

AMKOR TECHNOLOGY INC
Form 8-K
July 02, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

June 28, 2012

AMKOR TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

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(State or Other Jurisdiction

(Commission

(IRS Employer

of Incorporation)

File Number)

Identification No.)

1900 SOUTH PRICE ROAD

CHANDLER, AZ 85286

(Address of Principal Executive Offices, including Zip Code)

(480) 821-5000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. Entry into a Material Definitive Agreement

ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On June 28, 2012, Amkor Technology, Inc. (the Company) entered into the Second Amended and Restated Loan and Security Agreement among the Company, its subsidiaries from time to time party thereto, the lending institutions from time to time party thereto and Bank of America, N.A., as administrative agent (the Second Amended and Restated Loan Agreement). The Second Amended and Restated Loan Agreement amends and restates in its entirety the Amended and Restated Loan and Security Agreement, dated as of April 16, 2009, among the Company, its subsidiaries party thereto, the lending institutions from time to time party thereto and Bank of America, N.A., as administrative agent, as amended by the First Amendment to Amended and Restated Loan Agreement dated as of September 10, 2010.

The Second Amended and Restated Loan Agreement, among other things, (a) increases availability under the facility from \$100 million to \$150 million, (b) extends the termination date by two years to June 28, 2017, (c) makes the minimum 1.10 to 1.00 fixed charge coverage ratio requirement applicable if availability under the facility is less than 17.5% of the aggregate revolving commitments, rather than if availability under the facility is less than the greater of (x) \$30 million or (y) 20.0% of aggregate revolving commitments and (d) reduces the interest rate on borrowings under the facility on base rate loans and LIBOR rate loans to the base rate plus 0.25% to 1.00% or, at the Company's option, LIBOR plus 1.5% to 2.25%, depending on the average availability under the borrowing base for the preceding fiscal quarter.

The foregoing summary of the Second Amended and Restated Loan Agreement is not complete and is qualified in its entirety by the full text of the Second Amended and Restated Loan Agreement, a copy of which is attached to this Report as Exhibit 10.1 and incorporated by reference herein.

On June 28, 2012, Amkor Technology Korea, Inc. (the Borrower), a Korean corporation and a wholly-owned subsidiary of Amkor Technology, Inc. (the Company), entered into a loan agreement (the Korean Loan Agreement) and certain agreements ancillary thereto (such agreements together with the Loan Agreement, the Korean Loan Documents) with The Korea Development Bank, a Korean banking entity (KDB), pursuant to which Borrower will obtain a \$150 million secured 5-year term loan from KDB (the Term Loan). \$50 million of the proceeds of the Term Loan (Tranche A) will be used to repay in full the \$50 million outstanding balance owed to a Korean bank under a prior term loan entered into on July 28, 2011. \$100 million of the proceeds of the Term Loan (Tranche B) will be used for capital additions.

Tranche A will bear interest at three month LIBOR plus 3.90% (approximately 4.36% as of June 28, 2012). Tranche B will bear interest at three month LIBOR plus 3.94% (approximately 4.4% as of June 28, 2012). Interest is due quarterly in arrears. The entire principal balance of the Term Loan is due in a single bullet payment in 2017. There is a prepayment fee of (i) 1.5% of the amount repaid multiplied by the portion of the loan period remaining if the prepayment is made during any of the first three years of the term, (ii) 0.7% of the amount repaid multiplied by the portion of the loan period remaining if the prepayment is made during the fourth year of the term, or (iii) 0.5% of the amount repaid multiplied by the portion of the loan period remaining if the prepayment is made during the last year of the term.

The Borrower's obligations under the Term Loan are secured by substantially all of the Borrower's land, factories and equipment located in Korea pursuant to the terms of that certain second priority Factory Mortgage Agreement in favor of KDB.

The following constitute events that could, subject to certain conditions, cause the acceleration of the obligations under the Korean Loan Agreement and Term Loan: (a) failure to pay when due an installment of interest or other breach by the Borrower of its agreements with KDB; (b) a default with respect to other indebtedness of the Borrower; (c) certain events of bankruptcy, insolvency, liquidation, foreclosure or the like of the Borrower or its property; (d) the Borrower's failure to comply with judgments or orders; (e) cessation of the Borrower's business; (f) certain government intervention in the Borrower's business; and (g) there is a material adverse effect on the legality, validity or enforceability of the agreements with KDB, KDB's rights or remedies thereunder or the Borrower's ability to perform its obligations thereunder.

The foregoing summary of the Korean Loan Agreement and Factory Mortgage Agreement is not complete and is qualified in its entirety by the full text of the Korean Loan Agreement and Factory Mortgage Agreement, copies of which are attached to this Report as Exhibit 10.2 and 10.3, respectively, and incorporated by reference herein.

PLEASE NOTE: Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed the agreements referenced above to provide investors with information regarding their terms. The agreements are not intended to provide any other factual information about the Company, the Borrower or their business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreement may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in disclosure schedules. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreement. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after

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the date of the agreements, which subsequent information may or may not be fully reflected in the Company's public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreement as characterizations of the actual state of facts about the Company, the Borrower or their business or operations on the date hereof.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1	Second Amended and Restated Loan and Security Agreement, dated as of June 28, 2012, among Amkor Technology, Inc., its subsidiaries from time to time party thereto, the lending institutions from time to time party thereto and Bank of America, N.A., as administrative agent.
10.2	Loan Agreement, dated June 28, 2012 by and between Amkor Technology Korea, Inc. and The Korea Development Bank.
10.3	Factory Mortgage Agreement, dated June 28, 2012, by and between The Korea Development Bank and Amkor Technology Korea, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 29, 2012

Amkor Technology, Inc.

/s/ Gil C. Tily

Gil C. Tily

Executive Vice President and Chief Administrative Officer

Index to Exhibits

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