



ASM PACIFIC TECHNOLOGY LIMITED

[For Immediate Release]

ASM RESPONSE TO THE COVERAGE ON THE STAFF SUICIDE IN SHENZHEN FACTORY

ASM Pacific Technology Limited (“ASM” / the “Group”) (Stock code: 522) in response to the coverage on Apple Daily and Sharp Daily on the staff suicide in Shenzhen factory today, the Group would like to express its views on the issues as below:

- Shenzhen ASM Micro Electronic Technology Company Limited (“MET” / the “Company”), which is one of the Group’s subsidiaries in China, experienced two employees who committed suicide by leaping from the staff dormitory in 2013 and 2010 respectively. Another two suicides occurred at the staffs’ own residences in 2004 and 2011 respectively. After investigations by the local police, the 2010 incident appeared to be related to personal relationship issues, and the incidents in 2004 and 2011 appeared to be related to family issues.
- Regarding the incident in 2013, following an investigation, the Shenzhen Yantian Public Security Bureau concluded that the cause of the staff’s death was “falling from height”. The Bureau ruled out the possibility of murder and found no other possible cause of death. The Company carried out an in-depth internal investigation and found no record of conflicts between him and other colleagues or supervisors which may lead to his suicide. According to the Company’s Human Resources records, there was no disciplinary action taken against the staff. Therefore, the Company excluded any possible association between his suicide and his work. In response to the coverage mentioned that the staff had gone on a strike and demonstration, the Group would like to assert that the statement does not correlate with the facts.
- The Company no doubt is extremely shocked and saddened about the death of its own staff member. On the day after the incident, MET offered compensation to the family of the deceased in accordance with his entitlements. In addition, the Company offered an allowance to support the elderly family members of the deceased.
- Nevertheless, the family demanded compensation of RMB1 million from the Company which is far more than what the staff was entitled to. With regards to this request, the Management sought to clearly explain to the family their entitlements and the fact that the Company bears no legal obligation in compensation, as advised by MET’s lawyers. The correctness of MET’s position was confirmed by the local authorities. After serious consideration, and upon taking into account the local authorities’ advice, MET chose to reject the family’s excessive request as this would have created an unfavorable precedent. MET nevertheless offered further financial compensation and assistance to the deceased’s family on humanitarian grounds, maintained patient and sincere communications with them and provided various forms of assistance. During their stay in Shenzhen, the Company has offered the family financial assistance, totalling more than RMB20,000, to help the family meet their immediate needs.

- From 14 March 2013 to 3 April 2013, the family members of the deceased frequently blocked the entrance and passage to Haipeng Industrial Estate, where MET is located. This hampered the normal operation of MET and the entire industrial estate, and seriously affected the commute of employees to and from the industrial estate, as well as inconvenienced the residents nearby (such as those residing at Wutong Street). MET sympathized with the grief of the family in having lost their loved one, and offered its condolences. MET in fact provided basic necessities, such as lunch boxes and water to family members of the deceased who blocked the road, and even offered them shelter from the rain. Nevertheless, the congestion lasted for several weeks, causing the operation of MET and the entire industrial estate to be hampered during that period. The Company had no choice but to seek assistance from the local police so that traffic to and from the area could return to normal.
- MET finally reached an agreement with the family of the deceased on 5 April 2013. In addition to compensation to the deceased's family in accordance with the staff's entitlements, the Company offered an allowance of adequate amount to support the elderly family members of the deceased. The Company's administration staff further assisted the family with funeral arrangements on 8 April 2013. The family left Shenzhen and returned to their hometown on 9 April 2013. Members of the Company wished the family a quick recovery from their grief.
- The Company took a transparent approach in handling the above incident. At different points of time, the company issued three different memos to its staffs, including those in Hong Kong, to explain the details of the incident and provide updates on the progress. The Company also called for their understanding and tolerance to the inconvenience caused by the congestion.
- The Company would like to express its most sincere apologies to the staffs of MET, fellow workers in the Haipeng Industrial Estate and residents residing around the area for the inconveniences caused.
- Regarding the other incidence relating to a staff suffered from Leukemia, which was suspected to be linked to the benzene level at the work place, MET Occupational Safety and Health Department conducted several rounds of in-depth investigation and confirmed that the chemicals used in the concerned workplace did not contain benzene. Shenzhen Yantian Disease Prevention and Control Centre carried out occupational hazards tests in MET, and found that the benzene level in the air sample tested was below the detectable level, and it was far below the national standard. MET has established a Staff Occupational Safety and Health Department, and provides adequate protection in accordance with relevant measures stipulated by the Government. Moreover, the Company hires professional institutes to conduct regular inspections and health checks for staff. The Group is deeply sympathetic about the staff's condition, and will provide assistance based on legal and humanitarian grounds. MET is currently in talks with the family in respect of this matter.

ASM would like to provide the public with the above accurate information.

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