785)
Results from operating activities		**17,972**	13,752
Finance income		**1,009**	1,466
Finance costs		**(4,584)**	(6,991)
Net finance costs	23	**(3,575)**	(5,525)
Share of equity-accounted investee's loss, net of tax	9	**(326)**	(641)
Profit before tax		**14,071**	7,586
Tax expense	24	**(2,465)**	(8,750)
Profit/(loss) for the year		**11,606**	(1,164)
Profit/(loss) attributable to:			
Owners of the Company		**11,438**	(1,237)
Non-controlling interest		**168**	73
Profit/(loss) for the year	25	**11,606**	(1,164)
Earnings/(loss) per share			
Basic earnings/(loss) per share	26	**3.68 cents**	(0.40) cents
Diluted earnings/(loss) per share	26	**3.65 cents**	(0.40) cents
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference – foreign operations		**3,478**	(4,810)
Share of foreign currency translation difference of equity-accounted investee		**–**	113
Foreign currency translation difference on loss of significant influence reclassified to profit or loss		**600**	–
Other comprehensive income/(loss) for the year, net of tax		**4,078**	(4,697)
Total comprehensive income/(loss) for the year		**15,684**	(5,861)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**15,492**	(5,957)
Non-controlling interest		**192**	96
Total comprehensive income/(loss) for the year		**15,684**	(5,861)

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

Year ended 31 December 2024

	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 2023	187,464	(10,477)	(9,421)	3,773	(11,293)	325,002	485,048	8,402	493,450
Total comprehensive (loss)/ income for the year									
Loss for the year	–	–	–	–	–	(1,237)	(1,237)	73	(1,164)
Other comprehensive (loss)/ income									
Foreign currency translation difference – foreign operations	–	–	–	–	(4,833)	–	(4,833)	23	(4,810)
Share of foreign currency translation difference of equity-accounted investee	–	–	–	–	113	–	113	–	113
Total comprehensive (loss)/ income for the year	–	–	–	–	(4,720)	(1,237)	(5,957)	96	(5,861)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Own shares acquired	–	(996)	–	–	–	–	(996)	–	(996)
Treasury shares reissued pursuant to share plans	–	1,382	156	(1,538)	–	–	–	–	–
Share option exercised	113	–	–	–	–	–	113	–	113
Share-based payment transactions (Note 20)	–	–	–	1,237	–	–	1,237	–	1,237
Interim dividend of 3.6 cents per share in respect of 2022	–	–	–	–	–	(11,120)	(11,120)	–	(11,120)
Appropriation to other reserves	–	–	(58)	–	–	58	–	–	–
Total contributions by and distributions to owners of the Company	113	386	98	(301)	–	(11,062)	(10,766)	–	(10,766)
Changes in ownership interests in a subsidiary									
Acquisition of a subsidiary with non-controlling interest	–	–	(1,000)	–	55	76	(869)	(1,568)	(2,437)
Total changes in ownership interests in a subsidiary	–	–	(1,000)	–	55	76	(869)	(1,568)	(2,437)
Total transactions with owners	113	386	(902)	(301)	55	(10,986)	(11,635)	(1,568)	(13,203)
At 31 December 2023	187,577	(10,091)	(10,323)	3,472	(15,958)	312,779	467,456	6,930	474,386

	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 20)	**–**	**–**	**–**	**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.

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

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit/(loss) for the year		**11,606**	(1,164)
Adjustments for:			
Depreciation of property, plant and equipment	4	**6,755**	6,587
Depreciation of investment properties		**28**	30
Depreciation of right-of-use assets	5	**8,188**	10,887
Amortisation of intangible assets	6	**9,493**	8,222
Allowance for stock obsolescence	11	**3,871**	1,780
Impairment loss on intangible assets	6	**3,398**	–
Reversal of impairment loss on trade receivables		**(79)**	(24)
Impairment loss on investment in an associate	9	**–**	600
Loss on disposal of property, plant and equipment		**853**	60
Write off of property, plant and equipment	4	**327**	294
Loss/(gain) on disposal of an associate		**2,349**	(71)
Gain on disposal of other investment		**(78)**	–
Gain on disposal of a subsidiary		**–**	(328)
Net finance costs		**3,575**	5,525
Foreign exchange differences arising from translation		**1,213**	(298)
Reversal of defined benefit obligations		**(52)**	(145)
Share of loss of equity-accounted investee, net of tax	9	**326**	641
Equity-settled share-based payment expenses		**1,950**	1,237
Fair value loss on other investment	29	**–**	180
Tax expense	24	**2,465**	8,750
		56,188	42,763
Changes in:			
Inventories		**33,593**	30,622
Contract costs		**–**	222
Trade and other receivables		**(80,608)**	30,669
Contract assets		**781**	353
Trade and other payables		**(24,810)**	(38,539)
Contract liabilities		**(568)**	1,226
Provisions		**(36)**	1,712
Cash (used in)/generated from operations		**(15,460)**	69,028
Tax paid		**(2,079)**	(28,860)
Net cash (used in)/from operating activities		**(17,539)**	40,168
Cash flows from investing activities			
Acquisition of intangible assets	6	**(18,317)**	(18,055)
Interest received		**1,009**	1,466
Proceeds from disposal of property, plant and equipment		**1,859**	25
Proceeds from disposal of an associate		**6,630**	5,120
Proceeds from disposal of other investment		**5,897**	–
Payment of deferred and contingent consideration		**–**	(997)
Acquisition of property, plant and equipment	4	**(5,869)**	(7,725)
Disposal of a subsidiary, net of cash disposed		**–**	79
Net cash used in investing activities		**(8,791)**	(20,087)

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

	Note	2024 $'000	2023 $'000
Cash flows from financing activities			
Interest paid		**(4,561)**	(6,991)
Repayment of borrowings	16	**(76,611)**	(100,915)
Payment of lease liabilities	16	**(7,875)**	(9,539)
Proceeds from borrowings	16	**57,000**	84,970
Repurchase of treasury shares		**–**	(996)
Proceeds from exercise of share options		**1,025**	113
Acquisition of subsidiary's interests from the non-controlling interest	8	**(731)**	(2,437)
Dividends paid		**–**	(11,120)
Net cash used in financing activities		**(31,753)**	(46,915)
Net decrease in cash and cash equivalents		**(58,083)**	(26,834)
Cash and cash equivalents at 1 January		**101,849**	127,775
Effect of exchange rate fluctuations on cash held		**9**	908
Cash and cash equivalents at 31 December	13	**43,775**	101,849

The accompanying notes form an integral part of these 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 3 April 2025.

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 2024 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 ("$"), 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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 8 - identification of assets acquired and liabilities assumed in a business combination;
- Note 9 - equity-accounted investees: whether the Group has significant influence over an investee.

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 11 - valuation of inventories.

2 Basis of preparation (Continued)

2.4 Use of estimates and judgements (Continued)

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).

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 6 - impairment of intangible assets and goodwill
- Note 9 - impairment of investment in associate
- Note 20 - share-based payment
- Note 29 - financial risk management

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current and* Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1) and Non-current Liabilities with Covenants (Amendments to SFRS(I) 1-1) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period (see note 16).

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.

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.

3 Material accounting policies (Continued)

3.1 Basis of consolidation (Continued)

Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses 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 and associates in the separate financial statements

Investments in subsidiaries and associates 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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 Investment properties

Investment properties is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Depreciation is based on the cost of an asset. Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

Land and building	23 - 27 years

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

3 Material accounting policies (Continued)

3.5 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.

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 Material accounting policies (Continued)

3.6 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.

(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.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 information considered includes:

- the stated policies and objectives for the respective financial assets and the operation of those policies in practice;
- how the performance of the respective financial assets is evaluated and reported to the Group's management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

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.

3 Material accounting policies (Continued)

3.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Business model assessment (Continued)

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.

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.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are 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).

3 Material accounting policies (Continued)

3.6 Financial instruments (Continued)

(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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that was required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

(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.

(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.

3 Material accounting policies (Continued)

3.6 Financial instruments (Continued)

(vi) Share capital (Continued)

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.

Impairment

(viii) 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 Financial instruments (Continued)

Impairment (Continued)

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

General approach (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.

3 Material accounting policies (Continued)

3.6 Financial instruments (Continued)

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

Non-financial assets (Continued)

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.

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.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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.

3 Material accounting policies (Continued)

3.7 Leases (Continued)

As a lessee (Continued)

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.

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.

3 Material accounting policies (Continued)

3.9 Provisions (Continued)

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.

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 Material accounting policies (Continued)

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.

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.

Defined benefit plan

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period. The Group has no plan assets.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

3 Material accounting policies (Continued)

3.13 Employee benefits (Continued)

Defined benefit plan (Continued)

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

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 and amount loan to 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 2024 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.

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

- *Classification and Measurement of Financial Instruments* (Amendments to SFRS(I) 9 and SFRS(I) 7)

- *Annual Improvements to SFRS(I)s—Volume 11*

- SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

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 2023	504	3,113	10,803	6,183	20,107	23,342	64,052
Additions	11	371	1,461	739	5,142	1	7,725
Disposals	(7)	(2)	(14)	(97)	(229)	(22)	(371)
Disposal of a subsidiary	(22)	(1)	(83)	(65)	(1,059)	–	(1,230)
Write off	–	(315)	(484)	–	–	–	(799)
Translation adjustment	(11)	(67)	(192)	(104)	(490)	(108)	(972)
At 31 December 2023	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**
Accumulated depreciation							
At 1 January 2023	184	788	7,886	4,094	9,393	1,661	24,006
Depreciation charge for the year	76	640	773	1,179	3,058	861	6,587
Disposals	–	(1)	(9)	(97)	(179)	–	(286)
Disposal of a subsidiary	(16)	(1)	(50)	(53)	(895)	–	(1,015)
Write off	–	(159)	(346)	–	–	–	(505)
Translation adjustment	(7)	(22)	(134)	(73)	(241)	(2)	(479)
At 31 December 2023	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**
Carrying amounts							
At 1 January 2023	320	2,325	2,917	2,089	10,714	21,681	40,046
At 31 December 2023	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**

4 Property, plant and equipment (Continued)

	Renovation and installation $'000	Computers $'000	Plant and equipment $'000	Total $'000
Company				
Cost				
At 1 January 2023	34	355	21	410
Additions	–	5	–	5
At 31 December 2023	34	360	21	415
Additions	–	3	–	3
At 31 December 2024	**34**	**363**	**21**	**418**
Accumulated depreciation				
At 1 January 2023	34	351	12	397
Depreciation charge for the year	–	4	2	6
At 31 December 2023	34	355	14	403
Depreciation charge for the year	–	3	2	5
At 31 December 2024	**34**	**358**	**16**	**408**
Carrying amounts				
At 1 January 2023	–	4	9	13
At 31 December 2023	–	5	7	12
At 31 December 2024	**–**	**5**	**5**	**10**

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	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**33,577**	35,056	**–**	–
Additions to right-of-use assets	**2,400**	10,907	**111**	–
Depreciation charge for the year	**(8,188)**	(10,887)	**(44)**	–
Derecognition of right-of-use assets	**(7,412)**	–	**–**	–
Translation adjustment	**717**	(1,499)	**–**	–
Balance at 31 December	**21,094**	33,577	**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 2023	61,335	9,982	22,203	7,031	28,730	4,053	133,334
Additions	–	821	–	823	16,405	6	18,055
Disposal of a subsidiary	–	–	–	(26)	–	–	(26)
Translation adjustment	(114)	89	(22)	(105)	(96)	(132)	(380)
At 31 December 2023	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**
Accumulated amortisation and impairment loss							
At 1 January 2023	–	1,860	4,426	5,636	5,085	474	17,481
Amortisation charge for the year	–	1,485	1,331	949	4,137	320	8,222
Disposal of a subsidiary	–	–	–	(26)	–	–	(26)
Translation adjustment	–	(27)	17	(84)	125	(2)	29
At 31 December 2023	–	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**
Carrying amounts							
At 1 January 2023	61,335	8,122	17,777	1,395	23,645	3,579	115,853
At 31 December 2023	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**

Company	**Computer software $'000**
Cost	
At 1 January 2023, 31 December 2023, and 31 December 2024	**1,340**
Accumulated amortisation	
At 1 January 2023	1,226
Amortisation charge for the year	50
At 31 December 2023	1,276
Amortisation charge for the year	49
At 31 December 2024	**1,325**
Carrying amounts	
At 1 January 2023	114
At 31 December 2023	64
At 31 December 2024	**15**

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	
	2024	2023
	$'000	$'000
- Test Cell Solutions ("TCS")	**32,600**	33,196
- Test and Measurement Solutions ("TMS")	**1,230**	1,230
- Contract Manufacturing ("CM")	**26,795**	26,795
	60,625	61,221

TCS

The recoverable amount of this CGU was based on its value in use, determined by discounting the post-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.

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	**2024** %	2023 %
Pre-tax discount rate	**11.2**	14.8
Terminal value growth rate	**2.0**	3.0
EBITDA margin	**11.0 to 13.0**	14.0 to 19.0

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, consistent with the assumptions that a market participant would make.

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.

CM

The recoverable amount of this CGU was based on its value in use, determined by discounting the post-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.

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.

6 Intangible assets (Continued)

Impairment testing for CGUs containing Goodwill (Continued)

Group	**2024** %	2023 %
Pre-tax discount rate	**14.7**	14.5
Terminal value growth rate	**3.0**	3.0
EBITDA margin	**10.0 to 11.0**	12.0 to 13.0

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, consistent with the assumptions that a market participant would make.

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.

7 Interests in subsidiaries

	Company	
	2024	2023
	$'000	$'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.

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 2024 (2023: nil).

Details of subsidiaries are as follows:

Name of subsidiaries	**Principal activities**	**Country of incorporation**	**Effective equity held by the Group**	
			2024 %	2023 %
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

7 Interests in subsidiaries (Continued)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2024	2023
			%	%
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 [1,5]	Investment holding	Singapore	**100**	100
PT Surya Teknologi Batam [4,5]	Printed circuit board assembly and contract manufacturing	Indonesia	**100**	100
CEI International Investments (VN) Limited [2,6]	Printed circuit board assembly and contract manufacturing	Vietnam	**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
AEM Americas, Inc. [3]	Semiconductor products manufacturing	United States of America	**100**	100
Nestek Korea Co., Ltd. [2#]	Manufacturing of testing products for the semiconductor goods and electronic goods industry	Republic of Korea	**64.9^**	62.2~
NTP Korea Co., Ltd. [3!]	Processing and plating of parts of semiconductor components and electronic goods	Republic of Korea	**64.9^**	62.2~
Vina Nestek Co., Ltd [3!]	Producing, processing and assembling of equipment or components for connection and semiconductor components for phones and electronics	Vietnam	**64.9^**	62.2~
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

7 Interests in subsidiaries (Continued)

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 JAS & Rekan, Drs Sukimto Sjamsuli.
5 Held by CEI Pte. Ltd.
6 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.
~ The Group acquired additional 8.9% of the outstanding share capital of Nestek Korea Co., Ltd. in April 2023.
^ The Group acquired additional 2.7% of the outstanding share capital of Nestek Korea Co., Ltd. in April 2024.

8 Acquisition of subsidiaries

Acquisition in 2023 and 2024

Acquisition of subsidiary's interests from the non-controlling interest ("NCI")

On 28 April 2023, 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 of the acquisition was KRW2,400,000,000 ($2,437,000). Consequent to the investment, the Group's effective interest in Nestek increased from 53.3% as at 31 December 2022 to 62.2% as at 31 December 2023. As part of the investment agreement dated 14 March 2022, 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 80% of the total outstanding share capital of Nestek on a fully-diluted basis.

On 25 April 2024, AEM Singapore Pte. Ltd. had acquired additional 2.7% of the outstanding share capital of Nestek. The consideration of the acquisition is 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. 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.

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.

	2024	2023
	$'000	$'000
Group		
Carrying amount of NCI acquired	**506**	1,568
Consideration paid to NCI	**(731)**	(2,437)
Decrease in equity attributable to owners of the Company	**(225)**	(869)

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

- a decrease in Other reserves of $248,000 (2023: $1,000,000);
- an increase in Currency translation reserves of $22,000 (2023: $55,000); and
- an increase in Accumulated profits of $1,000 (2023: $76,000).

9 Investment in associates

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Unquoted shares	–	9,421	–	–
Allowance for impairment	–	(600)	–	–
	–	8,821	–	–

Details of associates are as follows:

Name of associates	Principal activities	Principal place of business and country of incorporation	Effective equity held by the Group 2024 %	Effective equity held by the Group 2023 %
Novoflex Pte Ltd [1] ("Novoflex")	Investment holding company with full control of Smartflex Technology Pte Ltd, a leading outsourced assembly & test company for smart card modules used in banking and Smartflex Innovation Pte Ltd, a company that has developed proprietary manufacturing equipment, processes and intellectual property for producing very low cost SIM card modules for telecommunications and smart card modules for banking	Singapore	–	–*
ATECO Inc.[2] ("ATECO")	Specialises in the design and development of memory test handler solutions	Republic of Korea	–	43.2

[1] Audited by Ernst & Young Singapore
[2] Audit is not required
* Disposed on 2 August 2023

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, representing all of the Group's shareholding interest in ATECO, for an aggregate purchase price of KRW6,800,000,000 ($6,630,000). Included in the loss on disposal of an associate is $600,000 from foreign currency translation differences due to loss of significant influence which has been reclassified to profit or loss.

On 2 August 2023, the Group entered into a share purchase agreement with NT SPV 13 for the sale of 4,666,667 ordinary shares of Novoflex Pte. Ltd. ("Novoflex"), representing 18.08% of total issued share capital of Novoflex, for a total cash consideration of $5,120,000. NT SPV 13 was regarded as an associate to a director of the Company, who had no control or joint control over the Company.

In 2023, the Group identified indicators of impairment on its investments in an associate. The recoverable amount of the investment in an associate was based on its value in use, determined by discounting the post-tax future cash flows to be generated from the associate.

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

Group	2023 %
Pre-tax discount rate	14.4
Terminal value growth rate	2.6
EBITDA margin	8.0 to 16.0

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

9 Investment in associates (Continued)

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, consistent with the assumptions that a market participant would make.

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 investment in an associate was lower than its carrying amount and the Group had recorded an impairment loss of $600,000. This associate was disposed in the current year.

The following summarises the financial information of the Group's associates based on ATECO's and Novoflex's financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	ATECO 2024 $'000	ATECO 2023 $'000	Novoflex 2023 $'000
Revenue	7,207	19,375	32,717
(Loss)/profit after tax	(754)	(1,869)	915
Total comprehensive (loss)/income	(754)	(1,869)	915
Attributable to investee's shareholders	(754)	(1,869)	915
Non-current assets	943	1,014	15,950
Current assets	12,301	12,983	31,415
Non-current liabilities	(2,979)	(6,014)	(2,577)
Current liabilities	(8,516)	(8,523)	(16,719)
Net assets/(liabilities)	1,749	(540)	28,069
Attributable to investee's shareholders	1,749	(540)	28,069
Group's interest in net assets of investee at beginning of the year	8,821	4,782	4,910
Group's share of:			
- (loss)/profit after tax	(326)	(806)	165
Total comprehensive (loss)/income	(326)	(806)	165
Disposal	(8,979)	–	(5,049)
Translation adjustment	484	(13)	(26)
Group's share of net assets	–	3,963	–
Goodwill	–	5,458	–
Impairment loss	–	(600)	–
Carrying amount of interest in investee at end of the year	–	8,821	–

10 Other investment

	Group 2024 $'000	Group 2023 $'000
Unquoted equity investment – at FVTPL	–	5,785

The basis of measurement of the fair value of other investment are disclosed in note 29.

On 2 April 2024, the Group completed the disposal of the Group's entire interest in other investment for a total cash consideration of US$4,400,000 ($5,897,000).

11 Inventories

	Group	
	2024	2023
	$'000	$'000
Raw materials	**167,378**	161,289
Work-in-progress	**20,740**	64,363
Finished goods	**108,379**	102,038
Goods in-transit	**276**	926
	296,773	328,616

Inventories of $217,909,000 (2023: $280,352,000) were recognised as an expense during the period and included in "cost of sales" within the statement of comprehensive income.

The Group recognised an allowance for stock obsolescence of $3,871,000 (2023: $1,780,000) based on slow-moving inventories. The allowance is included in "cost of sales" within the statement of comprehensive income.

In 2023, during the Group's annual stock-take exercise, one of its subsidiaries noted significant stock discrepancies between the physical count results and the accounting records. The Group had performed internal reviews and checks on the subsidiary's inventories. It also engaged external consultants to perform works including reviewing its processes relating to inventory management, and assisting them in the quantification of the discrepancies. An adjustment due to overstatement of inventories was corrected and recorded in the "cost of sales" during the financial year.

12 Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables (net of impairment)	**126,369**	42,545	**–**	–
Other receivables	**9,334**	7,876	**–**	–
Amounts due from subsidiaries (net of impairment):				
- trade	**–**	–	**32,165**	21,685
- non-trade	**–**	–	**76,594**	53,123
Amounts due from a related party (non-trade)	**933**	1,083	**–**	–
Deposits	**3,165**	4,268	**16**	–
	139,801	55,772	**108,775**	74,808
Prepayments	**2,857**	3,001	**151**	169
	142,658	58,773	**108,926**	74,977

Included in the other receivables of the Group is grant receivable by an overseas subsidiary from its government amounting to $5,674,000 (2023: $3,319,000).

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 29.

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 29.

13 Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**43,775**	87,259	**3,299**	22,647
Fixed deposits with banks	**–**	14,590	**–**	10,593
Cash and cash equivalents	**43,775**	101,849	**3,299**	33,240

In 2023, fixed deposits with banks relate to deposits with maturities of one months or less with effective interest rates ranging from 3.80% to 5.26% per annum.

As at 31 December 2024, the weighted average effective interest rates per annum relating to cash and cash equivalents for the Group was 0.12% (2023: 0.13%). Interest rates are repriced monthly.

14 Share capital

	Number of shares			
	Share capital		Treasury shares	
	2024	2023	**2024**	2023
	'000	'000	**'000**	'000
Company				
Issued and fully paid ordinary shares, with no par value:				
At 1 January	**311,887**	311,784	**(2,985)**	(3,031)
Bonus issue	**3,118**	–	**(27)**	–
Purchase of treasury shares	**–**	–	**–**	(360)
Issue of shares under Performance Share Plan	**136**	–	**272**	406
Share options exercised	**621**	103	**–**	–
At 31 December	**315,762**	311,887	**(2,740)**	(2,985)

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 regard to the Company's residual assets.

During the year, 621,000 (2023: 103,000) ordinary shares were issued out of the ordinary shares for share options exercised.

During the year, the Company purchased nil (2023: 360,000) of its own ordinary shares from the open market and as at the end of 31 December 2024, the treasury shares balance was 2,740,000 (2023: 2,985,000). The total number of issued ordinary shares excluding treasury shares at the end of the year was 313,022,000 (2023: 308,902,000).

During the year, 136,000 (2023: nil) shares were issued out of the ordinary shares under the Performance Share Plan.

Treasury shares

During the year, 272,000 (2023: 406,000) shares were issued out of the treasury shares under the Performance 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.

15 Reserves

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Reserve for own shares	**(9,171)**	(10,091)	**(9,171)**	(10,091)
Other reserves	**(10,224)**	(10,323)	**(1,053)**	(1,400)
Share compensation reserve	**3,906**	3,472	**3,906**	3,472
Currency translation reserve	**(11,882)**	(15,958)	**–**	–
	(27,371)	(32,900)	**(6,318)**	(8,019)

Reserve for own shares

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

Other reserves

Other reserves comprises accumulated profits transferred by a foreign subsidiary as required by local legislations which can only be distributed upon approval by the relevant authorities and surplus of own shares reissued.

Share compensation reserve

Share compensation reserve comprises the value of employee services received from equity-settled share-based performance bonus.

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 that of the Company.

16 Financial liabilities

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Non-current liabilities				
Lease liabilities	**15,675**	26,475	**–**	–
Borrowings:				
– Secured bank loans	**65**	303	**–**	–
– Unsecured bank loans	**155**	15,693	**–**	–
	15,895	42,471	**–**	–
Current liabilities				
Lease liabilities	**5,947**	7,877	**67**	–
Borrowings:				
– Secured bank loans	**3,029**	3,851	**–**	–
– Unsecured bank loans	**69,508**	72,156	**–**	–
	78,484	83,884	**67**	–
Total financial liabilities	**94,379**	126,355	**67**	–

Lease liabilities

As at 31 December 2024, the lease liabilities include office and warehouse leases.

The total cash outflow for leases recognised in the statement of cash flows is $8,947,000 (2023: $10,721,000).

16 Financial liabilities (Continued)

Terms and debt repayment schedule

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

	Nominal interest rate	Year of maturity	2024 Face value	2024 Carrying amount	2023 Face value	2023 Carrying amount
	%		**$'000**	**$'000**	$'000	$'000
Group						
Unsecured bank loans	2.80% - 5.00%	2025 – 2026	**674**	**663**	1,374	1,349
Unsecured bank loans	0.65% - 1.45% + SORA	2025	**69,973**	**69,000**	89,051	86,500
Secured bank loans	1.50% - 4.60%	2025 – 2028	**3,164**	**3,094**	4,267	4,154
Lease liabilities	2.35% - 7.09%	2025 – 2029	**22,917**	**21,622**	35,705	34,352
			96,728	**94,379**	130,397	126,355
Company						
Lease liabilities	4.89%	2025	**69**	**67**	–	–
			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 29.

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

	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
Balance at 1 January 2023	108,132	35,173	143,305
Changes from financing cash flows			
Interest paid	(5,778)	(1,182)	(6,960)
Proceeds from borrowings	84,970	–	84,970
Repayment of borrowings	(100,915)	–	(100,915)
Payment of lease liabilities	–	(9,539)	(9,539)
Total changes from financing cash flows	(21,723)	(10,721)	(32,444)
The effect of changes in foreign exchange rates	(184)	(1,516)	(1,700)
Liability-related			
Additions	–	10,234	10,234
Interest expense	5,778	1,182	6,960
Total liability-related other changes	5,778	11,416	17,194
Balance at 31 December 2023	92,003	34,352	126,355
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**

17 Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade payables	**33,353**	42,677	**–**	–
Amount due to subsidiaries (non-trade)	**–**	–	**3,866**	3,488
Accrued operating expenses	**4,478**	4,726	**1,265**	783
Other payables	**3,445**	19,347	**152**	11
	41,276	66,750	**5,283**	4,282
Employee benefits	**12,742**	7,311	**427**	55
	54,018	74,061	**5,710**	4,337
Current	**53,736**	73,458	**5,710**	4,337
Non-current	**282**	603	**–**	–
	54,018	74,061	**5,710**	4,337

In 2023, other payables of the Group included the second payment of the arbitration settlement payable to the complainants amounting to $14,657,000 (note 25).

Amounts due to subsidiaries

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

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 29.

18 Deferred tax

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

	At 1 January 2023	Recognised in profit or loss (Note 24)	Translation adjustment	At 31 December 2023	Recognised in profit or loss (Note 24)	Translation adjustment	At 31 December 2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Deferred tax liabilities							
Property, plant and equipment	3,862	(123)	(11)	3,728	(1,367)	(2)	**2,359**
Intangible assets	8,435	1,030	15	9,480	1,082	36	**10,598**
Right-of-use assets	1,400	4,433	(49)	5,784	(2,827)	(57)	**2,900**
	13,697	5,340	(45)	18,992	(3,112)	(23)	**15,857**
Deferred tax assets							
Property, plant and equipment	(358)	(31)	–	(389)	230	–	**(159)**
Provisions	(1,419)	418	12	(989)	230	3	**(756)**
Trade and other payables	(135)	(2)	–	(137)	21	–	**(116)**
Lease liabilities	(1,302)	(4,663)	43	(5,922)	2,845	59	**(3,018)**
Others	(139)	(1,064)	–	(1,203)	192	–	**(1,011)**
	(3,353)	(5,342)	55	(8,640)	3,518	62	**(5,060)**
Company							
Deferred tax assets							
Property, plant and equipment	4	–	–	4	(4)	–	**–**
Deferred tax liabilities							
Provisions	(23)	–	–	(23)	(48)	–	**(71)**

18 Deferred tax (Continued)

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

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Deferred tax liabilities	**11,634**	11,748	**–**	–
Deferred tax assets	**(837)**	(1,396)	**(71)**	(19)

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.

	Group			
	Gross amount	**Tax effect**	Gross amount	Tax effect
	2024	**2024**	2023	2023
	$'000	**$'000**	$'000	$'000
Tax losses	**25,268**	**6,592**	19,045	4,929

The Company does not have any unrecognised deferred tax assets.

19 Provisions

Group	**Warranties $'000**	**Site restoration $'000**	**Total $'000**
At 1 January 2023	2,966	1,021	3,987
Provisions made	1,068	613	1,681
Translation adjustment	(50)	(20)	(70)
Unwind of discount	–	31	31
At 31 December 2023	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	**3,932**	**2,241**	**6,173**

	Group	
	2024	2023
	$'000	$'000
Current	**2,525**	3,957
Non-current	**3,648**	1,672
	6,173	5,629

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.

20 Share-based payment

Description of the share-based payment arrangements

At 31 December 2024, 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.

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.

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.

20 Share-based payment (Continued)

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	23 Aug 17	27 Feb 17
Fair value at grant date	$0.620 - $0.730	$0.407 - $0.483	$0.260 - $0.320	$0.148 - $0.180	$0.038 - $0.045
Share price at grant date	$1.640	$1.140	$0.900	$0.635*	$0.198*
Exercise price	$1.652	$1.142	$0.890	$0.627*	$0.196*
Expected volatility (weighted average)	63.00%	60.00%	50.00%	40.00%	40.00%
Expected life (years)	3-5	3-5	3-5	3-5	3-5
Expected dividend yield	2.65%	2.65%	2.00%	2.45%	2.45%
Risk-free interest rate (based on government bonds)	1.561 - 1.574	1.561 - 1.574	1.930 - 2.000	1.490 - 1.680	1.386 - 1.693

* Prices were adjusted for the bonus share issue on 4 June 2018.

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.

In 2023, the Group recognised $13,000 expenses for share options granted.

Performance Share Plan (equity-settled)

The fair value of the performance shares granted during the year was $1.97 (2023: $3.25) 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 (2023: closing share price of the Company at the grant date).

The Group recognised the following:

- $237,000 for the performance shares granted on 1 June 2024 to employees;
- $225,000 for the performance shares granted on 1 April 2024 to employees;
- $415,000 (2023: $541,000) for the performance shares granted on 4 April 2023 to employees;
- $169,000 (2023: $367,000) for the performance shares granted on 4 April 2022 to employees;
- Nil (2023: $171,000) for the performance shares granted on 25 February 2022 to employees; and
- $26,000 (2023: $145,000) for the performance shares granted on 18 June 2021 to employees.

Restricted Share Plan (equity-settled)

The weighted average fair value of the restricted shares granted during the year was $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:

- $8,000 for the restricted shares granted on 1 December 2024 to employees; and
- $870,000 for the shares granted on 1 June 2024 to employees.

20 Share-based payment (Continued)

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 2024 $	**No. of options 2024 '000**	Weighted average exercise price 2023 $	No. of options 2023 '000
Outstanding at 1 January	**1.269**	**2,347**	1.262	2,450
Exercised during the year	**1.652**	**(621)**	1.098	(103)
Forfeited during the year	**1.142**	**(60)**		–
Outstanding at 31 December	**1.131**	**1,666**	1.269	2,347
Exercisable at 31 December	**1.131**	**1,666**	1.269	2,347

The options outstanding at 31 December 2024 have an exercise price in the range of $0.890 to $1.142 (2023: $0.890 to $1.652) and a weighted average contractual life of 4.7 years (2023: 5.9 years).

	Group and Company	
	2024 $'000	2023 $'000
Share compensation reserve		
At 1 January	**3,472**	3,773
Shares options granted	**–**	13
Settlement of share-based payment transactions	**(1,516)**	(1,538)
Share-based payment transactions	**1,950**	1,224
At 31 December	**3,906**	3,472

Expense recognised in statement of comprehensive income

For details on the related employee benefits expenses, see note 25.

21 Defined benefit obligations

Changes in present value of defined benefit obligations are as follows:

	Group	
	2024 $'000	2023 $'000
At 1 January	**1,059**	1,204
Interest cost	**57**	59
Current service cost	**74**	73
Actual benefit payment	**(51)**	(55)
Actuarial gains and losses arising from experience adjustments	**61**	(243)
Actuarial gains and losses arising from changes in financial assumptions	**(13)**	19
Exchange differences	**(180)**	2
At 31 December	**1,007**	1,059

21 Defined benefit obligations (Continued)

The cost of defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2024 %	2023 %
Discount rate	**7.11**	6.9
Salary increment rate	**5.00**	5.00
Mortality rate	***TMI – 2019**	*TMI – 2019
Disability rate	**0.5% of *TMI - 2019**	0.5% of *TMI - 2019
Resignation rate	**6.5%**	6.5%
Actuarial costing method	**Projected unit credit**	Projected unit credit
Normal retirement age	**57 years old**	57 years old

* Tabel Mortalita Indonesia 2019 ("TMI – 2019") issued by Indonesia Life Insurance Association (AAJI) serves as a reference for mortality rates in Indonesia.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations as of the end of the reporting period, assuming if all other assumptions were held constant:

	2024		2023	
	Increase/ decrease	**Present value of the defined benefit obligations $'000**	Increase/ decrease	Present value of the defined benefit obligations $'000
Discount rate	+ 1%	943	+ 1%	887
	- 1%	1,080	- 1%	1,027
Salary increment rate	+ 1%	1,080	+ 1%	1,027
	- 1%	941	- 1%	886

The average duration of the defined benefit obligations at the end of the reporting period is 20 years.

22 Revenue

	Group	
	2024 $'000	2023 $'000
Revenue from contracts with customers		
- Sale of goods	**306,878**	390,958
- Services	**73,532**	90,325
	380,410	481,283

22 Revenue (Continued)

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:

Sale of goods

Nature of goods	Machines, equipment and components
When revenue is recognised	***Machines, equipment and components, excluding prototype machines*** Revenue from the sale of machines, equipment and components are recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied. ***Prototype machines*** The Group has assessed that revenue from the sale of prototype machines qualifies for revenue recognition over time as the prototype machines are highly customised and have no alternative use for the Group, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.
Significant payment terms	***Machines, equipment and components, excluding prototype machines*** Payment is due between 30 days to 60 days upon delivery of the goods to the customers. ***Prototype machines*** Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified milestones. If the value for the achievement exceeds payments received from the customer, a contract asset is recognised. Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.
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 19).

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 2023 and 31 December 2024, no costs incurred to fulfil a contract were capitalised.

Services

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 customer 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.

22 Revenue (Continued)

The Group accounts for modifications to the scope or price of a contract as separate contracts if the modification adds 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 28 with the Group's reportable segments. The following table disaggregates revenue by the timing of revenue recognition:

	Group	
	2024	2023
	$'000	$'000
Timing of revenue recognition		
Products transferred at a point in time	**309,389**	395,929
Products and services transferred over time	**71,021**	85,354
	380,410	481,283

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

	Group	
	2024	2023
	$'000	$'000
Contract assets	**776**	1,582
Contract liabilities	**(7,324)**	(7,898)

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**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**–**	–	**7,898**	6,644
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(7,324)**	(7,898)
Contract asset reclassified to trade receivables	**(1,582)**	(1,928)	**–**	–
Recognition of revenue, net of receivables recognised	**776**	1,582	**–**	–

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on past experience of completed projects. The estimated total contract costs is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

22 Revenue (Continued)

Transaction price allocated to the remaining performance obligations

There is no revenue (2023: 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 2025 (2023: 2024).

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.

23 Net finance costs

	Group	
	2024	2023
	$'000	$'000
Interest income - banks	**397**	963
Other interest income	**612**	503
Finance income	**1,009**	1,466
Interest expense on lease liabilities	**(1,072)**	(1,182)
Interest expense on unsecured bank loans	**(3,489)**	(5,778)
Unwind of discount on site restoration provision	**(23)**	(31)
Finance costs	**(4,584)**	(6,991)
Net finance costs	**(3,575)**	(5,525)

24 Tax expense

	Group	
	2024	2023
	$'000	$'000
Current tax expense		
Current year	**1,922**	8,161
Under provision in prior years	**137**	591
	2,059	8,752
Deferred tax expense		
Origination and reversal of temporary differences	**156**	495
Under/(over) provision in prior year	**250**	(497)
	406	(2)
Total tax expense	**2,465**	8,750
Reconciliation of effective tax rate		
Profit before tax	**14,071**	7,586
Income tax using Singapore tax rate of 17% (2023: 17%)	**2,392**	1,290
Effect of different tax rates in other countries	**(541)**	(8)
Effect of results from equity-accounted investee presented net of tax	**55**	109
Tax exempt income	**(105)**	(464)
Tax incentives	**(2,323)**	(1,022)
Expenses not deductible for tax purposes	**631**	7,194
Under provision in prior years	**387**	94
Current year losses for which no deferred tax asset was recognised	**1,663**	1,061
Others	**306**	496
	2,465	8,750

25 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2024	2023
	$'000	$'000
Audit fees paid/payable to:		
- auditors of the Company	**533**	657
- other auditors	**21**	49
Non-audit fees paid/payable to auditors of the Company	**205**	150
Allowance for stock obsolescence	**3,871**	1,780
Depreciation and amortisation expenses	**24,464**	25,726
Staff costs	**87,822**	102,643
Contributions to defined contribution plans included in staff costs	**6,125**	6,950
Contributions to defined benefit plans included in staff costs	**(52)**	(145)
Directors' fees	**811**	811
Equity-settled share-based payment expenses	**1,950**	1,237
Net foreign exchange (gain)/loss	**(4,291)**	3,290
Loss on disposal of property, plant and equipment	**853**	60
Write off of property, plant and equipment	**327**	294
Loss/(gain) on disposal of an associate	**2,349**	(71)
Gain on disposal of other investment	**(78)**	–
Gain on disposal of a subsidiary	**–**	(328)
Impairment loss on intangible assets	**3,398**	–
Impairment loss on investment in an associate	**–**	600
Fair value loss on other investment	**–**	180
Government grant income	**(1,594)**	(3,326)
Provision made/(reversed) for:		
- site restoration	**552**	613
- warranties	**(98)**	1,068
Legal and professional fees	**9,240**	9,016
Settlement of arbitration	**–**	26,700
Staff costs, materials, overheads and depreciation expense included in research and development costs	**23,684**	24,350

Included in the "settlement of arbitration" in 2023 are the expenses relating to an arbitration (the "Arbitration"). In July 2023, the Group reached a settlement with the complainants to the Arbitration of all matters disputed in the Arbitration by, inter alia, paying to the complainants a total settlement amount of US$20,000,000 ($26,700,000).

26 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	
	2024	2023
	$'000	$'000
Basic and diluted earnings per share has been based on:		
Profit/(loss) attributable to ordinary shareholders	**11,438**	(1,237)

26 Earnings per share (Continued)

Weighted average number of ordinary shares

	Group	
	2024	2023
	'000	'000
Issued ordinary shares at 1 January (excluding treasury shares)	**308,902**	308,753
Bonus issue	**1,764**	–
Issue of new ordinary shares	**280**	80
Effect of performance shares issued	**282**	325
Effect of own shares held	**–**	(301)
Weighted average number of ordinary shares (basic) during the year	**311,228**	308,857

Weighted average number of ordinary shares (diluted)

	Group	
	2024	2023
	'000	'000
Weighted average number of ordinary shares (basic)	**311,228**	308,857
Effect of share options on issue	**892**	1,481
Effect of performance shares granted but not issued	**1,475**	459
Weighted average number of ordinary shares (diluted) during the year	**313,595**	310,797

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.

27 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, there were the following transactions with related parties:

	Group	
	2024	2023
	$'000	$'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	
	2024	2023
	$'000	$'000
Short-term employee benefits	**3,232**	3,287
Share-based payment	**1,368**	1,064
Post-employment benefits	**85**	119
	4,685	4,470
Directors' fees	**811**	811

28 Segment information

Segment information is presented based on the information reviewed by chief operating decision makers ("CODM") for performance assessment and resource allocation.

In conjunction with the completion of several acquisitions in recent years and on-going integration of businesses, the Group changed the way management monitors the performance of the business and determined that the following business segments are more reflective of the Group's operations for the purposes of 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 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 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	**INS**	**CM**	**Others**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'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	**(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**	**(9,166)**	**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**

28 Segment information (Continued)

	TCS $'000	INS $'000	CM $'000	Others $'000	Total $'000
2023					
Revenue from external parties	271,475	7,464	202,344	–	481,283
Inter-segment revenue	–	–	11,759	(11,759)	–
Total segment revenue	271,475	7,464	214,103	(11,759)	481,283
Depreciation and amortisation	(16,424)	(2,890)	(2,104)	(4,308)	(25,726)
Finance income	852	19	595	–	1,466
Finance costs	(6,432)	(1)	(475)	(83)	(6,991)
Tax (expense)/credit	(4,346)	(19)	(5,106)	721	(8,750)
Share of loss of equity-accounted investee	–	–	–	(641)	(641)
Profit/(loss) for the year	11,508	(2,125)	22,461	(33,008)	(1,164)
Reportable segment assets	434,518	36,396	179,747	56,866	707,527
Reportable segment liabilities	167,905	6,889	52,088	6,259	233,141
Other segment information					
Expenditure for non-current assets	30,388	3,761	2,505	5	36,659

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.

	2024		2023	
	Revenue $'000	**Non-current assets $'000**	Revenue $'000	Non-current assets $'000
Singapore	**78,275**	**134,812**	82,172	148,859
China	**17,185**	**38**	29,375	91
Costa Rica	**24,640**	**163**	50,669	198
Finland	**3,965**	**5,475**	14,390	6,345
France	**1,423**	**9,812**	1,855	11,220
Germany	**6,334**	**–**	24,444	–
Ireland	**7,528**	**–**	12,928	–
Malaysia	**116,273**	**13,068**	106,866	23,002
Republic of Korea	**6,610**	**14,269**	8,732	15,696
United Kingdom	**6,169**	**–**	14,013	–
United States of America	**61,731**	**9,037**	95,869	8,461
Vietnam	**22,323**	**609**	15,817	641
Other countries	**27,954**	**1,910**	24,153	2,194
	380,410	**189,193**	481,283	216,707

Major customers

Revenue from one customer of the Group's Test Cell Solutions segment represents approximately $189,245,000 (2023: $238,772,000) of the Group's total revenues.

29 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.

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 79% (2023: 59%) 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	
	2024 $'000	2023 $'000
Group		
Trade receivables	**126,369**	42,545
Other receivables	**9,334**	7,876
Amount due from a related party	**933**	1,083
Contract assets	**776**	1,582
	137,412	53,086

29 Financial risk management (Continued)

	Credit impaired	Gross $'000	Loss allowance $'000	Net carrying amount $'000
Group				
31 December 2024				
Trade receivables	**No**	**126,369**	**–**	**126,369**
Trade receivables	**Yes**	**57**	**(57)**	**–**
Other receivables	**No**	**9,334**	**–**	**9,334**
Amounts due from a related party	**No**	**933**	**–**	**933**
		136,693	**(57)**	**136,636**
31 December 2023				
Trade receivables	No	42,545	–	42,545
Trade receivables	Yes	136	(136)	–
Other receivables	No	7,876	–	7,876
Amounts due from a related party	No	1,083	–	1,083
		51,640	(136)	51,504
Company				
31 December 2024				
Amounts due from subsidiaries:				
- Trade	**No**	**32,165**	**–**	**32,165**
- Non-trade	**No**	**76,594**	**–**	**76,594**
		108,759	**–**	**108,759**
31 December 2023				
Amounts due from subsidiaries:				
- Trade	No	21,685	–	21,685
- Non-trade	No	53,123	–	53,123
		74,808	–	74,808

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:

	2024 $'000	2023 $'000
Group		
Balance at 1 January	**136**	160
Impairment loss reversed	**(79)**	(24)
Balance at 31 December	**57**	136

Movements in allowance for impairment in respect of trade amounts due from subsidiaries

The movement in the allowance for impairment in respect of trade amounts due from subsidiaries during the year was as follows:

	2024 $'000	2023 $'000
Company		
Balance at 1 January	**–**	1,421
Impairment loss reversed	**–**	(1,421)
Balance at 31 December	**–**	–

29 Financial risk management (Continued)

Non-trade amounts due from subsidiaries and a related party

The Group held non-trade receivable from a related party of $933,000 (2023: $1,083,000). 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 $76,594,000 (2023: $53,123,000). 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.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $43,775,000 and $3,299,000, respectively at 31 December 2024 (2023: $101,849,000 and $33,240,000 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.

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group					
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)**
31 December 2023					
Lease liabilities	34,352	(35,705)	(8,189)	(17,831)	(9,685)
Secured bank loans	4,154	(4,267)	(3,958)	(309)	–
Unsecured bank loans	87,849	(90,425)	(73,921)	(16,504)	–
Trade and other payables	66,750	(66,750)	(66,147)	(603)	–
	193,105	(197,147)	(152,215)	(35,247)	(9,685)
Company					
31 December 2024					
Lease liabilities	**67**	**(69)**	**(69)**	**–**	**–**
Trade and other payables	**5,283**	**(5,283)**	**(5,283)**	**–**	**–**
	5,350	**(5,352)**	**(5,352)**	**–**	**–**
31 December 2023					
Trade and other payables	4,282	(4,282)	(4,282)	–	–

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.

29 Financial risk management (Continued)

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.

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:

	2024		2023	
	SGD	**USD**	SGD	USD
	$'000	**$'000**	$'000	$'000
Group				
Trade and other receivables	**965**	**22,850**	3,219	25,566
Cash and cash equivalents	**4,559**	**13,656**	3,142	23,824
Trade and other payables	**(4,219)**	**(14,563)**	(4,445)	(19,386)
Unsecured bank loan	**(69,000)**	**–**	(86,500)	–
	(67,695)	**21,943**	(84,584)	30,004
Company				
Cash and cash equivalents	**–**	**2,013**	–	2,195

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 2023.

	Group		**Company**	
	Profit before tax		**Profit before tax**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
SGD	**6,770**	8,458	**–**	–
USD	**(2,194)**	(3,000)	**(201)**	(220)

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.

29 Financial risk management (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:

	Group	
	2024	2023
Net assets	**$'000**	$'000
USD	**368,406**	307,438
MYR	**70,620**	68,541
RMB	**963**	613
EUR	**22,116**	24,802
KRW	**11,423**	11,668

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 2023.

	Group	
	2024	2023
	$'000	$'000
USD	**(36,841)**	(30,744)
MYR	**(7,062)**	(6,854)
RMB	**(96)**	(61)
EUR	**(2,212)**	(2,480)
KRW	**(1,142)**	(1,167)

Interest rate risk

Managing interest rate benchmark reform and associated risks

Overview

The Group's revolving credit facilities offered by the bank was compounded with SORA. Interest rate risks 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 2023.

	Group	
	Profit before tax	
	2024	2023
	$'000	$'000
Unsecured bank loan	**(345)**	(433)

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.

29 Financial risk management (Continued)

Accounting classification and fair values

Other than other investments, deferred and contingent consideration that is classified as mandatorily at FVTPL and measured at fair value, 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.

Other than the measurement of the fair value of other investments, deferred and contingent consideration as described below, 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.

Measurement of fair value

Other investments

Other investments is derived based on its net asset value. The net asset value reasonably approximates fair value as the underlying investments are measured at fair value using the market comparison technique.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group	
	2024	2023
	$'000	$'000
At 1 January	**5,785**	6,059
Disposal	**(5,819)**	–
Fair value through profit or loss	**–**	(180)
Translation adjustment	**34**	(94)
At 31 December	**–**	5,785

Contingent consideration

In prior year, there was a contingent consideration of $1,477,000 that was measured at fair value (Level 3). The following table shows the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used. The contingent consideration has been fully settled during the year, nil contingent consideration as at the reporting date.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group and Company Contingent consideration	*Discounted cash flow:* The fair value is estimated considering (i) quoted prices for the Group's listed securities and (ii) the probability of achieving targets for the remaining years based on the present value of expected future cash flows from the test and measurement solutions segment, discounted using a risk-adjusted discount rate.	• Expected cash flows • Probability of achieving targets	The estimated fair value would decrease if the expected cash flows were lower, resulting in the targets not achieved.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
At 1 January	**–**	1,477	**–**	1,477
Payment of cash consideration	**–**	(997)	**–**	(997)
Reversal of contingent consideration	**–**	(480)	**–**	(480)
At 31 December	**–**	–	**–**	–

30 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 14 MARCH 2025

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	583	5.33	19,683	0.01
100 - 1,000	1,153	10.54	508,435	0.16
1,001 - 10,000	6,306	57.64	24,768,065	7.91
10,001 - 1,000,000	2,877	26.29	98,159,376	31.36
1,000,001 AND ABOVE	22	0.20	189,565,927	60.56
TOTAL	**10,941**	**100.00**	**313,021,486**	**100.00**

Number of issued shares	:	315,761,551
Number of issued shares (excluding treasury shares)	:	313,021,486
Number/Percentage of Treasury Shares	:	2,740,065 (0.87%)
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 14 March 2025, approximately 65.40% 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	VENEZIO INVESTMENTS PTE LTD	39,012,563	12.46
2	RAFFLES NOMINEES (PTE.) LIMITED	34,414,946	10.99
3	DBS NOMINEES (PRIVATE) LIMITED	30,752,264	9.82
4	CITIBANK NOMINEES SINGAPORE PTE LTD	13,770,127	4.40
5	TOH BAN LENG JAMES	10,100,000	3.23
6	PHILLIP SECURITIES PTE LTD	9,740,774	3.11
7	MAYBANK SECURITIES PTE. LTD.	7,775,264	2.48
8	IFAST FINANCIAL PTE. LTD.	5,077,551	1.62
9	DBSN SERVICES PTE. LTD.	4,725,945	1.51
10	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,068,481	1.30
11	OCBC SECURITIES PRIVATE LIMITED	4,052,874	1.29
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,996,728	1.28
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,862,555	1.23
14	UOB KAY HIAN PRIVATE LIMITED	3,382,848	1.08
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,621,455	0.84
16	HSBC (SINGAPORE) NOMINEES PTE LTD	2,334,481	0.75
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,251,739	0.72
18	LIM & TAN SECURITIES PTE LTD	2,135,110	0.68
19	ONG ENG BOON	1,878,600	0.60
20	ABN AMRO CLEARING BANK N.V.	1,300,839	0.42
	TOTAL	**187,255,144**	**59.81**

SUBSTANTIAL SHAREHOLDERS

NAME OF SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
Venezio Investments Pte. Ltd. ("Venezio")	39,012,563	12.46	–	–
Napier Investments Pte. Ltd. ("Napier") [(1)]	–	–	39,012,563	12.46
Tembusu Capital Pte. Ltd. ("Tembusu") [(1)]	–	–	39,012,563	12.46
Temasek Holdings (Private) Limited ("Temasek") [(1)]	–	–	39,012,563	12.46
Employees Provident Fund Board ("EPF")	–	–	29,774,844	9.51
abrdn plc ("abrdn") [(2)]	–	–	18,562,200	5.93

(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.

(2) abrdn is the parent company of its subsidiaries (the "abrdn Group") on behalf of the accounts managed by the abrdn Group. abrdn is deemed interested in the shares held under the accounts managed by the abrdn Group.

NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting (the **"AGM"**) of AEM Holdings Ltd. (the "**Company**") will be held at The SingPost Auditorium, Singapore Post Centre, 10 Eunos Road 8 #05-30, Singapore 408600 on Wednesday, 23 April 2025 at 3.00 p.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 2024 together with the Auditors' Report thereon. Resolution 1

2. To re-elect the following Director retiring pursuant to the Company's Constitution: Resolution 2

   Mr. James Toh Ban Leng (Regulation 109)

3. To re-elect the following Director retiring pursuant to the Company's Constitution: Resolution 3

   Ms. Chou Yen Ning @ Alice Lin (Regulation 109)

4. To re-elect the following Director retiring pursuant to the Company's Constitution: Resolution 4

   Mr. André Andonian (Regulation 109)

5. To approve the Directors' fees of up to S$900,000 (FY2024: actual paid S$811,000) for the financial year ending 31 December 2025, for payment on a quarterly basis in arrears. Resolution 5

6. To re-appoint KPMG LLP as the Auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 6

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without modifications:

7. **Proposed General Share Issue Mandate** Resolution 7

"That pursuant to Section 161 of the Companies Act 1967 ("**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))

8. **Share Purchase Mandate Renewal** Resolution 8

"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))

9. **Proposed Specific Share Issue Mandate - AEM Restricted Share Plan 2024** Resolution 9

"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 Ordinary Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

(See Explanatory Note (iii))

10. **Proposed Specific Share Issue Mandate - AEM Performance Share Plan 2017** Resolution 10

"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 Ordinary Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

(See Explanatory Note (iv))

11. To transact any other business which may be properly transacted at an Annual General Meeting.

Explanatory Notes:

(i) The proposed Ordinary Resolution 7 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 8 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 8 above). Detailed information on the Share Purchase Mandate (as defined in Resolution 8 above) is set out in the Letter to Shareholders dated 7 April 2025.

Please refer to the Letter to Shareholders dated 7 April 2025 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 9 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 7 and the specific authority to issue shares sought under Ordinary Resolution 10.

(iv) The proposed Ordinary Resolution 10 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 7 and the specific authority to issue shares sought under Ordinary Resolution 9.

By Order of the Board

Kevin Cho
Company Secretary

Date: 7 April 2025

Notes:

1. This AGM will be held, in a wholly physical format at The SingPost Auditorium, Singapore Post Centre, 10 Eunos Road 8 #05-30, Singapore 408600 at 3.00 p.m. (Singapore Time). **There will be no option for the members to participate virtually**.

   Printed copies of the Notice of AGM and the Proxy Form will not be sent by post to members. Instead, these documents will be sent to members by electronic means via publication on the Company's corporate website at the URL https://www.aem.com.sg/announcements and SGX's website at the URL https://www.sgx.com/securities/company-announcements ("**SGXNet**").

2. 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 CPF/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 to vote on their behalf at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by at least seven (7) working days prior to the date of the AGM (i.e., by 5.00 p.m. on 10 April 2025). 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 prior to the AGM (i.e., by 5.00 p.m. on 10 April 2025), if they wish to vote.

3. 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 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.

4. A proxy need not be a member of the Company. Member can choose to appoint the Chairman of the AGM as his/her/its proxy.

5. Members who wish to submit questions related to the resolutions being tabled for approval at the AGM will need to submit such questions in advance of the AGM (no later than 5.00 p.m. on 15 April 2025) in the following manner:

   (a) by email to srs.proxy@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 corporate website at the URL https://www.aem.com.sg/announcements and SGX's website at the URL https://www.sgx.com/securities/company-announcements by no later than 3.00 p.m. on 18 April 2025.

   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.

6. A member wishing to submit the instrument appointing a proxy ("**Proxy Form**") must first download, complete and sign it as specified in Note 7 below. The Proxy Form may be accessed at the Company's corporate website at the URL https://www.aem.com.sg/announcements and the SGX's website at the URL https://www.sgx.com/securities/company-announcements. The Proxy Form, along with any power of attorney or other authority under which it is signed (if applicable), or a certified copy of such authorisation must:

   (a) if sent personally or by post, be lodged at the office of 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 Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com.

   in either case, by no later than 3.00 p.m. on 20 April 2025, failing which the Proxy Form shall not be treated as valid.

7. (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.

8. 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 appointer, 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.

9. Completion and return of the Proxy Form does not preclude a member from attending, speaking and voting at the AGM. The appointment of proxy(ies) 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.

10. 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.

Personal data privacy:

By submitting an instrument appointing 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.

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. James Toh Ban Leng, Ms. Chou Yen Ning @ Alice Lin and Mr. André Andonian, all of whom are seeking re-election as Directors at 2025 Annual General Meeting is set out below:

	Mr. James Toh Ban Leng	**Ms. Chou Yen Ning @ Alice Lin**	**Mr. André Andonian**
Date of Appointment	5 April 2018	1 November 2021	1 July 2022
Date of Last Re-Appointment (if applicable)	27 April 2023	28 April 2022	27 April 2023
Age	60	57	62
Country of Principal Residence	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. James Toh Ban Leng as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (she abstained from deliberating her own re-election) proposes to the Company's shareholders to approve the re-election of Ms. Chou Yen Ning @ Alice Lin 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. André Andonian as Director of the Company.
Whether the appointment is executive, and if so the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title	Lead Independent Director • Chairman of Remuneration Committee • Member of Audit and Risk Management Committee • Member of Nominating Committee	Independent Director • Chairman of Audit and Risk Management Committee	Independent Director • Chairman of Nominating Committee • Member of Strategy Committee
Professional Qualifications	• Bachelor of Science degree in physics with electrical engineering - M.I.T. • Master of Business Administration - MBA, Wharton School of the University of Pennsylvania • Master's degree in Sustainable Building Design and BCA from the University of Nottingham	• Bachelor of Science in Finance and Business Administration, UC Berkeley Haas School of Business • Diploma in Market Leadership Programme, INSEAD • Singapore Institute of Directors (Director Accredited) • Certificate from Stanford Law School Director's College	• Master of Business Administration – MBA (Distinction), Fullbright Scholar, The Wharton School of the University of Pennsylvania • Master's and Bachelor's Degrees Summa Cum Laude - Social, Economics, and Management Sciences, University of Economics Vienna • Bachelor's in TeleCom Engineering & Electronics with Distinction, Federal Engineering College Moedling.

	Mr. James Toh Ban Leng	**Ms. Chou Yen Ning @ Alice Lin**	**Mr. André Andonian**
Working Experience and occupation(s) in the past 10 years	• Managing Director of ACT Holdings Pte Ltd (up to Feb 2022) • Managing Director of Axon Alpha Advisors Pte Ltd (Feb 2022 to date), a 100% owned subsidiary of ACT Holdings Pte Ltd • Co-founder and Non-Executive Director of Novo Tellus Capital Partners Pte Ltd	• 2017-2021: Founding board member and chair of Asian University for Women Support Foundation, Singapore • 2016-Present: Investor and Director in Green Mountains Investments Pte. Ltd. • 2008-2015: Board of Directors for Oracle Corporation Singapore Pte. Ltd. and other Oracle Corporation M&A subsidiaries in Asia Pacific. Key member of Ethics and Compliance Committee, Vice President of Finance (CFO) for Oracle Asia Pacific	• McKinsey & Company: o June 2022 to present: Senior Advisor, Senior Partner Emeritus o January 2021 to June 2022: Managing Partner, South Korea & Chairman, Japan o January 2016 to December 2020: Managing Partner, Japan o September 2010 to April 2016: Founder & Global Leader, Advanced Industries Sector o July 2005 to June 2020: Member of the Shareholders Council (Global Board of Directors) (multiple terms) • Flagship Pioneering: o Sept 2023 to present: Chair Asia Pacific and Strategic Advisor
Shareholding interest in the listed issuer and its subsidiaries (as at 14 March 2025)	Direct interest: 10,100,000 Deemed interest: 1,208,739	Direct interest: Nil Deemed interest: 5,050	Direct interest: 272,700 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
Conflict of Interest (including any competing business)	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
Other principal commitments including directorships			
Past (for the last 5 years)	• Charlton Residences Pte. Ltd. • Empire Lofts Pte. Ltd. • Greenview Residences Pte. Ltd. • Surindipity Pte. Ltd. • Urban Lofts Pte. Ltd.	• Chairman and Founding Board Member of Asian University for Women Support Foundation (Singapore) • Director of Mongolia Investments Pte. Ltd. • Director of JR Global Marketing Pte. Ltd.	• Board of Governors American Chamber of Commerce, South Korea • Board of Advisors Technical University of Munich ("TUM")

		Mr. James Toh Ban Leng	Ms. Chou Yen Ning @ Alice Lin	Mr. André Andonian
Present		• Novo Tellus Capital Partners Pte. Ltd. • ACT Holdings Pte. Ltd. and its subsidiaries/ associates, viz: o Axon Alpha Advisors Pte. Ltd. o ACT Seaview Homes Pte. Ltd. o Aspen Development Pte. Ltd. o Aspen Management Pte. Ltd. (in voluntary member's liquidation) o Casa Camborne Pte. Ltd. o Murray Prince Pte. Ltd. o Wan Chun Capital Pte. Ltd. o Brink Creative Co Pte. Ltd. (Dormant)	• Director of JR Global Training Pte. Ltd. • Director of JR Global Training Ltd. • Director of Green Mountains Investments Pte. Ltd. • Director of Green Mountains Investments Ltd.	• Independent Director at Analog Devices (ADI), Chair of Compensation and Talent and Member of the Corporate Development Committees • Non-Executive Chair of two private companies (Cognaize and Invaio Sciences) • Chairman of Board of Trustees of Foundation for Armenian Science and Technology (FAST)
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
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

		Mr. James Toh Ban Leng	Ms. Chou Yen Ning @ Alice Lin	Mr. André Andonian
c	Whether there is any unsatisfied judgment against him?	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
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
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
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

		Mr. James Toh Ban Leng	Ms. Chou Yen Ning @ Alice Lin	Mr. André Andonian
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
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
j	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (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
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

AEM HOLDINGS LTD.
Company Registration No: 200006417D
(Incorporated in the Republic of Singapore)

IMPORTANT
1. This Annual General Meeting ("AGM") will be held in a wholly physical format at The SingPost Auditorium, Singapore Post Centre, 10 Eunos Road 8 #05-30, Singapore 408600 on Wednesday, 23 April 2025 at 3.00 p.m. (Singapore Time). **There will be no option for the members to participate virtually**. Printed copies of the Notice of AGM and this Proxy Form will not be sent by post to members. Instead, these documents will be sent to members by electronic means via publication on the Company's corporate website at https://www.aem.com.sg/announcements and will also be made available on SGX's website at https://www.sgx.com/securities/company-announcements.
2. 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 10 April 2025.
3. 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 7 April 2025.

PROXY FORM

I/We, (name) ____________________

with NRIC/Passport No./ 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 The SingPost Auditorium, Singapore Post Centre, 10 Eunos Road 8 #05-30, Singapore 408600 on Wednesday, 23 April 2025 at 3.00 p.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	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024			
2	Re-election of Mr. James Toh Ban Leng as Director			
3	Re-election of Ms. Chou Yen Ning @ Alice Lin as Director			
4	Re-election of Mr. André Andonian as Director			
5	Approval of Directors' fees for the financial year ending 31 December 2025			
6	Re-appointment of KPMG LLP as Auditors			
7	General Share Issue Mandate			
8	Share Purchase Mandate Renewal			
9	Specific Share Issue Mandate – AEM Restricted Share Plan 2024			
10	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. Further, please note that the Chairman's appointment as your proxy shall become invalid if no voting instruction is specified.

Dated this ________ day of ____________________ 2025

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

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 concern 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.

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 authorisation, 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 3.00 p.m. on 20 April 2025, 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 appointer, 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 10 April 2025).

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.

Published by
AEM Holdings Ltd.

For additional information about AEM, visit
www.aem.com.sg