



For Immediate Release

AEM's 1Q2017 net profit jumps 17 times to S\$4.1 million

- 1Q2017 revenue grew over 246% compared to 1Q2016 to S\$42.1 million driven by ongoing ramp of AEM's next generation handling platforms.
- Cumulative sales orders received as at 15 April 2017 for delivery in FY2017 jumped to S\$152 million.
- The group generated S\$2.9 million operating cash after working capital changes in 1Q2017.
- For the first 3 quarters of 2017 (9M2017), group expects to achieve at least S\$142 million in revenue and S\$17.5 million in operating profit before tax.

Singapore, 24 April 2017 – AEM Holdings Ltd (“AEM” or “the Group”), a global provider of equipment systems solutions and manufacturing services, reported a net profit of S\$4.1 million for its first quarter ended 31 March 2017 (“1Q2017”), a 17-fold increase year-on-year (“y-o-y”).

Table 1 – Financial Highlights

(S\$ '000)	3 months ended 31 Mar 2017 ("1Q2017")	3 months ended 31 Mar 2016 ("1Q2016")	Change
Revenue	42,119	12,164	246.3%
Raw materials and other consumables	30,796	7,508	310.2%
Profit before tax	4,902	461	963.3%
Profit after tax	4,137	241	1616.6%



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The strong earnings came on the back of a 3.5 times y-o-y improvement in its 1Q2017 revenue to S\$42.1 million. The commercial success of AEM's next generation semiconductor handling platform, which was commercially adopted by our key customer in late 2016, has yielded in increasing orders since 4Q2016.

In line with the higher revenue, raw materials and consumables ("RMC") cost increased 310.2% to S\$30.8 million in 1Q2017, adjusted for changes in inventories excluding reversal of allowance for inventory obsolescence. RMC cost as a percentage of revenues increased y-o-y in 1Q2017 as a result of the shift in revenue mix towards new equipment, which requires higher material costs. As the next generation equipment is delivered and begins operations, the Group's revenue mix is expected to return to a balance of equipment and consumable/kits sales; hence, material and gross margins are expected to improve over time.

As a result of the strong earnings growth, the group generated S\$2.9 million of operating cash after changes in working capital.

Mr. Charles Cher, AEM's Group CEO, commented, "We continue to strengthen our sales orders which now stand at S\$152 million for equipment and kits to be delivered in 2017. With these strong sales orders, we expect to achieve revenue and operating profit before tax for 9M2017 of at least S\$142 million and S\$17.5 million respectively."

Mr. Loke Wai San, the Group's Chairman, added, "We view our engagement with our major customer as a longer term relationship to drive their cost-of-test down over a multi-year horizon. We continue to work closely with them to improve our delivered quality and level of field service support to ensure optimal uptime performance of our equipment. We will continue to invest in our people, IT and business systems to improve our service levels to our



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customers. These investments will ultimately generate opportunity for new development programmes and deliver leverage in our business. We will also continue to assess acquisition opportunities that are synergistic to our business.”

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About AEM Holdings Ltd

AEM Holdings Ltd is listed on the main board of the Singapore Exchange (Reuters: AEM.SI; Bloomberg: AEM SP).

AEM Holdings Ltd (“AEM”) aims to be among the world's leading companies providing solutions in equipment systems; precision components and related manufacturing services across various industries.

AEM takes pride in providing innovative, engineering-focused solutions and developing strong partnerships with customers and associates to cater to their manufacturing needs through our global engineering service support network and innovative people. Currently, AEM has 3 manufacturing plants located in Singapore, Malaysia (Penang) and China (Suzhou). Through our network of sales offices, associates and distributors, we have a global market presence spanning Asia, Europe and the United States.

Issued for and on behalf of AEM Holdings Ltd

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