

[For Immediate Release]

ASMPT ANNOUNCES 2013 ANNUAL RESULTS

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**REGAIN NO. 1 IN GLOBAL SEMICONDUCTOR ASSEMBLY & PACKAGING EQUIPMENT MARKET
ACHIEVE NEW HEIGHT IN LEAD FRAME TURNOVER**

Highlights

Fiscal Year 2013

- Group revenue of US\$1.40 billion, representing a slight increase of 3.6% over the preceding year
- Net profit of HK\$558.6 million and earnings per share of HK\$1.40, a contraction of 18.9% against the preceding year
- Excluding the one-time charge associated with the partial relocation of our factory in Shenzhen, China, and related severance payments and tax effect, recurring Group net profit of HK\$637.0 million and earnings per share of HK\$1.60, a contraction of 7.5% against the preceding year
- Record Lead frame revenue of US\$222.2 million, achieving a growth of 4.7% over 2012
- Back-end equipment revenue of US\$670.4 million, representing an increase of 3.5% against 2012
- SMT equipment revenue of US\$505.0 million, representing an increase of 3.4% against 2012
- New order bookings of US\$1,385.7 million, an increase of 4.7% over 2012
- Bookings rebounded for all three business segments
- Back-end equipment business regained the global #1 position of the semiconductor assembly and packaging equipment market
- SMT equipment business advanced to world #2 from #3
- Cash on hand of HK\$1.60 billion at the end of December 2013

Second half of 2013

- Group revenue of US\$756.4 million, representing increases of 17.9% and 10.4% over the first half of 2013 and the second half of 2012, respectively
- Net profit of HK\$320.3 million and earnings per share of HK\$0.80, representing increases of 34.4% and 56.0% over the first half of 2013 and the same period of 2012, respectively
- Excluding the one-time charge associated with the partial relocation of our factory in Shenzhen, China, and related severance payments and tax effect, recurring Group net profit of HK\$398.7 million and earnings per share of HK\$1.00, representing surges of 67.3% and 94.1% over the preceding six months and the same period of 2012, respectively
- Lead frame revenue of US\$114.2 million, representing increases of 5.6% and 5.7% over the first half of 2013 and the second half of 2012, respectively
- Back-end equipment revenue of US\$356.1 million, representing increases of 13.2% and 17.5% over the first half of 2013 and the second half of 2012, respectively
- SMT equipment revenue of US\$286.1 million, representing increases of 30.7% and 4.3% over the first half of 2013 and the second half of 2012, respectively
- New order bookings of US\$660.2 million, increased by 29.4% as compared to the same period of 2012 but 9.0% below the preceding six months

(Hong Kong, February 27, 2014) — The world's No.1 semiconductor assembly and packaging equipment supplier, **ASM Pacific Technology Limited** ("ASMPT" / the "Group") (Stock code: 522) today announced its annual results for the year ended December 31, 2013. Despite full of challenges in 2013, all three segments of the Group successfully gained market share and achieved small revenue growths. ASMPT regained the number one position in the global semiconductor assembly and packaging equipment market, and even opened up a substantial lead over closest rival. The Group also advanced to the second position in the global SMT placement machine market. In particular, Lead frame business also set another new revenue record, surpassing the previous record that was set in 2012.

During the year, ASMPT reported a turnover of HK\$10,841 million, representing a rise of 3.6% as compared with HK\$10,461 million for the previous year. The Group's consolidated profit after taxation for the year is HK\$559 million which is 18.9% lower than the previous year's net profit of HK\$689 million. Basic earnings per share (EPS) for the year amounted to HK\$1.40 (2012: HK\$1.73). Excluding a one-time charge associated with the partial relocation of the Group's factory in Shenzhen, China, and related severance payments and tax effect, net profit for 2013 contracted by 7.5% to HK\$637 million, and basic earnings per share amounted to HK\$1.60. In view of the Group's short-term needs and cash on hand, the Board of Directors has recommended a final dividend of HK\$0.50 (2012: HK\$0.30) per share. Together with the interim dividend of HK\$0.35 (2012: HK\$0.61) per share, the total dividend payment for year 2013 will be HK\$0.85 (2012: HK\$0.91) per share, amounting the dividend payout ratio for 2013 is 60.9%.

New order bookings for 2013 amounted to US\$1.39 billion, an improvement of 4.7% as compared to 2012. New order bookings for the Group's three business segments improved over the previous year, with Back-end equipment business improved by 1.8%, Lead frame business by 11.9% and SMT equipment business by 5.5%. Book-to-bill ratio, representing net bookings over billings, was 0.99. As of 31 December 2013, order backlog amounted as US\$256.7 million.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, "2013 was a year full of challenges as well as achievements. Thanks for the Group's diversified product portfolio and a broad customer base, we are able to achieve improvements in all three business segments across the board during the year. With aggressive cost reduction program, we were able to achieve a moderate improvement of 11.6% in the segment result of Back-end equipment business last year during a tough market condition. Segment revenue amounted to US\$670.4 million, contributing to 48.0% of the Group's total revenue. Demand for CMOS Image Sensor ("CIS") equipment was strong, LED equipment market continued on track towards recovery, and Thermo-Compression Bonding ("TCB") equipment started to make meaningful contributions to our revenue. Although the profitability of Back-end equipment business has yet to show significant improvement due to a challenging market, we are confident that the various cost reduction measures and out-sourcing strategy that we have put in place will lead to significant improvements to its profitability during the second and/or third quarters this year, when business activities should improve further."

Lead frame business performed strongly last year. The segment revenue attained another new record of US\$222.2 million, representing a growth of 4.7% from the year before, contributing to 15.9% of the Group's total revenue. Bookings for the segment business rebounded by 13.6% from the drop during the third quarter of last year. Generally, the low point of Lead frame bookings last year occurred during the third quarter and was relatively mild. The Group continued to drive improvement in its profitability, the segment result improved 54.3% over the previous year. There is a good chance for Lead frame business to achieve both quarter-on-quarter and year-on-year improvement in bookings during the first quarter of 2014.

Contributing to 36.1% of the Group's turnover, SMT equipment business revenue amounted to US\$505.0 million (2012: US\$488.5 million), with gross margin of 27.7% and EBIT (Earnings before Interest and Tax) margin of 4.8%. The Group has advanced from the third to the second position in the global SMT placement machine market through significant market share gains in China and the Americas. It also made in-roads into non-traditional SMT markets. Based on the sales volume in 2013, the Group has undoubtedly attained the number one position in the Americas market for SMT equipment. Moreover, ASMPT successfully entered into a sale and purchase agreement with Dover Corporation to acquire its DEK printer business. The Group believes that the DEK printer business will offer enhanced synergies to further build upon and expand its SMT equipment business. In fact, many customers in the semiconductor assembly and packaging business also use DEK printers, especially for the production of system-in-package ("SIP") devices.

Mr. Lee said, "Looking ahead, market contraction was significantly smaller towards the end of last year, indicating we have reached or even passed the trough of the current industry cycle. We anticipate that there is a fair chance for our Back-end equipment and SMT equipment businesses to achieve both quarter-on-quarter and year-on-year improvement in bookings during the first quarter of 2014. With reduced bookings received in the previous quarter, we expect a sequential decline in Group billings in the first quarter of 2014, but a low double digit percentage improvement year-on-year. Most of the improvement is expected to come from the Back-end equipment and Lead frame business. The conversion to fine-pitch copper pillar flip-chip bonding and TCB bonding continue to offer ASMPT tremendous growth opportunities. With our success in TCB bonders, we expect it to make a significant contribution this year. The Group will strive for the top position in the flip-chip bonder market."

“We continue our strategy to invest for the future. Other than the addition of DEK printer business, in February 2014, the Group has penetrated into the laser saw business through the purchase of, amongst other things, the intellectual property rights and know-how of Advanced Laser Separation International B.V. (“ALSI”), a Dutch technology company specializing in multi-beam laser-cutting and low-K wafer grooving. We believe we have put in place a solid long-term strategy to capture greater market share in both the Back-end semiconductor and SMT market segments and to improve their profitability. Coupled with our already-commanding position in the LED market, the future for ASMPT is promising.” **Mr. Lee** concluded.

About ASM Pacific Technology Limited

ASMPT is listed on the Hong Kong Stock Exchange since 1989. The Group is principally engaged in the design, manufacture and marketing of machines, tools and materials used in the assembly and packaging of semiconductor devices and surface mount technology, with operations being carried out in China (including Hong Kong), Germany, Malaysia and Singapore.

Currently, ASMPT is one of the constituent stocks on the Hang Seng HK MidCap Index under the Hang Seng Composite Index, the Hang Seng Information Technology Industry Index, the Hang Seng Hong Kong 35 index and the Hang Seng Global Composite Index.

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(N.B.: Enclosed please find the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 31 Dec		Year ended 31 Dec	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000	2013 (audited) HK\$'000	2012 (audited) HK\$'000
Turnover	2,763,755	2,279,801	10,841,166	10,460,558
Cost of sales	(2,014,315)	(1,746,317)	(7,661,808)	(7,298,182)
Gross profit	749,440	533,484	3,179,358	3,162,376
Other income	20,019	6,934	31,774	16,711
Selling and distribution expenses	(232,060)	(244,430)	(898,478)	(937,409)
General and administrative expenses	(174,100)	(118,015)	(560,845)	(451,618)
Research and development expenses	(240,360)	(233,316)	(948,295)	(905,115)
Other gains and losses	(804)	5,940	(7,420)	(7,493)
Restructuring costs	(104,521)	-	(104,521)	-
Finance costs	(4,600)	(3,993)	(18,563)	(8,774)
Profit (loss) before taxation	13,014	(53,396)	673,010	868,678
Income tax expense	34,179	9,267	(114,421)	(179,684)
Profit (loss) for the period, attributable to owners of the Company	47,193	(44,129)	558,589	688,994
Other comprehensive income (expense)				
- exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	50,072	38,881	93,807	42,617
- remeasurement of defined benefit retirement plans, net of tax, which will not be reclassified to profit or loss	12,108	(40,160)	12,108	(40,160)
Other comprehensive income (expense) for the period	62,180	(1,279)	105,915	2,457
Total comprehensive income (expense) for the period, attributable to owners of the Company	109,373	(45,408)	664,504	691,451
Earnings (loss) per share				
- Basic	HK\$0.12	HK\$(0.12)	HK\$1.40	HK\$1.73
- Diluted	HK\$0.12	HK\$(0.11)	HK\$1.40	HK\$1.73

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2013	2012
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	2,000,800	2,105,615
Investment property	70,215	69,501
Intangible assets	9,650	15,213
Prepaid lease payments	26,983	27,794
Pledged bank deposit	213,866	204,520
Deposits paid for acquisition of property, plant and equipment	61,490	36,920
Rental deposits paid	16,719	13,549
Deferred tax assets	242,427	171,634
Other non-current assets	79,459	53,397
	2,721,609	2,698,143
Current assets		
Inventories	3,236,119	2,876,375
Trade and other receivables	3,115,798	3,155,458
Prepaid lease payments	974	997
Derivative financial instruments	4,225	1,479
Income tax recoverable	65,152	4,525
Bank balances and cash	1,596,592	1,487,003
	8,018,860	7,525,837
Current liabilities		
Trade and other payables	2,151,810	2,091,605
Provisions	348,901	320,638
Income tax payable	251,781	244,423
Bank borrowings	550,778	695,273
	3,303,270	3,351,939
Net current assets	4,715,590	4,173,898
	7,437,199	6,872,041

ASM PACIFIC TECHNOLOGY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	At 31 December	
	2013	2012
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	40,063	39,925
Dividend reserve	200,317	119,773
Other reserves	6,840,885	6,396,976
Equity attributable to owners of the Company	<u>7,081,265</u>	<u>6,556,674</u>
Non-current liabilities		
Retirement benefit obligations	83,133	91,410
Provisions	85,224	54,181
Bank borrowings	145,384	129,175
Deferred tax liabilities	5,783	8,811
Other liabilities and accruals	36,410	31,790
	<u>355,934</u>	<u>315,367</u>
	<u>7,437,199</u>	<u>6,872,041</u>