



AEM HOLDINGS LTD.
Incorporated in the Republic of Singapore
(REGISTRATION NO. 200006417D)

AEM Holdings Ltd. and its Subsidiaries

Unaudited Condensed Interim Financial Statements
For the six months and full year ended 31 December 2021

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AEM HOLDINGS LTD.
(REGISTRATION NO. 200006417D)

Condensed interim financial statements for the six months and full year ended 31 December 2021

These statements for the six months and full year ended 31 December 2021 have not been audited.

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

	Note	Group					
		6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	Change* %	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000	Change* %
Revenue	4	373,211	245,260	52%	565,462	518,959	9%
Cost of sales		(251,988)	(169,352)	49%	(378,813)	(351,521)	8%
Gross profit		121,223	75,908	60%	186,649	167,438	12%
Other income		1,051	1,455	(28%)	2,430	3,945	(38%)
Research & development expenses		(13,318)	(4,931)	170%	(19,935)	(11,441)	74%
Selling, general & administrative expenses		(35,469)	(24,206)	47%	(58,674)	(45,932)	28%
Foreign exchange gain/(loss), net		2,145	(1,761)	NM	1,891	(803)	NM
Other expenses		(280)	(51)	471%	(538)	(49)	998%
Results from operating activities		75,352	46,414	62%	111,823	113,158	(1%)
Finance income		295	302	(2%)	404	672	(40%)
Finance costs		(862)	(129)	568%	(1,729)	(224)	672%
Net finance (costs)/income		(567)	173	NM	(1,325)	448	NM
Share of equity-accounted investees' profit/(loss), net of tax		847	(62)	NM	644	199	224%
Profit before tax	6	75,632	46,525	63%	111,142	113,805	(2%)
Tax expense	7	(13,237)	(4,222)	214%	(19,051)	(16,218)	17%
Profit for the period		62,395	42,303	47%	92,091	97,587	(6%)
Profit attributable to:							
Owners of the Company		62,395	42,303	47%	91,951	97,587	(6%)
Non-controlling interests		-	-	NM	140	-	NM
Profit for the period		62,395	42,303	47%	92,091	97,587	(6%)
Earnings per share for profit for the period attributable to the owners of the Company:							
Basic (SGD in cent)	8	20.78	15.36	35%	31.77	35.49	(10%)
Diluted (SGD in cent)	8	20.67	15.20	36%	31.59	35.12	(10%)

Note:

*Increase/(decrease)

NM: Not meaningful

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

	Group					
	6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	Change*	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000	Change*
			%			%
Other comprehensive income/(loss)						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation difference	1,475	(5,773)	NM	1,053	(4,497)	NM
Share of foreign currency translation difference of equity-accounted investees	(72)	(215)	(67%)	(153)	(91)	68%
Other comprehensive income/(loss) for the period, net of tax	1,403	(5,988)	NM	900	(4,588)	NM
Total comprehensive income for the period	63,798	36,315	76%	92,991	92,999	-
Total comprehensive income attributable to:						
Owners of the Company	63,798	36,315	76%	92,856	92,999	-
Non-controlling Interests	-	-	NM	135	-	NM
Total comprehensive income for the period	63,798	36,315	76%	92,991	92,999	-

Note:

* Increase/(decrease)

NM: Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Property, plant and equipment	12	26,122	8,127	23	29
Right-of-use assets		17,767	9,509	–	–
Intangible assets	11	96,882	46,646	44	–
Interests in subsidiaries		–	–	42,986	42,986
Investment in associates		15,887	4,680	4,667	4,667
Other investment		2,607	–	–	–
Deferred tax assets		1,121	168	19	19
Non-current assets		160,386	69,130	47,739	47,701
Inventories	13	204,926	79,676	–	–
Contract cost		373	1,234	–	–
Trade and other receivables		127,941	47,571	31,400	9,316
Contract assets		692	3,123	–	–
Cash and cash equivalents		216,180	134,785	115,794	8,944
Current assets		550,112	266,389	147,194	18,260
Total assets		710,498	335,519	194,933	65,961
Equity					
Share capital	15	187,197	50,727	187,197	50,727
Reserves		(19,113)	(226)	(5,146)	6,570
Accumulated profits/(losses)		234,430	160,929	2,375	(6,335)
Total equity attributable to owners of the Group		402,514	211,430	184,426	50,962
Liabilities					
Financial liabilities	14	60,771	6,310	–	–
Trade and other payables		1,563	3,050	1,563	2,581
Deferred tax liabilities		8,044	3,073	–	–
Provisions		–	871	–	–
Defined benefit obligations		959	–	–	–
Non-current liabilities		71,337	13,304	1,563	2,581
Financial liabilities	14	20,502	4,977	–	–
Trade and other payables		181,048	83,658	6,920	9,957
Contract liabilities		11,861	2,806	–	–
Current tax payable		18,815	17,854	2,024	2,461
Provisions		4,421	1,490	–	–
Current liabilities		236,647	110,785	8,944	12,418
Total liabilities		307,984	124,089	10,507	14,999
Total equity and liabilities		710,498	335,519	194,933	65,961

C. Condensed interim statements of changes in equity

		Attributable to owners of the Company								
		Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group	Note									
At 1 January 2020		45,786	(2,632)	2,148	5,808	(2,356)	85,582	134,336	-	134,336
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	97,587	97,587	-	97,587
Other comprehensive income/(loss)										
Foreign currency translation difference		-	-	-	-	(4,497)	-	(4,497)	-	(4,497)
Share of foreign currency translation difference of equity-accounted investee		-	-	-	-	(91)	-	(91)	-	(91)
Total comprehensive income for the year		-	-	-	-	(4,588)	97,587	92,999	-	92,999
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Own shares acquired	15	-	(2,864)	-	-	-	-	(2,864)	-	(2,864)
Treasury shares reissued pursuant to settlement of deferred and contingent consideration	15	-	270	443	-	-	-	713	-	713
Issue of shares related to settlement of deferred and contingent consideration	15	2,248	-	78	-	-	-	2,326	-	2,326
Issue of shares related to business combination	15	834	-	-	-	-	-	834	-	834
Treasury shares reissued pursuant to share plans	15	-	3,214	2,773	(4,403)	-	-	1,584	-	1,584
Share options exercised	15	1,859	-	-	-	-	-	1,859	-	1,859
Share-based payment transactions		-	-	-	1,883	-	-	1,883	-	1,883
Final dividend of 3.1 cents per share in respect of 2019	9	-	-	-	-	-	(8,508)	(8,508)	-	(8,508)
Interim dividend of 5.0 cents per share in respect of 2020	9	-	-	-	-	-	(13,732)	(13,732)	-	(13,732)
Total transactions with owners		4,941	620	3,294	(2,520)	-	(22,240)	(15,905)	-	(15,905)
At 31 December 2020		50,727	(2,012)	5,442	3,288	(6,944)	160,929	211,430	-	211,430

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

		Attributable to owners of the Company								
		Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group	Note									
At 1 January 2021		50,727	(2,012)	5,442	3,288	(6,944)	160,929	211,430	-	211,430
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	91,951	91,951	140	92,091
Other comprehensive income/(loss)										
Foreign currency translation difference		-	-	-	-	1,058	-	1,058	(5)	1,053
Share of foreign currency translation difference of equity-accounted investee		-	-	-	-	(153)	-	(153)	-	(153)
Total comprehensive income for the year		-	-	-	-	905	91,951	92,856	135	92,991
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Own shares acquired	15	-	(4,638)	-	-	-	-	(4,638)	-	(4,638)
Issue of shares related to settlement of deferred and contingent consideration	15	3,284	-	-	-	-	-	3,284	-	3,284
Issue of shares related to business combination	15	14,390	-	-	-	-	-	14,390	-	14,390
Treasury shares reissued pursuant to share plans	15	-	982	840	(1,822)	-	-	-	-	-
Share options exercised	15	2,576	-	-	-	-	-	2,576	-	2,576
Issue of shares related to private placement	15	110,952	-	(7,834)	-	-	-	103,118	-	103,118
Share-based payment transactions		-	-	-	756	-	-	756	-	756
Final dividend of 4.0 cents per share in respect of 2020	9	-	-	-	-	-	(11,248)	(11,248)	-	(11,248)
Interim dividend of 2.6 cents per share in respect of 2021	9	-	-	-	-	-	(7,342)	(7,342)	-	(7,342)
Total contributions by and distributions to owners of the Company		131,202	(3,656)	(6,994)	(1,066)	-	(18,590)	100,896	-	100,896
Changes in ownership interests in a subsidiary										
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	15,591	15,591
Issue of shares for acquisition of non-controlling interests	15	5,268	-	-	-	-	-	5,268	-	5,268
Acquisition of non-controlling interests without a change in control		-	-	(8,071)	-	(5)	140	(7,936)	(15,726)	(23,662)
Total changes in ownership interests in a subsidiary		5,268	-	(8,071)	-	(5)	140	(2,668)	(135)	(2,803)
Total transactions with owners		136,470	(3,656)	(15,065)	(1,066)	(5)	(18,450)	98,228	(135)	98,093
At 31 December 2021		187,197	(5,668)	(9,623)	2,222	(6,044)	234,430	402,514	-	402,514

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

	Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company						
At 1 January 2020	45,786	(2,632)	2,000	5,808	(10,092)	40,870
Total comprehensive income for the year	-	-	-	-	25,997	25,997
Transactions with owners, recognised directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Own shares acquired	15	(2,864)	-	-	-	(2,864)
Treasury shares reissued pursuant to settlement of deferred and contingent consideration	15	270	443	-	-	713
Issue of shares related to settlement of deferred and contingent consideration	15	2,248	78	-	-	2,326
Issue of shares related to business combination	15	834	-	-	-	834
Treasury shares reissued pursuant to share plans	15	-	2,773	(4,403)	-	1,584
Share options exercised	15	1,859	-	-	-	1,859
Share-based payment transactions		-	-	1,883	-	1,883
Final dividend of 3.1 cents per share in respect of 2019	9	-	-	-	(8,508)	(8,508)
Interim dividend of 5.0 cents per share in respect of 2020	9	-	-	-	(13,732)	(13,732)
Total transactions with owners		4,941	620	3,294	(2,520)	(15,905)
At 31 December 2020		50,727	(2,012)	5,294	3,288	(6,335)
						50,962

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

	Share capital	Reserve for own shares	Other reserves	Share compensation reserve	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company						
At 1 January 2021	50,727	(2,012)	5,294	3,288	(6,335)	50,962
Total comprehensive income for the year	-	-	-	-	27,300	27,300
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Own shares acquired	-	(4,638)	-	-	-	(4,638)
Issue of shares related to settlement of deferred and contingent consideration	3,284	-	-	-	-	3,284
Issue of shares related to business combination	14,390	-	-	-	-	14,390
Treasury shares reissued pursuant to share plans	-	982	840	(1,822)	-	-
Share options exercised	2,576	-	-	-	-	2,576
Issue of shares related to private placement	110,952	-	(7,834)	-	-	103,118
Share-based payment transactions	-	-	-	756	-	756
Final dividend of 4.0 cents per share in respect of 2020	-	-	-	-	(11,248)	(11,248)
Interim dividend of 2.6 cents per share in respect of 2021	-	-	-	-	(7,342)	(7,342)
Total contributions by and distributions to owners of the Company	131,202	(3,656)	(6,994)	(1,066)	(18,590)	100,896
Changes in ownership interests in a subsidiary						
Issue of shares for acquisition of non-controlling interests	5,268	-	-	-	-	5,268
Total transactions with owners	136,470	(3,656)	(6,994)	(1,066)	(18,590)	106,164
At 31 December 2021	187,197	(5,668)	(1,700)	2,222	2,375	184,426

Note

D. Condensed interim consolidated statement of cash flows

		Group			
		6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000
	Note				
Cash flows from operating activities					
		62,395	42,303	92,091	97,587
<i>Profit for the period</i>					
<i>Adjustments for:</i>					
		2,078	1,003	3,488	2,085
		3,598	1,775	5,820	4,060
		3,030	1,397	5,178	2,270
	11	16	76	39	76
	13	277	-	535	-
	6	567	(173)	1,325	(448)
	6	(522)	-	(522)	-
	6	-	-	(96)	-
		(158)	-	(158)	-
		(847)	62	(644)	(199)
		710	877	756	1,883
		542	1,814	542	1,814
	6	13,237	4,222	19,051	16,218
	7	84,923	53,356	127,405	125,346
<i>Changes in:</i>					
		(76,608)	22,067	(90,108)	(21,878)
		(360)	(1,243)	876	(1,243)
		(46,378)	5,960	(52,888)	(17,905)
		114	463	2,367	2,017
		100,375	(34,404)	75,993	10,093
		9,443	1,462	6,719	(1,491)
		2,136	871	1,974	1,192
		73,645	48,532	72,338	96,131
		(8,778)	(9,589)	(20,223)	(9,844)
		64,867	38,943	52,115	86,287
Net cash generated from operating activities					
Cash flows from investing activities					
	11	(9,238)	(1,330)	(12,490)	(1,995)
		295	302	404	672
		52	-	325	-
		-	-	1,525	-
		(1,622)	-	(1,622)	-
	12	(2,700)	(2,272)	(4,278)	(3,243)
		-	-	(2,551)	-
	17	(5,022)	-	(10,058)	-
	16	-	(17,080)	(56,479)	(25,205)
		(18,235)	(20,380)	(85,224)	(29,771)
Net cash used in investing activities					

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

		Group			
		6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000
	Note				
Cash flows from financing activities					
Interest paid		(1,149)	(113)	(1,729)	(192)
Repayment of borrowings		–	–	(464)	(594)
Payment of lease liabilities		(3,296)	(2,974)	(5,604)	(4,430)
Proceeds from borrowings		7,120	302	57,120	973
Purchase of treasury shares	15	(2,173)	(1,060)	(4,638)	(2,864)
Proceeds from exercise of share options		1,102	890	2,576	3,443
Dividends paid	9	(7,342)	(13,732)	(18,590)	(22,240)
Proceeds from issue of shares for private placement	18	103,118	–	103,118	–
Acquisition of subsidiary's interests from the non-controlling interests	16	–	–	(18,394)	–
Net cash generated from/(used in) financing activities		97,380	(16,687)	113,395	(25,904)
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of period		144,012	1,876	80,286	30,612
Effect of exchange rate fluctuations on cash held		70,862	137,921	134,785	107,676
Cash and cash equivalents at end of period		216,180	134,785	216,180	134,785

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

AEM Holdings Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company are those relating to an investment holding company. The principal activities of the Group are design and manufacturing of semiconductor manufacturing equipment and related tooling parts.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about 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 16 – identification of assets acquired and liabilities assumed in a business combination

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 13 – valuation of inventories
- Note 16 – measurement of fair value of the identifiable assets and liabilities for the subsidiary acquired

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal factors during the financial period.

4. Segment and revenue information

In conjunction with the completion of several acquisitions in recent years and on-going integration of businesses, the company 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")
- Instrumentation ("INS")
- Contract Manufacturing ("CM")
- Others

The change will be effective from 1 January 2021. The comparative year's information has been re-presented to align with the new segments.

4.1 Reportable Segments

S\$'000	TCS	INS	CM	Others	Total
1 July 2021 to 31 December 2021					
Revenue from external parties	290,683	3,027	79,501	-	373,211
Inter-segment revenue	-	-	2,434	(2,434)	-
Total segment revenue	290,683	3,027	81,935	(2,434)	373,211
Depreciation and amortisation	(3,885)	(1,014)	(920)	(2,887)	(8,706)
Finance income	285	-	9	1	295
Finance costs	(713)	(6)	8	(151)	(862)
Foreign exchange gain/ (loss), net	2,716	(457)	(114)	-	2,145
Segment profit/ (loss)	79,500	(4,205)	7,661	(8,171)	74,785
Share of equity-accounted investees' profit					847
Profit before tax					75,632
Tax expenses					(13,237)
Profit for the period					62,395
Expenditure for segment non-current assets					
Additions to property, plant & equipment and intangible assets	7,206	3,593	1,056	83	11,938

4.1 Reportable Segments (cont'd)

S\$'000	TCS	INS	CM	Others	Total
1 July 2020 to 31 December 2020					
Revenue from external parties	238,315	3,647	3,298	-	245,260
Inter-segment revenue	-	-	643	(643)	-
Total segment revenue	238,315	3,647	3,941	(643)	245,260
Depreciation and amortisation	(2,797)	(668)	(154)	(556)	(4,175)
Finance income	299	-	3	-	302
Finance costs	(85)	(11)	(1)	(32)	(129)
Foreign exchange (loss)/ gain, net	(1,781)	-	44	(24)	(1,761)
Segment profit/ (loss)	48,996	(1,004)	1,179	(2,584)	46,587
Share of equity-accounted investees' loss					(62)
Profit before tax					46,525
Tax expenses					(4,222)
Profit for the period					42,303
Expenditure for segment non-current assets					
Additions to property, plant & equipment and intangible assets	2,826	13	51	712	3,602

S\$'000	TCS	INS	CM	Others	Total
1 January 2021 to 31 December 2021					
Revenue from external parties	434,222	7,755	123,485	-	565,462
Inter-segment revenue	-	-	3,545	(3,545)	-
Total segment revenue	434,222	7,755	127,030	(3,545)	565,462
Depreciation and amortisation	(6,835)	(1,922)	(1,412)	(4,317)	(14,486)
Finance income	391	-	12	1	404
Finance costs	(1,507)	(13)	(34)	(175)	(1,729)
Foreign exchange gain/ (loss), net	2,384	(434)	(59)	-	1,891
Segment profit/ (loss)	114,033	(4,809)	10,395	(9,121)	110,498
Share of equity-accounted investees' profit					644
Profit before tax					111,142
Tax expenses					(19,051)
Profit for the period					92,091
Expenditure for segment non-current assets					
Additions to property, plant & equipment and intangible assets	8,106	7,084	1,265	313	16,768

4.1 Reportable Segments (cont'd)

S\$'000	TCS	INS	CM	Others	Total
As at 31 December 2021					
Segment assets	378,832	29,656	172,150	129,860	710,498
Segment liabilities	214,250	6,577	66,732	20,425	307,984

S\$'000	TCS	INS	CM	Others	Total
1 January 2020 to 31 December 2020					
Revenue from external parties	507,086	6,353	5,520	-	518,959
Inter-segment revenue	-	-	1,676	(1,676)	-
Total segment revenue	507,086	6,353	7,196	(1,676)	518,959
Depreciation and amortisation	(5,806)	(1,008)	(310)	(1,291)	(8,415)
Finance income	667	1	4	-	672
Finance costs	(180)	(11)	(1)	(32)	(224)
Foreign exchange (loss)/ gain, net	(842)	(1)	65	(25)	(803)
Segment profit/ (loss)	117,900	(2,512)	1,036	(2,818)	113,606
Share of equity-accounted investees' profit					199
Profit before tax					113,805
Tax expenses					(16,218)
Profit for the period					97,587
Expenditure for segment non-current assets					
Additions to property, plant & equipment and intangible assets	3,969	57	69	1,143	5,238

S\$'000	TCS	INS	CM	Others	Total
As at 31 December 2020					
Segment assets	291,894	20,739	5,900	16,986	335,519
Segment liabilities	98,864	4,958	2,316	17,951	124,089

4.2 Disaggregation of Revenue

Set out below is an overview of the revenue of the Group for the six months and full year ended 31 December 2021:

	Group			
	6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000
Types of goods or services:				
Sale of goods	353,675	232,207	535,014	489,571
Rendering of Services	19,536	13,053	30,448	29,388
Total revenue	373,211	245,260	565,462	518,959
Timing of revenue recognition:				
At a point in time	358,362	228,560	540,261	489,616
Over time	14,849	16,700	25,201	29,343
Total revenue	373,211	245,260	565,462	518,959
Geographic information:				
Singapore	34,988	2,470	53,707	3,417
Malaysia	81,759	70,169	132,161	140,787
China	43,681	40,164	51,449	68,504
USA	50,604	23,497	99,154	58,295
Vietnam	67,930	29,543	74,411	140,460
Germany	9,307	38	14,136	38
Costa Rica	70,760	72,882	107,762	90,853
Finland	5,905	1,378	8,160	4,210
France	662	364	1,851	1,500
United Kingdom	4,423	638	7,756	1,225
Other countries	3,192	4,117	14,915	9,670
Total revenue	373,211	245,260	565,462	518,959

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 S\$'000	31 December 2020 S\$'000	31 December 2021 S\$'000	31 December 2020 S\$'000
Financial assets				
Cash and bank balances	216,180	134,785	115,794	8,944
Trade and other receivables (financial assets)	123,841	45,642	31,209	9,024
Financial liabilities and trade and other payables				
Financial liabilities	81,273	11,287	-	-
Trade and other payables (financial liabilities)	157,596	64,349	6,127	7,821

6. Profit before tax

6.1 Significant items

	Group			
	6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000
Income				
Finance income	295	302	404	672
Foreign exchange gain, net	2,145	-	1,891	-
Government grant income	448	1,146	1,421	3,250
Gain on dilution of interests in an associate	522	-	522	-
Gain on disposal of an associate	-	-	96	-
Expenses				
Finance expenses	(862)	(129)	(1,729)	(224)
Foreign exchange loss, net	-	(1,761)	-	(803)
Depreciation and amortisation	(8,706)	(4,175)	(14,486)	(8,415)
Loss on disposal of property, plant and equipment	(277)	-	(535)	-
Remeasurement of deferred and contingent consideration	(542)	(1,814)	(542)	(1,814)
Legal and professional fees	(7,735)	(3,839)	(11,113)	(5,116)
Allowance for stock obsolescence	(16)	(76)	(39)	(76)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Tax expenses

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31 December 2021 ("2H2021") S\$'000	6 months ended 31 December 2020 ("2H2020") S\$'000	12 months ended 31 December 2021 ("FY2021") S\$'000	12 months ended 31 December 2020 ("FY2020") S\$'000
Current income tax expense	13,733	4,338	19,702	16,477
Deferred income tax expense relating to origination and reversal of temporary differences	(496)	(116)	(651)	(259)
	13,237	4,222	19,051	16,218

8. Earnings per share

	Group			
	6 months ended 31 December 2021 ("2H2021")	6 months ended 31 December 2020 ("2H2020")	12 months ended 31 December 2021 ("FY2021")	12 months ended 31 December 2020 ("FY2020")
Basic earnings per share (Singapore cents)	20.78 cents	15.36 cents	31.77 cents	35.49 cents
Weighted average number of ordinary shares ('000)	300,221	275,389	289,386	274,941
Diluted earnings per share (Singapore cents)	20.67 cents	15.20 cents	31.59 cents	35.12 cents
Weighted average number of ordinary shares adjusted for the effect of dilutive potential ('000)	301,889	278,336	291,054	277,888

9. Dividends

	Group	
	31	31
	December	December
	2021	2020
	S\$'000	S\$'000
Ordinary dividends paid:		
Final dividend of 3.1 cent per share paid in respect of 2019	-	8,508
Interim dividend of 5.0 cents per share in respect of 2020	-	13,732
Final dividend of 4.0 cent per share paid in respect of 2020	11,248	-
Interim dividend of 2.6 cents per share in respect of 2021	7,342	-
	18,590	22,240
Dividend per share, net of tax (Singapore cents)	6.6 cents	8.1 cents

10. Net asset value

	Group		Company	
	31	31	31	31
	December	December	December	December
	2021	2020	2021	2020
Net asset value per ordinary share (Singapore cents)	130.0 cents	76.7 cents	59.6 cents	18.5 cents

The calculation of net asset value per ordinary share was based on the existing share capital less treasury shares of 309,649,000 ordinary shares as at 31 December 2021 (31 December 2020: 275,558,000).

11. Intangible assets

	Group						Total S\$'000
	Goodwill S\$'000	Technology S\$'000	Customer relationships S\$'000	Computer software S\$'000	Development costs S\$'000	Other S\$'000	
At 31 December 2020							
Cost	29,250	10,626	3,452	5,265	4,549	396	53,538
Accumulated amortisation	-	(1,269)	(714)	(4,138)	(743)	(28)	(6,892)
Carrying amount	29,250	9,357	2,738	1,127	3,806	368	46,646
12 months ended 31 December 2021							
Opening carrying amount	29,250	9,357	2,738	1,127	3,806	368	46,646
Additions	-	-	-	460	11,792	238	12,490
Acquisition through business combination	26,795	-	16,327	-	-	-	43,122
Amortisation charge	-	(203)	(2,442)	(794)	(1,602)	(137)	(5,178)
Reclassification from property, plant and equipment	-	-	-	-	431	-	431
Translation adjustment	19	(222)	(135)	28	(351)	32	(629)
Closing carrying amount	56,064	8,932	16,488	821	14,076	501	96,882
At 31 December 2021							
Cost	56,064	10,391	19,649	5,777	16,526	614	109,021
Accumulated amortisation	-	(1,459)	(3,161)	(4,956)	(2,450)	(113)	(12,139)
Carrying amount	56,064	8,932	16,488	821	14,076	501	96,882

	Company Computer software S\$'000
At 31 December 2020	
Cost	1,190
Accumulated amortisation	(1,190)
Carrying amount	-
12 months ended 31 December 2021	
Opening carrying amount	-
Additions	45
Amortisation charge	(1)
Closing carrying amount	44
At 31 December 2021	
Cost	1,235
Accumulated amortisation	(1,191)
Carrying amount	44

11.1 Goodwill impairment

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

	Group	
	31 December 2021 S\$'000	31 December 2020 S\$'000
Test Cell Solutions (TCS)	19,371	19,189
Test and Measurement Solution (TMS)*	1,230	1,230
Automatic Test Equipment (ATE)*	8,668	8,831
Contract Manufacturing (CM)	26,795	-
	56,064	29,250

*These CGUs were grouped under Instrumentation segment

Test Cell Solutions (TCS)

The recoverable amount of this CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The estimated recoverable amount of the CGU is higher than the carrying value of the CGU.

Test and Measurement Solution (TMS)

The recoverable amount of this CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The estimated recoverable amount of the CGU is higher than the carrying value of the CGU.

Automatic Test Equipment (ATE)

The recoverable amount of this CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The estimated recoverable amount of the CGU is higher than the carrying value of the CGU.

Contract Manufacturing (CM)

Goodwill was recognised from the acquisition of a subsidiary during the year as the difference between the fair value of the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed. The key assumptions to determine the fair values are described in note 16.

At 31 December 2021, management performed an impairment assessment on the goodwill arising from the acquisition of the new subsidiary. In ascertaining the recoverable amount, management is of the view that the total consideration amounting to S\$102,399,000 was representative of the fair value less costs to sell, adjusted for any changes in value arising from factors since acquisition, given that there was no significant change in the fair value.

12. Property, plant and equipment

During the twelve months ended 31 December 2021, the Group acquired assets amounting to S\$4,278,000 (FY2020: S\$3,243,000) and disposed of assets amounting to S\$860,000 (FY2020: Nil).

13. Inventories

	Group	
	31	31
	December	December
	2021	2020
	S\$'000	S\$'000
Raw materials	98,828	29,637
Work-in-progress	91,564	45,056
Finished goods	12,939	4,363
Goods in-transit	1,595	620
	204,926	79,676

Stock obsolescence is estimated based on future customer demands. Inventories have been reduced by S\$39,000 (FY2020: S\$76,000) as a result of the write-down to net realisable value. The write-downs are included in "Cost of sales" within the condensed interim consolidated statement of profit or loss.

14. Financial liabilities

	Group	
	31	31
	December	December
	2021	2020
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Lease liabilities	7,904	3,434
Unsecured bank loans	12,598	1,543
	20,502	4,977
Amount repayable after one year		
Lease liabilities	10,096	5,985
Unsecured bank loans	50,675	325
	60,771	6,310
Total	81,273	11,287

15. Share capital

	Group					
	Total Issued Shares		Total Treasury Shares		Total Issued Less Treasury shares	
	Number of shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
Fully paid ordinary shares, with no par value:						
At 1 January 2020	273,308	45,786	(3,541)	(2,632)	269,767	43,154
Purchase of treasury shares	-	-	(1,378)	(2,864)	(1,378)	(2,864)
Issue of shares under Performance Share Plan	-	-	1,593	1,407	1,593	1,407
Share options exercised	2,456	1,859	1,657	1,807	4,113	3,666
Issue of shares related to settlement of deferred and contingent consideration	836	2,248	364	270	1,200	2,518
Issue of shares related to business combination	263	834	-	-	263	834
At 31 December 2020 & 1 January 2021	276,863	50,727	(1,305)	(2,012)	275,558	48,715
Purchase of treasury shares	-	-	(1,208)	(4,638)	(1,208)	(4,638)
Issue of shares under Performance Share Plan	-	-	637	982	637	982
Share options exercised	2,283	2,576	-	-	2,283	2,576
Issue of shares related to settlement of deferred and contingent consideration	800	3,284	-	-	800	3,284
Issue of shares related to private placement	26,800	110,952	-	-	26,800	110,952
Issue of shares related to business combination	3,476	14,390	-	-	3,476	14,390
Issue of shares for acquisition of non-controlling interest	1,303	5,268	-	-	1,303	5,268
At 31 December 2021	311,525	187,197	(1,876)	(5,668)	309,649	181,529

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

16. Acquisition of subsidiary

On 31 March 2021, the Group acquired a controlling stake of 77% equity interest on CEI Limited, a reputable contract manufacturer of Printed Circuit Board Assembly ("PCBA"), Wire-Harness & Interconnect systems, Box Build and Equipment Manufacturing. The acquisition is expected to add end-to-end customisation and delivery capability, and driving synergy and efficiency of the Group.

The Group incurred acquisition related cost of S\$1,209,000 on legal fees, due diligence costs, transaction advisory fees and other professional fees for the above acquisition, of which S\$1,200,000 was recognised in FY2020 as the expenses were incurred. These costs have been included in "Selling, general & administrative expenses" within the condensed consolidated statement of profit or loss.

	Consideration transferred S\$'000
Equity shares issued	14,390
Cash consideration paid	64,347
Total consideration	78,737
	Net cash outflow S\$'000
Cash consideration paid	64,347
Cash in acquired company	(7,868)
Total net cash outflow	56,479
	Fair Value S\$'000
<u>Assets and liabilities recognised as a result of the acquisition</u>	
Cash and cash equivalents	7,868
Property, plant and equipment	18,378
Right-of-use assets	3,212
Intangible assets	16,327
Investment in associates	1,429
Inventories	33,055
Trade and other receivables	25,715
Defined benefit obligations	(1,117)
Trade and other payables	(21,876)
Contract liabilities	(2,258)
Financial liabilities	(7,325)
Deferred tax liabilities	(4,731)
Current tax payable	(1,144)
Net identifiable assets acquired	67,533

16. Acquisition of subsidiary (Cont'd)

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Goodwill S\$'000
Consideration transferred	78,737
Non-Controlling interest	15,591
Fair value of identifiable net assets	<u>(67,533)</u>
Goodwill	<u>26,795</u>

The goodwill is attributable to CEI Limited's strong market position, profitability and synergies.

Acquisition of non-controlling interest ("NCI")

Subsequent to obtaining controlling stake on 31 March 2021, the Group continued to acquire the remaining non-controlling interest of 23%. As of 30 June 2021, the Group acquired 100% of the issued share capital in CEI Limited.

On 6 July 2021, CEI Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited.

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.

	S\$'000
Carrying amount of NCI acquired	15,726
Cash consideration paid	(18,394)
Equity shares issued	<u>(5,268)</u>
Decrease in equity attributable to owners of the Company	<u>(7,936)</u>

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

- a decrease in other reserves of S\$8,071,000;
- a decrease in currency translation reserves of S\$5,000; and
- an increase in accumulated profits of S\$140,000.

17. Acquisition of associated company

On 18 March 2021, the Group acquired 26.59% of the outstanding share capital of ATECO Inc., a South Korean company that specialises in the design and development of memory test handler solutions targeted at the memory market, for a consideration of US\$3,800,000 or S\$5,036,000.

On 13 September 2021, the Group acquired another 16.56% interests in ATECO Inc. for a total consideration of US\$3,679,000 or S\$5,022,000. Subsequent to the acquisition, the Group has a 43.15% interests in ATECO Inc.

As part of the investment, the Group has been granted the rights to acquire further shares of ATECO Inc., which together with the acquired 43.15%, will constitute up to 65% of the total outstanding share capital of ATECO Inc. on a fully diluted basis.

17. Acquisition of associated company (Cont'd)

The accounting for the acquisition will be completed after the external valuer finalises the purchase price allocation exercise. The preliminary fair value adjustments are based upon available information and certain assumptions that the Group believes are reasonable under the circumstances and may be revised as additional information becomes available. A final determination of the fair value of the assets acquired and liabilities assumed may differ materially from the preliminary estimates. The final valuation will be based on the actual assessment of the fair values of tangible and intangible assets and liabilities assumed of ATECO Inc. The final valuation may change the purchase price allocation, which could affect the fair value assigned to the assets acquired and liabilities assumed and could result in a change to the consolidated financial statements. Accordingly, while provisional amounts have been recorded, they will be adjusted on a retrospective basis when the purchase price allocation exercise is finalised during the measurement period (i.e. 12 months within date of acquisition).

18. Use of proceeds

On 31 August 2021, the Company allotted and issued 26,800,000 shares to Venezia Investments Pte Ltd for an aggregate cash consideration of S\$103,118,000 pursuant to the share placement subscription agreement entered into by both parties on 6 August 2021. The proceeds from the share placement have not been utilised to-date.

19. Change of presentation for condensed interim consolidated statement of profit or loss

The Group adopted the presentation of condensed interim consolidated statement of profit or loss by function which is in line with market practice and more reflective of the Group's operations.

The comparative amounts have been re-presented to reflect this change.

Other Information

1. Review

The condensed consolidated statements of financial position of AEM Holdings Ltd. and its subsidiaries as at 31 December 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Explanatory notes to condensed consolidated statement of profit or loss

Significant items included in profit before tax

Government grant income

Government grant income received largely relates to Job Support Scheme and Wage Credit. This amount was lower in 2H2021 and FY2021 compared to 2H2020 and FY2020 during the peak of the COVID-19 pandemic.

Finance income

The lower finance income in 2H2021 and FY2021 was mainly due to lower interest rate on bank deposits.

Foreign exchange gain, net

Foreign exchange gain, net, recorded in 2H2021 and FY2021 was largely due to stronger United States Dollar vis-à-vis Singapore Dollar.

Gain on dilution of interests in an associate

Gain on dilution of interests in an associate recorded in 2H2021 and FY2021 arose from the dilution of the Group's interests in Novoflex Pte Ltd from 21.2% to 18.1%.

Gain on disposal of an associate

Gain on disposal of an associate recorded in FY2021 was relating to full disposal of the Group's share of 25.7% in Santec Corporation Pte Ltd.

Finance expenses

The higher finance expenses in 2H2021 and FY2021 was due to the draw-down of bank facilities and the consolidation of CEI Limited which resulted in the increase in bank loans.

Foreign exchange loss, net

Foreign exchange loss, net, recorded in 2H2020 and FY2020 was largely due to weaker United States Dollar vis-à-vis Singapore Dollar last year.

Depreciation and amortisation

The increase in depreciation and amortisation in 2H2021 and FY2021 was mainly due to the consolidation of CEI Limited, capitalisation of development costs and acquisition of property, plant and equipment during the year.

Loss on disposal of property, plant and equipment

The amount recorded in 2H2021 and FY2021 was largely due to re-purposing of office space, converting the space for manufacturing purposes, in preparation of the production volume ramp up.

Remeasurement of deferred and contingent consideration

Remeasurement of deferred and contingent consideration relates to the acquisition of InspiRain Technology Pte Ltd in FY2017.

Legal and professional fees

The higher legal and professional fees for FY2021 included legal fees incurred in connection with the Group's acquisition matters and a confidential arbitration.

Allowance for stock obsolescence

The allowance for stock obsolescence were made for slow-moving stock.

3. Review of performance of the Group

Analysis of Consolidated Statement of profit or loss and other comprehensive income

The Group's revenue for 2H2021 increased by 52% to S\$373.2 million from S\$245.3 million in 2H2020, driven by the volume ramp up for our new generation System Level Testing handlers, Burn-In Test handlers and peripheral tools, and the consolidation of CEI Limited which the Group acquired in 1H2021. For FY2021, the Group's revenue surpassed the updated revenue guidance (between S\$525.0 million to S\$550.0 million) with a record S\$565.5 million. Test Cell Solutions business segment contributed to the bulk of the Group's revenue at 76.8% and the remaining 23.2% from Instrumentation and other business segments.

Gross profit margin increased marginally year-on-year from 32% to 33% of revenue for FY2021 despite increasing cost pressure from supply chain challenges. The Group was able to achieve the improvement in gross profit margin by focusing on the sale of equipment and peripheral tools with higher profit margin.

Although "Other Income" decreased to S\$2.4 million (FY2020: S\$3.9 million) due primarily to lower government grants received during the current year; this was more than offset by the foreign exchange gain of S\$1.9 million (FY2020: foreign exchange loss of S\$0.8 million) arising from a stronger US Dollar in FY2021.

Research & development ("R&D") expenses increased to S\$19.9 million, approximately 4% (FY2020: 2%) of revenue, as the Group stepped up investment in R&D activities and capabilities to stay ahead of competition through innovation. Selling, general & administrative expenses increased to S\$58.7 million, approximately 10% (FY2020: 9%) of revenue, from the consolidation of CEI Limited and higher legal and professional fees during the current year.

The current year also recorded a higher income tax provision at 17% (FY2020: 14%) of profit before tax; consequently, profit after tax decreased by 6% year-on-year to S\$92.1 million for FY2021.

Analysis of Statement of Financial Position of the Group

The consolidation of CEI Limited which the Group acquired in 1H2021 resulted in the increase in most of the items on the Statements of Financial Position including property, plant & equipment, rights-of-use assets, intangible assets, inventories, trade & other receivables, and trade & other payables.

Right-of-use assets

New property leases entered by the Group and the consolidation of CEI Limited resulted in the increase in right-of-use assets.

Investment in associates

The increase arose from the acquisition of 43.15% interests in ATECO Inc., a South Korean company that specialises in the design and development of memory test handler solutions targeted at the memory market.

Inventories

Inventories increased due to the consolidation of CEI Limited and higher inventory holdings at year-end to meet anticipated increase in production and sales volume.

Trade and other receivables

Higher sales towards the end of the year and the consolidation of CEI Limited resulted in the increase in trade and other receivables.

Financial liabilities (current and non-current)

New property leases entered by the Group, the drawdown on bank facilities and the consolidation of CEI Limited resulted in the increase in financial liabilities.

Trade and other payables

The increase was primarily due to higher purchases of raw materials towards the end of the year and the consolidation of CEI Limited.

Overall, total assets and total liabilities increased to S\$710.5 million and S\$308.0 million, respectively, as at 31 December 2021. Net asset value per share increased to 130.0 Singapore cents as at 31 December 2021, compared to 76.7 Singapore cents as at 31 December 2020.

Analysis of Consolidated Statement of Cash Flows

The Group's cash flows continued to be strong with a net cash generated from operating activities of S\$52.1 million for FY2021.

Net cash used in investing activities amounted to S\$85.2 million for FY2021 arising primarily from the cash considerations paid for the acquisition of CEI Limited (a subsidiary company) and ATECO Inc. (an associated company). Research and development expenditures incurred during the current year also contributed to the net cash used in investing activities.

For FY2021, net cash generated from financing activities amounted to S\$113.4 million due mainly to S\$103.1 million raised from a private share placement to Venezio Investments Pte Ltd, a company linked to Temasek.

Consequently, cash and cash equivalents increased to S\$216.2 million as at 31 December 2021 from S\$134.8 million as at 31 December 2020.

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

In the press release "3Q21 Business Performance and Outlook" dated 10 November 2021, the Group stated that it expects to achieve a revenue of between S\$525 million to S\$550 million for FY2021. The Group has achieved a revenue of S\$565.5 million for the year ended 31 December 2021.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The continued growth in the demand of semiconductor chips for mission critical applications, along with the increased adoption of advanced heterogenous packaging, is driving the need for System Level Testing ("SLT"). According to VLSI Research, SLT is expected to grow 4.4x faster than wafer sort and functional test in 2020-2024, largely driven by the need to increase test coverage reliability. We have seen a strong uptake in 2021 and expect this through 2022 as our new generation tools are phased into our customer's high volume manufacturing sites globally.

The industry has been witnessing investments and capex spend from the front-end players. These developments will lead to additional investments in back-end test in subsequent quarters thereby expanding the Group's addressable market. AEM will continue to invest in R&D and capitalise on global trends such as 5G, edge computing, AI, and vehicle electrification, along with the increase in heterogenous packaging to deliver highly differentiated test solutions to increase the Group's market share globally.

In addition, the Group has also made significant progress in its technical engagements with top tier semiconductor companies and expects meaningful revenue contribution from these engagements in 2H2022 and beyond.

The Group continues to focus on building the most comprehensive semiconductor and electronics test solutions and therefore, will constantly invest in R&D capabilities. The Group believes that the way forward is to embrace innovation and develop its technologies regularly to address the needs of its customers.

The Group is also constantly monitoring the supply chain issues which have been accentuated by the pandemic and will continue to work with its suppliers to manage the rising supply chain costs and longer lead time to meet delivery and shipment plans.

Notwithstanding the supply chain challenges, the Group remains cautiously optimistic to deliver growth and has provided a FY2022 revenue guidance of between S\$670 million to S\$720 million in the press release "FY2022 Financial Guidance" dated 11 January 2022.

6. Dividend information

6a. Current Financial Period Reported on

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	5.0 Singapore cents per ordinary share
Tax Rate	Tax Exempt (1-tier)

The Directors are pleased to declare a tax exempt one-tier cash dividend of 5.0 Singapore cents per share (FY2020: tax exempt one-tier cash dividend of 4.0 Singapore cents per share) in respect of the year ended 31 December 2021. Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid to shareholders on 31 May 2022.

6b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	4.0 Singapore cents per ordinary share
Tax Rate	Tax Exempt (1-tier)

6c. Date payable

Subject to shareholders' approval at the forthcoming annual general meeting, the payment will be made on 31 May 2022.

6d. Book Closure Date

Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined: 17 May 2022, 5:00pm

7. Interested person transactions

No interested persons transactions ("IPT") were conducted under the Company's IPT mandate for the year ended 31 December 2021.

Name of interested person	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	FY2021 S\$	FY2020 S\$
Novo Tellus Capital Partners Pte Ltd ("Novo Tellus")	99,000	312,000
Loke Wai San	60,000	-
NT SPV 13	1,409,000	-
NT Thor Holdings Pte Ltd ("NT Thor")	2,567,000	-
Chok Yean Hung	20,000	-
	<u>4,155,000</u>	<u>312,000</u>

Novo Tellus is a company controlled by Mr. Loke Wai San, the Non-Executive Chairman of the Company and Mr. James Toh Ban Leng, a Director of the Company. The IPT of S\$99,000 (FY2020: S\$312,000) for FY2021 comprised (i) professional fee of S\$60,000 (FY2020: S\$240,000) paid by the Company to Novo Tellus for advisory services in upgrading of software capabilities, merger and acquisition activities of the Group and (ii) the Group's share of the consultancy service fee of S\$39,000 (FY2020: S\$72,000) paid by the Company's associated company, Novoflex Pte Ltd. to Novo Tellus. The IPT of S\$60,000 (FY2020: Nil) for FY2021 comprised consultancy services paid by the Company to Mr. Loke Wai San. NT SPV 13 is a company indirectly controlled by Mr. Loke Wai San and Mr. James Toh Ban Leng. The IPT of S\$1,409,000 (FY2020: Nil) for FY2021 comprised subscription of 3,796,507 shares in Novoflex Pte Ltd by NT SPV 13. NT Thor is a company indirectly controlled by Mr. Loke Wai San and Mr. Toh James Toh Ban Leng. The IPT of S\$2,567,000 (FY2020: Nil) for FY2021 comprised subscription of 1,912,500 shares in NT Thor Holdings Pte Ltd by a subsidiary of the Company.

Mr. Chok Yean Hung is a Director of the Company. The IPT of S\$20,000 (FY2020: Nil) comprised consultancy services paid by the Company to Mr. Chok Yean Hung.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, the Chief Executive Officer or substantial shareholder of the Company.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the twelve-month period ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chandran Nair
Chief Executive Officer

24 February 2022