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ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF UNAUDITED 2013 THIRD QUARTER RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2013

ASMPT Experienced Strong Year-on-Year Improvement in New Order Bookings

- Group turnover of US$399.9 million, an improvement of 8.8% and 2.2% over preceding quarter and the same period last year, respectively
- Net profit of HK$273 million, representing an improvement of 18.6% and 9.5% over the preceding quarter and the same period last year, respectively
- Earnings per share of HK$0.68 for the third quarter 2013
- Gross margin of the Back-end equipment business has returned to levels exceeding 40%
- Back-end equipment turnover of US$196.2 million, representing an increase of 2.0% over the preceding quarter and a slight decline of 1.3% against the same period last year
- SMT equipment turnover of US$140.8 million, achieving a surge of 24.0% over the preceding quarter and an increase of 10.0% over the same period last year
- Lead frame turnover of US$62.9 million, achieving a growth of 2.2% over the preceding quarter and a contraction of 2.7% against the same period last year
- New order bookings of US$367.4 million, a contraction of 12.2% against the preceding quarter and a surge of 41.4% over the same period last year
- Cash on hand of HK$1.3 billion at the end of September 2013

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the third quarter and nine months ended 30 September 2013:

RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASMPT") reported a turnover of HK$3,101.7 million for the three months ended on 30 September 2013, representing an increase of 2.2% as compared with HK$3,035.5 million for the same period last year and a 8.8% increase when compared with the turnover of HK$2,850.2 million for the preceding three-month period.

The Group's consolidated profit after taxation for the three months was HK$273.1 million, which was 9.5% higher than the corresponding period in 2012 and 18.6% higher than the preceding three-month period. Basic earnings per share (EPS) for the three-month period amounted to HK$0.68 (third quarter of 2012: HK$0.63, second quarter of 2013: HK$0.58).

The Group reported a turnover of HK$8,077.4 million for the nine months ended 30 September 2013, representing a decrease of 1.3% as compared with HK$8,180.8 million for the same period last year. The Group's consolidated profit after taxation for the nine months is HK$511.4 million which is 30.2% lower than the same period in 2012.

FINANCIAL HIGHLIGHTS

		Three months ended 30 Sep		Nine months ended 30 Sep	
		2013	2012	**2013**	2012
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		HK$'000	HK$'000	**HK$'000**	HK$'000
	Notes				
Turnover	1	**3,101,733**	3,035,466	**8,077,411**	8,180,757
Cost of sales		**(2,116,325)**	(2,106,820)	**(5,647,493)**	(5,551,865)
Gross profit	3	**985,408**	928,646	**2,429,918**	2,628,892
Other income		**2,915**	3,905	**11,755**	9,777
Selling and distribution expenses		**(226,292)**	(244,756)	**(666,418)**	(692,979)
General and administrative expenses		**(145,374)**	(121,069)	**(386,745)**	(333,603)
Research and development expenses		**(254,785)**	(237,480)	**(707,935)**	(671,799)
Other gains and losses		**(28,688)**	(14,827)	**(6,616)**	(13,433)
Finance costs		**(4,423)**	(1,767)	**(13,963)**	(4,781)
Profit before taxation		**328,761**	312,652	**659,996**	922,074
Income tax expense		**(55,641)**	(63,135)	**(148,600)**	(188,951)
Profit for the period, attributable to owners of the Company		**273,120**	249,517	**511,396**	733,123
Other comprehensive income					
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss		**54,667**	55,615	**43,735**	3,736
Total comprehensive income for the period, attributable to owners of the Company		**327,787**	305,132	**555,131**	736,859
Earnings per share	4				
- Basic		**HK$0.68**	HK$0.63	**HK$1.28**	HK$1.85
- Diluted		**HK$0.68**	HK$0.62	**HK$1.28**	HK$1.84

Notes:

1. Segment Information

Segment revenue and results

An analysis of the Group's turnover and results by operating segment is as follows:

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2013	2012	**2013**	2012
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Segment revenue from external customers				
Back-end equipment	**1,521,569**	1,541,012	**3,960,514**	4,214,527
Surface mount technology ("SMT") equipment	**1,092,154**	992,763	**2,790,171**	2,654,880
Lead frame	**488,010**	501,691	**1,326,726**	1,311,350
	3,101,733	3,035,466	**8,077,411**	8,180,757
Segment profit				
Back-end equipment	**250,744**	200,675	**469,987**	652,650
SMT equipment	**71,497**	107,697	**131,567**	256,944
Lead frame	**51,335**	35,747	**109,693**	68,721
	373,576	344,119	**711,247**	978,315
Interest income	**557**	2,082	**2,248**	7,260
Finance costs	**(4,423)**	(1,767)	**(13,963)**	(4,781)
Unallocated other (expenses) income	**(2,632)**	1,620	**(2,559)**	1,617
Unallocated net foreign exchange (loss) gain	**(16,837)**	(15,133)	**7,328**	(14,727)
Unallocated general and administrative expenses	**(21,480)**	(18,269)	**(44,305)**	(45,610)
Profit before taxation	**328,761**	312,652	**659,996**	922,074
Segment profit %				
Back-end equipment	**16.5%**	13.0%	**11.9%**	15.5%
SMT equipment	**6.5%**	10.8%	**4.7%**	9.7%
Lead frame	**10.5%**	7.1%	**8.3%**	5.2%

2. Analysis of quarterly segment revenue and results for the nine months ended 30 September 2013

	Three months ended			Change	
	30 September 2013	30 June 2013	31 March 2013	Q3 vs. Q2	Q3 vs. Q1
	(Unaudited)	(Unaudited)	(Unaudited)		
	HK$'000	HK$'000	HK$'000		
Segment revenue from external customers					
Back-end equipment	**1,521,569**	1,491,925	947,020	2.0%	60.7%
SMT equipment	**1,092,154**	880,560	817,457	24.0%	33.6%
Lead frame	**488,010**	477,677	361,039	2.2%	35.2%
	3,101,733	2,850,162	2,125,516	8.8%	45.9%
Segment profit					
Back-end equipment	**250,744**	217,836	1,407	15.1%	17721.2%
SMT equipment	**71,497**	57,236	2,834	24.9%	2422.8%
Lead frame	**51,335**	40,603	17,755	26.4%	189.1%
	373,576	315,675	21,996	18.3%	1598.4%
Interest income	**557**	759	932	-26.6%	-40.2%
Finance costs	**(4,423)**	(4,568)	(4,972)	-3.2%	-11.0%
Unallocated other (expenses) income	**(2,632)**	76	(3)	N/A	87633.3%
Unallocated net foreign exchange (loss) gain	**(16,837)**	13,194	10,971	N/A	N/A
Unallocated general and administrative expenses	**(21,480)**	(14,949)	(7,876)	43.7%	172.7%
Profit before taxation	**328,761**	310,187	21,048	6.0%	1462.0%
Segment profit %					
Back-end equipment	**16.5%**	14.6%	0.1%		
SMT equipment	**6.5%**	6.5%	0.3%		
Lead frame	**10.5%**	8.5%	4.9%		

3. An analysis of the Group's turnover, gross profit and earnings before interest and tax ("EBIT") by business is as follows:

	Nine months ended 30 September 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	(Unaudited) HK$'000	**(Unaudited) HK$'000**	**(Unaudited) HK$'000**
Turnover	**5,287,240**	**2,790,171**	**8,077,411**
Gross profit	**1,654,097**	**775,821**	**2,429,918**
EBIT	**550,160**	**121,551**	**671,711**
Gross profit %	**31.3%**	**27.8%**	**30.1%**
EBIT %	**10.4%**	**4.4%**	**8.3%**

	Nine months ended 30 September 2012		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	5,525,877	2,654,880	8,180,757
Gross profit	1,809,890	819,002	2,628,892
EBIT	668,281	251,315	919,596
Gross profit %	32.8%	30.8%	32.1%
EBIT %	12.1%	9.5%	11.2%

3. An analysis of the Group's turnover, gross profit and earnings before interest and tax ("EBIT") by business is as follows: - continued

	Three months ended 30 September 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	(Unaudited) HK$'000	**(Unaudited) HK$'000**	**(Unaudited) HK$'000**
Turnover	**2,009,579**	**1,092,154**	**3,101,733**
Gross profit	**696,713**	**288,695**	**985,408**
EBIT	**277,229**	**55,399**	**332,628**
Gross profit %	**34.7%**	**26.4%**	**31.8%**
EBIT %	**13.8%**	**5.1%**	**10.7%**

	Three months ended 30 September 2012		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	2,042,703	992,763	3,035,466
Gross profit	628,920	299,726	928,646
EBIT	215,523	96,815	312,338
Gross profit %	30.8%	30.2%	30.6%
EBIT %	10.6%	9.8%	10.3%

Note: Back-end Business: Back-end Equipment and Lead Frame

4. Earnings per share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	**2013 (Unaudited) HK$'000**	2012 (Unaudited) HK$'000
Earnings for the purposes of basic and diluted earnings per share (Profit for the period)	**273,120**	249,517	**511,396**	733,123

	Number of Shares (in thousand)		Number of Shares (in thousand)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	**398,981**	397,309	**399,063**	397,415
Effect of dilutive potential shares from the Employee Share Incentive Scheme	**1,180**	1,226	**839**	876
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**400,161**	398,535	**399,902**	398,291

REVIEW

Our results during the third quarter of this year appear to support our view that we have already passed the bottom of the current industry cycle, and that we are on the verge of a sustainable upturn.

New order bookings of the Group surged by 41.4% to US$367.4 million as compared to the third quarter of 2012, although they declined by 12.2% from the preceding quarter. Bookings for all three business segments in the third quarter this year have surpassed bookings for the same period last year by a wide margin. In fact, the Group bookings of US$1,092.9 million for the first three quarters of this year are slightly higher than the bookings for the same period last year by 1.9%. Based on the current market momentum, we believe there is good chance that Group bookings this year will surpass that of 2012.

During the third quarter of 2013, we achieved Group billings of US$399.9 million. This performance is an improvement of 8.8% over the preceding quarter and is also an improvement 2.2% over the same period a year ago. Group billings for the first nine months of this year amounted to US$1,041.1 million, a small decline of 1.3% as compared to the same period last year.

By geographical distribution, China inclusive of Hong Kong (56.1%), Europe (13.0%), Malaysia (7.3%), the Americas (6.7%) and Taiwan (5.5%) were our top five markets in the third quarter of 2013. China and Europe, the two largest markets for ASMPT, were the key drivers of growth in last quarter. We are particularly encouraged by the return of demand from the European market.

During the third quarter, we noticed that OSAT (Out-Sourced assembly and Test) customers had turned more conservative. As a result, the majority of our billings in respect of Back-end Equipment were from IDM (Integrated Device Manufacturer), discrete, CIS (CMOS Imaging Sensor) and opto-electronics customers.

Meanwhile, the backlog as of 30 September 2013 was US$317.5 million, a decrease of 8.9% from the end of the second quarter of 2013.

Profitability of the Group continued to improve. During the third quarter this year, Group net profit improved by 18.6% sequentially and 9.5% year-on-year. All three business segments contributed to higher operating profits as compared to the previous quarter. Gross margin of the Back-end Equipment business has returned to levels exceeding 40%. Assisted by the progressive recovery of market demand, the rise in gross margins was also due in no small part to greater efficiency in our organization after a realignment of our business strategies, as well as our aggressive cost reduction programmes.

Our cash-on-hand as of end-September 2013 is at HK$1.3 billion. Capital addition during the period amounted to HK$72.9 million, which is fully funded by this quarter's depreciation and amortization of HK$106.6 million.

Back-end Equipment Business

During the third quarter, Back-end Equipment billings were US$196.2 million, which was an increase of 2.0% as compared to the second quarter of this year, but a slight decline of 1.3% against the same period a year ago. Back-end Equipment contributed to 49.1% of total Group billings in the third quarter.

Back-end Equipment billings for the first nine months this year were US$510.5 million, representing a decline of 6.0% as compared to the same period last year.

REVIEW - continued

During the third quarter, Back-end Equipment bookings in particular experienced a very strong year-on-year surge of 39.5%. Bonders, including thermal compression bonder ("TCB"), and CIS equipment were the key contributors for this sizeable growth in bookings. Packaging-related Back-end Equipment had also contributed moderately to the growth.

However, demand for Back-end Equipment in the past three months was not as strong as in the second quarter of this year, particularly for the IC/discrete and CIS market segments, although bookings for LED equipment continued to improve as compared to the previous quarter. Overall, Back-end Equipment bookings contracted by 11.5% as compared to the preceding three months. Judging from the current market momentum, we are optimistic that our Back-end Equipment bookings this year may surpass that of 2012. As for billings, we are quite confident that our billings for bonders will surpass the full year level of last year while billings for packaging-related back-end equipment will lag behind. It reflects the normal nature of the market that there is always a time lag of one to two quarters between the bonders and the packaging-related back-end equipment.

The semiconductor back-end industry is undergoing a technology transition. Flip chip packaging, inclusive of TCB, is gaining momentum. ASMPT's heavy investment in TCB technology in the past few years is bearing fruit. Judging from the current market momentum, we believe that the Group has good potential to overtake our peers and to become the TCB market leader before 2015. The smartphone industry is in need of a highly cost-effective TCB or copper pillar flip chip bonding solution. With our success in TCB, ASMPT is aggressively taking on the new challenge. After carefully reviewing the market opportunities, we have re-aligned our product development strategies. More resources have been channeled to developing a next-generation flip chip bonder which will offer customers new value propositions providing high speed and/or high accuracy. The new generation flip chip bonder will reach the market by the middle of 2014. Besides flip chip and TCB bonders, ASMPT is also benefiting from the technology transition in the area of mold under-fill ("MUF"). Our encapsulation solutions group ("ESG") has developed MUF technology to fill the very narrow gap between a flipped die and a substrate during molding.

Wafer level packaging (WLP) and redistribution layer (RDL) are emerging as inter-connection technology alternatives to traditional die and wire bonding. The Chip-Attach ("CA") machine from our SMT business unit has proven to be the best solution for die redistribution. Capable of achieving an accuracy of +/- 10 µm @ 3 sigma, it is capable to conduct bonding at very high speed, on very large substrates and to place multiple active and passive components in a single pass. The Group is now working on the development of other complementary equipment to enhance its product offerings in this application segment.

Gross margins of the Back-end Equipment business was 40.7% during the third quarter of this year. It is a direct result of our continuous cost reduction effort and the realignment of our business strategies. Compared to previous years, we have implemented strict controls in manufacturing headcount growth during the past two successful quarters. The improvement in productivity has translated directly into the gross margin improvement.

To deal with the volatile nature of the business, we have also started to build in greater flexibility in our manufacturing capacity for Back-end Equipment. We have progressively increased our outsourcing levels, with the aim of reaching a final target of 30%. So far, approximately 660 workers had been hired on a temporary or short-term contract basis to cope with the stronger demand in the past two quarters. While it did not contribute directly to the gross margin improvement in the past two quarters, it will enable us to stay at higher gross margin levels during the low seasons.

REVIEW - continued

Average Selling Prices ("ASP") for Back-end Equipment were relatively stable for the past few quarters. However, it is still noticeably lower as compared to the first half of 2012. This is one reason why our gross margin is still lagging behind the previous high levels. In the past few quarters, we have expended extensive R&D efforts to prepare for a suite of new generation equipment which will offer higher performance to our customers and lower our manufacturing cost at the same time. We are confident that this initiative will help to further bolster the gross margin of our Back-end Equipment in 2014.

In fact, we have already seen some positive results in the LED market. During the upturn of the LED market this year, we successfully strengthened our already high market share in the die mapping, die bonder and wire bonder markets with the help of a new generation of equipment which was introduced.

With the gross margin of our Back-end Equipment business successfully returning to above 40%, our next target is to achieve a gross margin of above 40% for our Back-end business, which includes both the Back-end Equipment and the Lead frame businesses, by the second or third quarter of next year.

Lead Frame Business

During the third quarter, Lead frame billings grew by 2.2% against the preceding three months, but contracted slightly by 2.7% as compared to the corresponding period last year. Lead frame billings contributed to 15.7% of total Group billings in the third quarter.

Lead frame billings for the first nine months this year were US$171.0 million, representing an increase of 1.2% as compared to the same period last year. We are confident that our Lead frame billings this year will set another new record.

New order bookings for Lead frames experienced a strong surge of 77.4% year-on-year during the third quarter, even though they had declined by 28.7% from the previous quarter. In fact, Lead frame bookings for the nine months were slightly ahead of last year by 2.9%. We are also confident that we will end the year with stronger bookings for Lead frames as compared to last year. Indeed, ASMPT has been consistently gaining market share in the Lead frame business. Our progress has made ASMPT the fourth largest Lead frame supplier in the world.

We are particularly encouraged by the continuous improvement in profitability of the Lead frame business segment. Since returning to profitability in the beginning of 2012, this business segment has been making consistent improvements to its profitability. As a matter of fact, for the first nine months this year, the operating profit contributed by this business segment has improved by close to 60% as compared to last year. In fact, it has already exceeded the full year operating profit contributed by the Lead frame business last year. Compared to our peers, we believe we have the best cost structure in place. Not only do we have a lean workforce, our manufacturing base is strategically located in China and Malaysia. Economies of scale constitute a key competitive advantage in this business. Coupled with our ability to continuously gain market share, our cost structure is likely to be further enhanced.

REVIEW – continued

SMT Equipment Business

During the third quarter, SMT Equipment billings were US$140.8 million, representing improvements of 24.0% and 10.0% as compared to the second quarter of this year and the same period a year ago, respectively. SMT Equipment contributed to 35.2% of total Group billings in the third quarter.

SMT Equipment billings for the first nine months this year were US$359.7 million, representing an increase of 5.1% as compared to the same period last year.

New order bookings for SMT Equipment rose by 34.2% year-on-year, whilst there was a moderate contraction of 5.7% as compared to the previous quarter. We are particularly encouraged by the return of demand from European customers. Based on the current market momentum, we believe there is a fair chance that this business segment will register a higher level of bookings this year than last year.

Despite it being a challenging period for the global SMT equipment industry during the past nine quarters, we continued to make good progress in our SMT Equipment business. As of the end of June this year, we have significantly narrowed the revenue gap with our closest rival, calculated on a rolling 12-month basis. We have also attained the number 1 position in the Americas market. Our focus is now clearly on the China market, which is the largest market for the global SMT Equipment industry.

However, our focus on the China market will have a short-term negative effect on the profitability of this business segment, since not all customers in China require equipment with same level of sophistication and capabilities as required by many customers in Europe. This in turn translates into pressure on our gross margin. Furthermore, the depreciation of the Japanese yen had affected our average selling prices this year. These have been the main reasons why the profitability of this business segment has lagged behind that of last year. Fortunately, it was partially offset by the savings realized from our in-sourcing activities.

As China is the largest SMT equipment market in the world, increasing our market share in China is of strategic importance for achieving our goal of attaining the number 1 position in the global SMT equipment market by 2016. Our new generation of equipment will help to enhance our market position in China and, at the same time, improve our gross margin. We have set clear targets to achieve gross margin and EBIT (earnings before interest and tax) for our SMT Equipment business in excess of 40% and 20%, respectively. Nonetheless, the challenging market conditions, including the much depreciated Japanese yen may delay our achievement of these targets.

PROSPECTS

We expect that the reduced bookings received in the third quarter and the normal seasonal effect towards the end of the year will have some dampening impact on our billings in the fourth quarter. However, as we have noticed a significant improvement in the market momentum during this year comparative to last year, we expect a better result for the Group in the last quarter of 2013 when compared with the corresponding period of 2012.

Since billings for the first nine months of this year only lagged behind billings for the same period a year ago by 1.3%, we do not expect any significant contraction for our full-year billings for 2013. In fact, we look forward to achieving a small improvement in billings as compared to last year.

PROSPECTS – continued

Barring any major upheaval in the financial markets which has intermittently threatened to bring turmoil to the world economy in the recent past, it seems that the world's major economies are on track to achieving improvement or recovery. Hopefully, the momentum will lend strong support to lift the current industry cycle back onto a course of expansion.

The multiple-application and multiple-product strategies of the Group continue to serve it well. With the strong foundations that it has built, the Group is well-positioned to capture greater market opportunities in the coming years.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2013.

BOARD OF DIRECTORS

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.

On behalf of the Board
Lee Wai Kwong
Director

Hong Kong, 31 October 2013