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AKM Industrial Company Limited
安捷利實業有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 1639)

VOLUNTARY ANNOUNCEMENT
ACQUISITION OF TARGET COMPANIES

The Board wishes to announce that on 20 January 2020, the Purchaser, AKMMeadville Electronics (Xiamen) Co., Ltd. (安捷利美維電子(廈門)有限責任公司), a joint venture company in which the Company indirectly holds 6% equity interest, the Seller and the Seller's ultimate controlling shareholder, TTM Technologies Inc., entered into the equity interests purchase agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell all of the equity interests of the Target Companies for a consideration of US\$550,000,000 (subject to adjustment stipulated in the SPA).

Completion of the sale and purchase as contemplated under the SPA will take place after fulfillment of the conditions precedent as set forth in the SPA.

This announcement is made by the Company on a voluntary basis.

THE EQUITY INTERESTS PURCHASE AGREEMENT

On 20 January 2020, the Purchaser, AKMMeadville Electronics (Xiamen) Co., Ltd. (安捷利美維電子(廈門)有限責任公司), a joint venture company in which the Company indirectly holds 6% equity interest, the Seller and the Seller's ultimate controlling shareholder, TTM Technologies Inc., entered into the SPA. The principal terms of the SPA are set out below:

Date:

20 January 2020

Parties:

- (i) The Purchaser, as the purchaser;
- (ii) TTM Technologies Inc., as the Seller's ultimate controlling shareholder; and
- (iii) The Seller, as the seller.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Seller, TTM Technologies Inc. and their ultimate beneficial owners are independent third parties.

Equity interest acquired and purchase price

The Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell, all of the equity interests of the Target Companies. The total consideration for the acquisition is US\$550,000,000 (as the base purchase price in the SPA) and the purchase price shall be calculated and adjusted in accordance with the terms specified in the SPA. The items to be considered for the calculation and adjustment of the purchase price include, among others, inventory, account payable, cash, indebtedness and certain account receivables, as stipulated in the SPA. The consideration was determined after arm's length negotiations between the Purchaser and Seller.

The consideration will be settled by cash upon completion of the acquisition.

Completion

Completion of the acquisition will take place after fulfillment of the conditions precedent as set forth in the SPA.

INFORMATION OF THE TARGET COMPANIES

The Target Companies are Guangzhou Meadville Electronics Co., Ltd.* (廣州美維電子有限公司), Shanghai Meadville Electronics Co., Ltd.* (上海美維電子有限公司), Shanghai Meadville Science & Technology Co., Ltd.* (上海美維科技有限公司) and Shanghai Kaiser Electronics Co., Ltd.* (上海凱思爾電子有限公司).

Target companies position themselves as leading technology in the industry, and have established long-term and stable business relationship with customers around the world. Target companies primarily engage in research and development, production and sales of rigid printed circuit board products, including substrate-like printed circuit board (SLP), high-density interconnect board (HDI), integrated circuit packaging substrate (IC substrate) as well as related electronic assembling, and microelectronics and optoelectronics products.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The acquisition of the Target Companies by the Purchaser is beneficial to the development of the business of the Company, as the Board expects that such acquisition may strengthen future potential earnings and growth of the Company's investment.

Based on the above, the Directors, including the independent non-executive Directors, consider that the terms of, and the transactions under SPA are fair and reasonable, are on normal commercial terms, and are in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	AKM Industrial Company Limited (stock code: 1639), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	have the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People's Republic of China
“independent third parties”	third party(ies) independent of and not connected with the Company and connected persons of the Company within the meaning of the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement

“Purchaser”	AKMMeadville Electronics (Xiamen) Co., Ltd. (安捷利美維電子(廈門)有限責任公司), a company incorporated in the PRC with limited liability in which the Company indirectly holds 6% of equity interest
“Seller”	TTM Technologies China Limited, a company incorporated in Hong Kong with limited liability
“SPA”	The equity interests purchase agreement entered into by and among the Purchaser, the Seller and the TTM Technologies Inc., the Seller’s ultimate controlling shareholder, dated 20 January 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	have the meaning ascribed to it under the Listing Rules
“Target Companies”	Guangzhou Meadville Electronics Co., Ltd.* (廣州美維電子有限公司), Shanghai Meadville Electronics Co., Ltd.* (上海美維電子有限公司), Shanghai Meadville Science & Technology Co., Ltd.* (上海美維科技有限公司) and Shanghai Kaiser Electronics Co., Ltd.* (上海凱思爾電子有限公司)
“US\$”	the lawful currency of the United States of America
“%”	per cent

By order of the Board
AKM Industrial Company Limited
Xiong Zheng Feng
Chairman

Hong Kong, 23 January 2020

As at the date of this announcement, the executive Director is Mr. Xiong Zheng Feng; the non-executive Directors are Mr. Gao Xiaoguang, Mr. Jia Junan, Mr. Wang Chunsheng, Ms. Zhang Xiaoming and Mr. Yu Daochun; and the independent non-executive Directors are Mr. Hung Chi Yuen Andrew, Mr. Cui Zheng and Mr. Yang Zhaoguo.

* *For identification only*