

SGXNET Announcement



AEM Holdings Ltd.
(Registration No. 200006417D)

INTERNAL STOCK-TAKING EXERCISE – SHORTFALL IN INVENTORIES

The Board of Directors (the “**Board**”) of AEM Holdings Ltd. (the “**Company**” or “**AEM**”, and together with its subsidiaries, the “**Group**”) wishes to announce that a shortfall in the Group’s inventories has been uncovered as a result of its year-end 2023 internal stock-taking exercise.

The Board refers to the AEM Investor Update dated 9 November 2023, in which it was stated that the Group’s inventories as at end September 2023 was S\$358.6 million. While the internal stock-taking exercise has not yet concluded and is presently still on-going and taking into account the ordinary and usual course of inventory movement, the preliminary estimate suggests that the Group’s inventories are anticipated to be between 5% to 7% lower than the September 2023 figure that was previously announced in the AEM Investor Update dated 9 November 2023. The initial investigation into this issue attributes the shortfall to human error in transactions with the Group’s ERP system during the migration of production to the Group’s Penang facility from Singapore. These errors were not detected by the existing controls and processes that are in place. As a result of the Company’s initial findings, it has embarked on a process to review its inventory and stock monitoring and tracking processes and systems.

The Company anticipates that the shortfall will have a negative impact on the Group’s profitability for the year ending 31 December 2023. The Company will issue its unaudited condensed interim financial statements for the full year ending 31 December 2023, which the Company is required under Rule 705 of the Listing Manual to announce on or before 29 February 2024.

For clarity, the internal stock-taking exercise was an internal exercise undertaken by the Group and is not part of the audit of the Company’s accounts by the external auditors of the Company.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution in dealing in the shares of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers.

By Order of the Board

Chandran Nair
Chief Executive Officer
14 January 2024