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## **ASM PACIFIC TECHNOLOGY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0522)**

### **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF THE DEK BUSINESS**

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The Board is pleased to announce that on 3 December 2013, the Company entered into the Master Sale and Purchase Agreement with DPI and Dover pursuant to which the Company conditionally agreed to acquire the DEK Business.

#### **LISTING RULES IMPLICATIONS**

As all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5 per cent. but remain below 25 per cent., the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements in Chapter 14 of the Listing Rules.

#### **THE ACQUISITION**

The Board is pleased to announce that on 3 December 2013, the Company entered into the Master Sale and Purchase Agreement with DPI and Dover pursuant to which the Company conditionally agreed to acquire the DEK Business which comprises all the shares in the Target Companies.

#### **THE MASTER SALE AND PURCHASE AGREEMENT**

##### **Date**

3 December 2013

##### **Parties and subject matter**

1. the Company, as purchaser of the Target Companies;
2. DPI; and
3. Dover.

The DEK Business is operated by the Target Companies and provides screen printing equipment and processes for a wide range of global customers and has operations in the UK, the PRC,

Switzerland, Singapore and Germany. The product portfolio of the DEK Business consists of surface mount technology (“SMT”) assembly equipment for the electronics industry, metallisation equipment for solar and fuel cells industry and a portfolio of the following recurring revenue products: consumables, replacement screens, stencils, parts and services.

The DEK Business was founded in 1968 and has developed high-speed and automated print processes supplying the electronics and alternative energy end markets. It has over 100 patents and recorded 18,000 machine installations, employs over 700 employees worldwide, with approximately 100 of them dedicated to engineering, and exports to over 100 countries.

In the Master Sale and Purchase Agreement, the Company agreed to purchase, and DPI agreed to cause each Equity Seller (each a wholly-owned, direct or indirect subsidiary of Dover, and an affiliate of DPI) to sell all the shares each Equity Seller currently holds in the relevant Target Companies.

Each Equity Seller will enter into such share transfer documentation as required in accordance with the local laws and regulations of the jurisdiction of incorporation of the relevant Target Company with the relevant purchaser designated by the Company at Completion.

#### **Information of Dover and DPI**

Dover is a diversified, multinational corporation that manufactures a broad range of specialised products and components and offers related services and consumables. It acquired the DEK Business in 1983.

DPI is a wholly-owned direct subsidiary of Dover which provides integrated printing, coding and testing solutions for the consumer goods, food, pharmaceutical, industrial, electronics and alternative energy markets.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Dover, DPI and the Equity Sellers is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

#### **Consideration**

The purchase price payable by the Company or its designated purchaser(s) to DPI or its designee(s) as Consideration will be:

- (a) an amount equal to US\$170,000,000 (approximately HK\$1,317,500,000) (the “**Base Purchase Price**”);
- (b) minus the amount by which the working capital target agreed between the Parties exceeds the working capital set out in the consolidated balance sheet of the Target Companies as of the close of business on the Business Day immediately preceding the Completion Date;
- (c) plus the amount of cash and cash equivalents set out in the consolidated balance sheet of the Target Companies as of the close of business on the Business Day immediately preceding the Completion Date; provided that the Company or the relevant designated purchaser shall only pay an agreed proportion of any cash and cash equivalents held by DTG Shenzhen as of the close of business on the Business Day immediately prior to the Completion Date, if applicable;

- (d) plus a contingent payment (the “**Contingent Payment**”) to be calculated by reference to the actual revenue the Target Companies earned during the measurement period(s) specified in the Master Sale and Purchase Agreement, and the Contingent Payment will not exceed an amount equal to US\$30,000,000; and
- (e) minus any amount by which the capital expenditures of the Target Companies set out in the Master Sale and Purchase Agreement exceeds the capital expenditures of the Target Companies upon Completion.

DPI agreed to deliver to the Company not less than two Business Days prior to the Completion Date an estimate of (i) the working capital; and (ii) the cash and cash equivalents of the Target Companies as at an agreed date before the Completion Date, which are to be determined in accordance with the Master Sale and Purchase Agreement (the “**Estimated Closing Date Working Capital**” and the “**Estimated Closing Date Cash**”, respectively).

### **Payment at Completion**

Upon Completion, subject to the satisfaction or waiver of the conditions precedent set out below, the Company will pay (as part of the Consideration set out above) an aggregate amount equal to:

- (a) the Base Purchase Price;
- (b) minus the amount by which the working capital target agreed between the Parties exceeds the Estimated Closing Date Working Capital; and
- (c) plus an amount equal to the Estimated Closing Date Cash; provided that the Company or the relevant designated purchaser shall only pay an agreed proportion of any cash and cash equivalents held by DTG Shenzhen as of the close of business on the Business Day immediately prior to the Completion Date, if applicable,

(together, the “**Payment at Completion**”) to the relevant Equity Sellers in such proportion(s) as allocated by DPI.

The Payment at Completion will be subsequently adjusted by reference to the working capital and cash and cash equivalents as set out in the consolidated balance sheet of the Target Companies as of the close of business on the Business Day immediately preceding the Closing Date and the capital expenditures of the Target Companies from 1 January 2014 through the close of business on the Business Day immediately preceding the Completion Date.

### **Contingent Payment**

The Contingent Payment, if any, will be payable after Completion by the Company to DPI (or a designee of DPI).

### **Basis of the Consideration**

The Consideration was determined between Dover, DPI and the Company after arm’s length negotiations, taking into account the market position, financial and operating performance, business prospects and development potential of the DEK Business and the synergies the business may bring to the Group.

Having considered the above factors, the Board considers that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Financing of the Consideration**

The Company has sufficient internal resources to fund the Consideration. However, the Company is also considering other external funding options, including debt and other instruments.

### **Conditions precedent**

Completion of the Acquisition is conditional upon the satisfaction or waiver of the following conditions:

- (a) the representations and warranties made by DPI and the Company under the Master Sale and Purchase Agreement, respectively, being true and correct on the date of the Master Sale and Purchase Agreement and/or the Completion Date and/or an earlier date specified, subject to any qualifications or exceptions contemplated under the Master Sale and Purchase Agreement;
- (b) each of DPI and the Company having respectively performed or complied in all material respects with all obligations and covenants required by the Master Sale and Purchase Agreement to be performed or complied with by each of them at or prior to the time of Completion;
- (c) no injunction or order issued by any governmental entity that restrains, enjoins or otherwise prohibits the Acquisition contemplated the Master Sale and Purchase Agreement being in effect, and no proceeding having been instituted or threatened to restrain, enjoin or otherwise prohibit (or challenge the legality of the Acquisition);
- (d) each of DPI and the Company having delivered, or caused to have been delivered, to each other the documents required under the Master Sale and Purchase Agreement;
- (e) the notifications of DPI and the Company pursuant to any material competition laws (as set out in the Master Sale and Purchase Agreement) having been made and the relevant waiting periods (including any Phase II review periods, to the extent relevant) and any extensions under any such material competition laws having been expired or terminated, or appropriate consents in respect of any such material competition laws having been received;
- (f) the German Federal Ministry of Economics and Technology (*Bundesministerium für Wirtschaft und Technologie*) having issued a clearance certificate (*Unbedenklichkeitsbescheinigung*) pursuant to sec. 58 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung - AWV*) in relation to the acquisition of the shares in DEK Printing Machines GmbH pursuant to the Master Sale and Purchase Agreement, or the clearance certificate having been automatically deemed granted because an examination procedure had not been initiated by the relevant governmental entity in Germany within one month of the submission of the application;
- (g) the sale and transfer of DTG Shenzhen and the relevant share transfer documentation in respect of DTG Shenzhen having been unanimously approved by the respective boards of directors of DTG Shenzhen, Dover Asia Trading Private Limited and the relevant designated purchaser;

- (h) the approvals, consents and confirmations (as the case may be) of the Ministry of Commerce of the PRC and its local counterparts to the transfer of DTG Shenzhen, the relevant share transfer documentation in respect of DTG Shenzhen and the amended articles of association of DTG Shenzhen (the “**Amended PRC Articles**”) having been obtained and such approvals, consents and confirmations remaining in full force and effect;
- (i) the Amended PRC Articles having been (i) unanimously approved by the board of directors of DEK Shenzhen, (ii) executed by the relevant designated purchaser, and (iii) registered with the State Administration for Industry and Commerce of the PRC and its local counterparts (the “**AIC**”);
- (j) the approvals/registrations, consents and/or confirmations (as the case maybe) of the AIC to the changes of registered information of the DTG Shenzhen (as required as a consequence of the transfer of the DTG Shenzhen) and the new business license of the DTG Shenzhen which shows:
  - (i) a description of the permitted business scope of the DTG Shenzhen, which reflects the business scope of the DTG Shenzhen in force as at the date of the Master Sale and Purchase Agreement or as otherwise agreed by the relevant Equity Seller and designated purchaser;
  - (ii) that the relevant designated purchaser being duly registered as the sole shareholder of the DTG Shenzhen; and
  - (iii) such other changes as agreed between the relevant Equity Seller and designated purchaser,having been obtained and such approvals/registrations, consents, confirmations and business license remaining in full force and effect; and
- (k) since the date of the Master Sale and Purchase Agreement, no event, development or state of circumstances having occurred or come to exist that, individually or in the aggregate, had a material adverse effect to, amongst other things, the Target Companies and their financial condition and results of operations.

## **Completion**

Completion will take place on the first Business Day of the calendar month immediately following the satisfaction or waiver of all conditions precedent required to be satisfied before Completion, or at such other time as the Parties shall otherwise agree (the “**Completion Date**”).

## FINANCIAL INFORMATION OF THE TARGET COMPANIES

Revenue, gross profit, EBITDA, profit before taxation, net profits and net assets of the Target Companies for the financial years ended 31 December 2011 and 2012 and nine months ended 30 September 2013, determined under generally accepted accounting principles in the United States and as derived from the unaudited management accounts of the Target Companies, are as follows:

	Year ended 31 December 2011	Year ended 31 December 2012	Nine months ended 30 September 2013
US\$'000			
Revenue	283,075	167,418	105,109
Gross profit	110,255	57,486	35,273
EBITDA	64,732	23,891	8,946
Profit before taxation <sup>1</sup>	62,125	21,875	8,965
Net profit <sup>1</sup>	54,973	19,234	6,974
Net assets	60,085	87,935	55,066

### Note:

1. In November of 2012, the board of directors of Dover announced that the Target Companies will be sold. Accordingly, this operating group has been classified as discontinued operations in the 2012 financial statements of Dover. In accordance with U.S. generally accepted accounting principles for discontinued operations, from November of 2012 forward, depreciation and amortization for tangible and intangible assets were ceased.

The decline in the total net asset value of the Target Companies between 31 December 2012 and 30 September 2013 was primarily due to dividend payments during the period. In addition, the declines in revenue, gross profit, EBITDA, profit before taxation and net profit between 31 December 2011 and 30 September 2013 have largely been driven by declines in the solar printing business which has been adversely impacted by broader industry overcapacity. Furthermore, the annualised revenue and profitability for the nine months ended 30 September 2013 represent the lowest levels for the Target Companies since the financial year ended 31 December 2009, in line with prevailing industry conditions during the period since 31 December 2009.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company and its principal subsidiaries are engaged in the design, manufacture and marketing of machines, tools and materials used in the semiconductor industry and SMT placement machines, with operations in Germany, the PRC, Hong Kong, Malaysia and Singapore.

The DEK Business is a market leader of screen printers in the SMT equipment segment. The DEK Business will be integrated into the Group to strengthen the Group's SMT business and the Directors are of the view that the Acquisition will strengthen the Group's competitive position. The Company acquired the Siemens Electronics Assembly System (SEAS) business in 2011 and has successfully integrated and grown the business by penetrating new accounts and moving into non-traditional SMT placement equipment segments. The DEK Business will complement the Group's SMT business as the Group will be able to broaden the sales base for its SMT placement

equipment. The Group also intends to combine DEK's products with the Group's back-end and SMT equipment businesses to offer customers in the SMT market a closed loop system consisting of screen printers (DEK), screen paste inspection (SPI) and placement machines (Siplace). The Directors believe that this closed loop system will enable the Company to offer total SMT solutions to its existing customer base and also attract new customers by offering significant value through yield improvement. The Directors are of the view that the Acquisition will enhance the Company's knowledge in the entire assembly process of semiconductor packaging and SMT placement equipment. The DEK Business will also present the Company with opportunities to generate cost synergies through increased efficiencies in the areas of logistics, research and development, production, sales, service and procurement, and the consolidation of common infrastructure and overheads.

The DEK Business entered the alternative energy market in 2008, offering printing solutions for the production of solar cells and fuel cells. Its lines provide high throughput and maximum cell manufacturing efficiency, with the ability to deliver complete line solutions and a fully integrated after-sales service package. This business model is highly aligned with industry trends moving toward a focus on material cost reduction, finer print resolutions and significantly higher throughputs sourced from single vendors. The Directors are of the view that the alternative energy segment represents a significant growth opportunity for the DEK Business as the solar industry rationalises and recovers from recent cyclical lows caused by widespread overcapacity.

The Directors are of the view that the terms of the Master Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5 per cent. but remain below 25 per cent., the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements in Chapter 14 of the Listing Rules.

#### **DEFINITIONS**

In this announcement, the following defined terms shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the Target Companies by the Company and its designated subsidiaries on the terms and subject to the conditions set out in the Master Sale and Purchase Agreement
“AIC”	the State Administration for Industry and Commerce of the PRC and its local counterparts
“Amended PRC Articles”	the amended articles of association of DTG Shenzhen
“Base Purchase Price”	US\$170,000,000 (approximately HK\$1,317,500,000)
“Board”	the board of Directors of the Company
“Business Day”	a day other than Saturday, Sunday or any day on which commercial banks located in New York City, Hong Kong and Singapore are authorised or obligated to close

“Company”	ASM Pacific Technology Limited, a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0522)
“Completion”	the completion of the Acquisition in accordance with the terms of the Master Sale and Purchase Agreement
“Completion Date”	the first Business Day of the calendar month immediately following the satisfaction or waiver of all conditions precedent required to be satisfied before Completion, or at such other time as the Parties shall otherwise agree
“Consideration”	the consideration payable in respect of the Acquisition in accordance with the terms of the Master Sale and Purchase Agreement
“DEK Business”	the screen printing and processes business operated by the Target Companies and to be transferred to the Company and its designated subsidiaries upon Completion
“Directors”	the directors of the Company
“Dover”	Dover Corporation, a company incorporated in Delaware, United States and listed on the New York Stock Exchange
“DPI”	Dover Printing & Identification, Inc., a company incorporated in Delaware, United States
“DTG Shenzhen”	迪特集科技（深圳）有限公司 (DTG Technology (Shenzhen) Co., Ltd.), a company incorporated in the PRC
“EBITDA”	profit before interest, tax, depreciation and amortisation
“Equity Sellers”	Dover Communications Technologies, Inc. (in respect of its shareholding in DEK U.S.A., Inc. and DEK USA Logistics, Inc.); Dover Global Holdings, Inc. and Revod Corporation (in respect of their respective shareholdings in DEK Hungary Manufacturing and Technology Limited Liability Company); Dover (Schweiz) Holding GmbH (in respect of its shareholding in DTG International GmbH, which holds DEK Vectorguard Ltd. and Icon Technology Company Limited); Dover Communication Technologies UK Limited (in respect of its shareholding in DEK Northern Europe Limited and DEK Printing Machines Limited); Dover Asia Trading Private Limited (in respect of its shareholding in DTG Shenzhen and Everett Charles Technologies Pte. Ltd.); Dover Germany GmbH (in respect of its shareholding in DEK Printing Machines GmbH) and Dover International B.V. in respect of its shareholding in Nimaser B.V.)
“Estimated Closing Date Cash”	an estimate of the cash and cash equivalents of the Target Companies as at a date before the Completion Date determined in accordance with the terms of the Master Sale and Purchase Agreement, delivered by DPI to the Company not less than two Business Days prior to the Completion Date

“Estimated Closing Date Working Capital”	an estimate of the working capital of the Target Companies as at a date before the Completion Date determined in accordance with the terms of the Master Sale and Purchase Agreement, delivered by DPI to the Company not less than two Business Days prior to the Completion Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Sale and Purchase Agreement”	the master sale and purchase agreement entered into between the Company, DPI and Dover dated 3 December 2013
“Parties”	the Company, DPI and Dover
“PRC”	the People’s Republic of China (excluding Hong Kong, Macau and Taiwan for the purpose of this announcement)
“Shareholders”	the shareholders of the Company
“SMT”	surface mount technology
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	the companies currently operating the DEK Business, namely DEK U.S.A., Inc. incorporated in Delaware, United States, DEK USA Logistics, Inc. incorporated in Delaware, United States, DEK Hungary Manufacturing & Technology LLC incorporated in Hungary, DTG International GmbH incorporated in Switzerland (which holds DEK Vectorguard Ltd. incorporated in Scotland and Icon Technology Company Limited incorporated in Hong Kong), DEK Northern Europe Limited incorporated in the United Kingdom, DEK Printing Machines Limited incorporated in the United Kingdom, DTG Shenzhen, Everett Charles Technologies Pte. Ltd. incorporated in Singapore, DEK Printing Machines GmbH incorporated in Germany and Nimaser B.V. incorporated in the Netherlands
“United States” or “US”	United States of America
“US\$”	United States dollar, the lawful currency of the United States

Save as otherwise specified, conversions between HK\$ and US\$ contained in this announcement are calculated at HK\$7.75 to US\$1 based on the exchange rate on 3 December 2013. Such conversions should not be taken as representation that the HK\$ amount could actually be converted into US\$, or *vice versa*, at any particular rate, or at all.

By Order of the Board  
**ASM Pacific Technology Limited**  
**Lee Wai Kwong**  
Director

Hong Kong, 3 December 2013

*As at the date of this announcement, the Board comprises Mr. Arthur H. del Prado (Chairman), Mr. Lee Wai Kwong, Mr. James Chow Chuen and Mr. Robin Gerard Ng Cher Tat as Executive Directors, Mr. Charles Dean del Prado and Mr. Petrus Antonius Maria van Bommel as Non-executive Directors, and Miss Orasa Livasiri, Mr. John Lok Kam Chong, Mr. Wong Hon Yee and Mr. Eric Tang Koon Hung as Independent Non-executive Directors.*