

SGXNET Announcement



AEM Holdings Ltd
(Registration No. 200006417D)

ACQUISITION OF IRIS SOLUTION PTE LTD

1. INTRODUCTION

The Board of Directors of AEM Holdings Ltd (the “**Company**” or “**AEM**”) announces that AEM has acquired IRIS Solution Pte Ltd (the “**Target**” or “**IRIS Solution**”), a provider of machine vision solutions, pursuant to a share purchase agreement signed on 22 February 2018 (the “**Agreement**”).

Under the terms of the Agreement, AEM will purchase 100% of the shares in the issued share capital of IRIS Solution for an aggregate consideration (“**Purchase Price**”) of S\$1,500,000 as further described below (the “**Acquisition**”).

The acquisition is immediately accretive to AEM on both net income and EBITDA bases. The Purchase Price represents an acquisition multiple of 3.6x on a Price-to-Earnings basis, and 2.9x on an Enterprise Value to EBITDA basis.

2. INFORMATION ON IRIS SOLUTION

IRIS Solution is a company incorporated in Singapore and engaged in the business of research, development and integration of machine vision solutions. IRIS Solution’s customized vision systems have been integrated with automated optical wafer inspection systems, die bonders and semiconductor devices inspection systems that have been delivered globally including to some of the world’s largest electronics and semiconductor companies. The unaudited profit before tax of IRIS Solution in FY2017 was S\$460,000.

3. RATIONALE FOR THE ACQUISITION

The Directors and the Company believe that the know-how and innovative technical capabilities of IRIS Solution in creating machine vision test solutions for global industrial customers deepens the capabilities of AEM and enhances its product range and services that the Company can offer to semiconductor and industrial sectors.

4. CONSIDERATION FOR THE ACQUISITION

The Purchase Price for the Acquisition comprises S\$1.5 million cash, payable in 5 tranches. The first tranche of S\$500,000 shall be payable upon completion of the acquisition (the “**Completion Date**”) and the remaining 4 equal tranches of S\$250,000 shall be payable on the first business day after each of the 4 subsequent anniversaries of the Completion Date.

The terms of the Acquisition and Purchase Price were arrived at after negotiations on a willing-buyer, willing-seller basis. In arriving at the Purchase Price, the Company has taken into account, *inter alia*, the current market conditions and the strategic merits of the Acquisition.

The Acquisition is not expected to have any material impact on AEM’s financial performance for 2018.

5. CONDITIONS PRECEDENT AND DISCLOSURE OBLIGATIONS

The Acquisition is likely to be completed by 2 March 2018. Some of the conditions precedent to the completion of the transaction include the assignment of intellectual property rights from the 2 directors and employees to IRIS Solution and the execution of an employment letter with a founder and director of IRIS Solution.

Although none of the relative figures under Rule 1006 of the Listing Manual exceeds 5%, this announcement is made pursuant to Rule 704(17)(c) of the Listing Manual as, following completion of the Acquisition, the Target is now a wholly-owned subsidiary of AEM.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transactions. The Directors are also not aware of any substantial shareholders of the Company who have any interest, direct or indirect (other than their shareholdings in the Company), in the aforesaid transactions.

There are no directors proposed to be appointed to the Company in connection with the Acquisition.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 52 Serangoon North Avenue 4, Singapore 555853, for a period of three months from the date of this announcement.

8. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Loke Wai San
Executive Chairman
22 February 2018