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**ASM PACIFIC TECHNOLOGY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0522)**

**ANNOUNCEMENT OF UNAUDITED 2014 THIRD QUARTER RESULTS FOR  
THE THREE MONTHS ENDED 30 SEPTEMBER 2014**

**Record Quarterly Group Billings and Profit Before Tax (PBT)  
SMT Achieved Record Quarterly Billings and Contributed to 43.2% of Group PBT  
On Track for Record Yearly Group Billings and Bookings**

- Record Group turnover of US\$626.1 million, an improvement of 41.2% and 56.4% over preceding quarter and the same period last year, respectively
- Net profit of HK\$782.4 million, achieving a surge of 87.6% and 186.5% over the preceding quarter and the same period last year, respectively
- Earnings per share of HK\$1.96 for the third quarter 2014
- Back-end equipment turnover of US\$279.7 million, representing an increase of 17.1% and 42.5% over the preceding quarter and the same period last year, respectively
- Record SMT equipment turnover of US\$281.5 million, achieving a surge of 101.9% and 99.7% over the preceding quarter and the same period last year, respectively
- Lead frame turnover of US\$64.9 million, representing an increase of 3.0% over the same period last year and a small contraction of 0.6% against the preceding quarter
- New order bookings of US\$533.0 million, a contraction of 15.6% against the preceding quarter and an improvement of 45.1% over the same period last year
- Cash on hand of HK\$1.9 billion at the end of September 2014
- Effective Q3 2014, the financials of the newly-acquired Printing business (previously known as DEK business) are combined with the financials of the existing Placement business under SMT Equipment business

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 2014:

## **RESULTS**

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the “Group” or “ASMPT”) reported a turnover of HK\$4,852.4 million for the three months ended on 30 September 2014, representing an increase of 56.4% as compared with HK\$3,101.7 million for the same period last year and a 41.2% increase when compared with the turnover of HK\$3,437.6 million for the preceding three-month period.

The Group’s consolidated profit after taxation for the three months was HK\$782.4 million, which was 186.5% higher than the corresponding period in 2013 and 87.6% higher than the preceding three-month period. Basic earnings per share (EPS) for the three-month period amounted to HK\$1.96 (third quarter of 2013: HK\$0.68, second quarter of 2014: HK\$1.04).

The Group reported a turnover of HK\$10,783.5 million for the nine months ended 30 September 2014, representing an increase of 33.5% as compared with HK\$8,077.4 million for the same period last year. The Group’s consolidated profit after taxation for the nine months is HK\$1,356.2 million which is 165.2% higher than the same period in 2013.

## FINANCIAL HIGHLIGHTS

		Three months ended 30 Sep		Nine months ended 30 Sep	
		2014	2013	2014	2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<i>Notes</i>				
Turnover	1	<b>4,852,395</b>	3,101,733	<b>10,783,468</b>	8,077,411
Cost of sales		<b>(3,115,014)</b>	(2,116,325)	<b>(7,041,902)</b>	(5,647,493)
Gross profit	3	<b>1,737,381</b>	985,408	<b>3,741,566</b>	2,429,918
Other income		<b>52,345</b>	2,915	<b>60,101</b>	11,755
Selling and distribution expenses		<b>(334,003)</b>	(226,292)	<b>(834,269)</b>	(666,418)
General and administrative expenses		<b>(171,910)</b>	(145,374)	<b>(444,219)</b>	(386,745)
Research and development expenses		<b>(326,741)</b>	(254,785)	<b>(833,766)</b>	(707,935)
Other gains and losses		<b>66,205</b>	(28,688)	<b>83,476</b>	(6,616)
Finance costs		<b>(38,389)</b>	(4,423)	<b>(81,600)</b>	(13,963)
Profit before taxation		<b>984,888</b>	328,761	<b>1,691,289</b>	659,996
Income tax expense		<b>(202,494)</b>	(55,641)	<b>(335,063)</b>	(148,600)
Profit for the period, attributable to owners of the Company		<b>782,394</b>	273,120	<b>1,356,226</b>	511,396
Other comprehensive (expense) income					
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss		<b>(173,380)</b>	54,667	<b>(199,374)</b>	43,735
Total comprehensive income for the period, attributable to owners of the Company		<b>609,014</b>	327,787	<b>1,156,852</b>	555,131
Earnings per share	4				
- Basic		<b>HK\$1.96</b>	HK\$0.68	<b>HK\$3.39</b>	HK\$1.28
- Diluted		<b>HK\$1.92</b>	HK\$0.68	<b>HK\$3.38</b>	HK\$1.28

*Notes:*

## 1. Segment Information

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

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>Segment revenue from external customers</b>				
Back-end equipment	2,168,202	1,521,569	5,288,107	3,960,514
Surface mount technology ("SMT") equipment	2,181,325	1,092,154	4,044,042	2,790,171
Lead frame	502,868	488,010	1,451,319	1,326,726
	<b>4,852,395</b>	<b>3,101,733</b>	<b>10,783,468</b>	<b>8,077,411</b>
<b>Segment profit</b>				
Back-end equipment	563,880	250,744	1,123,496	469,987
SMT equipment	365,270	71,497	494,048	131,567
Lead frame	43,666	51,335	137,647	109,693
	<b>972,816</b>	<b>373,576</b>	<b>1,755,191</b>	<b>711,247</b>
Interest income	1,760	557	6,410	2,248
Finance costs	(38,389)	(4,423)	(81,600)	(13,963)
Unallocated other income (expenses)	168	(2,632)	269	(2,559)
Unallocated net foreign exchange gain (loss)	65,622	(16,837)	55,403	7,328
Unallocated general and administrative expenses	(17,089)	(21,480)	(44,384)	(44,305)
Profit before taxation	<b>984,888</b>	<b>328,761</b>	<b>1,691,289</b>	<b>659,996</b>
<b>Segment profit %</b>				
Back-end equipment	26.0%	16.5%	21.2%	11.9%
SMT equipment	16.7%	6.5%	12.2%	4.7%
Lead frame	8.7%	10.5%	9.5%	8.3%

## 2. Analysis of quarterly segment revenue and results for the nine months ended 30 September 2014

	Three months ended			Change	
	30 September	30 June	31 March	Q3	Q3
	2014	2014	2014	vs. Q2	vs. Q1
	(Unaudited)	(Unaudited)	(Unaudited)		
HK\$'000	HK\$'000	HK\$'000			
<b>Segment revenue from external customers</b>					
Back-end equipment	2,168,202	1,851,268	1,268,637	17.1%	70.9%
SMT equipment	2,181,325	1,080,491	782,226	101.9%	178.9%
Lead frame	502,868	505,881	442,570	-0.6%	13.6%
	<b>4,852,395</b>	<b>3,437,640</b>	<b>2,493,433</b>	<b>41.2%</b>	<b>94.6%</b>
<b>Segment profit</b>					
Back-end equipment	563,880	388,176	171,440	45.3%	228.9%
SMT equipment	365,270	109,472	19,306	233.7%	1792.0%
Lead frame	43,666	56,735	37,246	-23.0%	17.2%
	<b>972,816</b>	<b>554,383</b>	<b>227,992</b>	<b>75.5%</b>	<b>326.7%</b>
Interest income	1,760	3,457	1,193	-49.1%	47.5%
Finance costs	(38,389)	(36,995)	(6,216)	3.8%	517.6%
Unallocated other income	168	101	-	66.3%	N/A
Unallocated net foreign exchange gain (loss)	65,622	(365)	(9,854)	N/A	N/A
Unallocated general and administrative expenses	(17,089)	(12,247)	(15,048)	39.5%	13.6%
Profit before taxation	<b>984,888</b>	<b>508,334</b>	<b>198,067</b>	<b>93.7%</b>	<b>397.2%</b>
<b>Segment profit %</b>					
Back-end equipment	26.0%	21.0%	13.5%		
SMT equipment	16.7%	10.1%	2.5%		
Lead frame	8.7%	11.2%	8.4%		

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

	<b>Nine months ended 30 September 2014</b>		
	<b>SMT</b>		
	<b>Back-end Business (Note a)</b>	<b>Equipment Business (Note b)</b>	<b>Total</b>
	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>
Turnover	<b>6,739,426</b>	<b>4,044,042</b>	<b>10,783,468</b>
Gross profit	<b>2,429,869</b>	<b>1,311,697</b>	<b>3,741,566</b>
EBIT	<b>1,208,136</b>	<b>558,343</b>	<b>1,766,479</b>
Gross profit %	<b>36.1%</b>	<b>32.4%</b>	<b>34.7%</b>
EBIT %	<b>17.9%</b>	<b>13.8%</b>	<b>16.4%</b>

	<b>Nine months ended 30 September 2013</b>		
	<b>SMT</b>		
	<b>Back-end Business (Note a)</b>	<b>Equipment Business (Note b)</b>	<b>Total</b>
	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>
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%

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

	<b>Three months ended 30 September 2014</b>		
	<b>Back-end Business (Note a)</b>	<b>SMT</b>	
		<b>Equipment Business (Note b)</b>	<b>Total</b>
	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>
Turnover	<b>2,671,070</b>	<b>2,181,325</b>	<b>4,852,395</b>
Gross profit	<b>1,005,804</b>	<b>731,577</b>	<b>1,737,381</b>
EBIT	<b>596,424</b>	<b>425,092</b>	<b>1,021,516</b>
Gross profit %	<b>37.7%</b>	<b>33.5%</b>	<b>35.8%</b>
EBIT %	<b>22.3%</b>	<b>19.5%</b>	<b>21.1%</b>

	<b>Three months ended 30 September 2013</b>		
	<b>Back-end Business (Note a)</b>	<b>SMT</b>	
		<b>Equipment Business (Note b)</b>	<b>Total</b>
	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>	<b>(Unaudited) HK\$'000</b>
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%

Notes:

- (a) Back-end Business: Back-end Equipment and Lead Frame
- (b) SMT Equipment Business: Placement Equipment and Printing Equipment (effective from Q3 2014, Printing Equipment is included)

#### 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	
	2014	2013	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Earnings for the purposes of basic earnings per share (Profit for the period)	782,394	273,120	1,356,226	511,396
Add: Interest expense on convertible bonds (note)	35,912	-	-	-
Earnings for the purposes of diluted earnings per share (Profit for the period)	<u>818,306</u>	<u>273,120</u>	<u>1,356,226</u>	<u>511,396</u>
	Number of Shares (in thousand)		Number of Shares (in thousand)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	400,423	398,981	400,491	399,063
Effect of dilutive potential shares:				
- Employee Share Incentive Scheme	1,623	1,180	1,133	839
- Convertible bonds (note)	24,437	-	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>426,483</u>	<u>400,161</u>	<u>401,624</u>	<u>399,902</u>

Note: In the calculation of the diluted earnings per share for the three months ended 30 September 2014, the Company's outstanding convertible bonds are assumed to have been fully converted into ordinary shares and the earnings is adjusted to eliminate the interest expense relating to the convertible bonds.

The computation of diluted earnings per share for the nine months ended 30 September 2014 did not assume the conversion of the Company's outstanding convertible bonds because the assumed conversion would result in an increase in earnings per share.

#### 5. Acquisition of DEK business

In relation to the acquisition of DEK business, a preliminary estimate of an amount approximately HK\$13 million, mainly arising from amortization intangibles, would be charged to profit or loss. Since the exact value is subject to finalization of valuation of certain assets and liabilities, the Group has not recognized such charge in the third quarter of 2014. It is expected the valuation exercise will be completed in coming quarter.

## REVIEW

The strong market momentum that we experienced during the second quarter of this year has clearly continued into the third quarter. This momentum has led the Group to achieve multiple new records during the past three months.

During the third quarter of 2014, Group billings and profit before tax (“PBT”) as well as SMT Equipment billings (since the Group’s acquisition of the SMT Equipment business) achieved new records. Consolidated Group bookings for the first nine months of this year have also surpassed the bookings received for the whole of last year, and they constitute a historical record for the Group. Moreover, bookings and billings for Back-end Equipment as well as SMT Equipment have already surpassed their respective full-year levels for last year by the end of the third quarter. Hence, the Group is set to achieve record Group bookings and billings this year.

During the third quarter, the Group received new order bookings of US\$533.0 million, which represented a strong expansion of 45.1% against the same period last year. Despite a contraction of 15.6% from the preceding quarter, bookings in the third quarter this year were the second highest ever in the Group’s history. All three of the Group’s business segments registered strong year-on-year growth in bookings.

New order bookings for the first nine months of this year amounted to US\$1,567.7 million, which is 13.1% above the full-year bookings of last year, and set a new bookings record for the Group.

It seems to have become a new “normal” for the semiconductor equipment market that bookings tend to come down during the second half of each year after receiving strong bookings in the second quarter. This year seems to be no exception as bookings started to recede in the third quarter relative to the second quarter. However, this drop is more than compensated by the strong year-on-year growth of more than 45.1% in our bookings in the third quarter this year.

Group billings in the third quarter of 2014 surged by 56.4% over the same period last year to reach US\$626.1 million, led by both the Back-end Equipment and SMT Equipment segments. Group billings increased by 41.2% over the second quarter of this year to attain a new historical record.

Group billings for the first nine months of this year amounted to US\$1,390.7 million. Remarkably, this was only 0.5% below the whole year’s billings for 2013. With the strong backlog on hand, we are very confident that the Group will be setting a new billings record this year.

In terms of geographical distribution of the Group’s sales, China inclusive of Hong Kong (50.0%), Europe (13.2%), Taiwan (9.3%), Malaysia (7.5%) and the Americas (7.0%) were the top five markets for ASMPT in the third quarter of this year. During the reporting period, all the respective territories achieved strong quarter-on-quarter as well as year-on-year growth, with Europe, Japan and Taiwan achieving growth rates of more than 50% over the preceding quarter. The demand in China and Europe, which are our largest markets, remains strong.

The book-to-bill ratio for the third quarter, representing net bookings over billings, was 0.85. Meanwhile, the backlog as of 30 September 2014 amounted to US\$451.6 million, which was a decrease of 14.4% from the end of the second quarter of this year.

## REVIEW (continued)

Due to the Group's robust billings, its profitability has improved further. During the third quarter of this year, Group net profit improved by 87.6% sequentially and 186.5% year-on-year. Group net profit for the first nine months this year has already surpassed the full-year net profit of last year by 142.8%. All three business segments contributed to higher operating profit as compared to same period last year. Profit before tax for the Group amounted to HK\$984.9 million, which is a new quarterly record. The Group achieved EBIT of 21.1% during the third quarter of this year.

The Group's performance in the third quarter of this year demonstrated the success of its efforts to expand the size of its total addressable market ("TAM") and the further diversification of its business. Through the acquisitions made by the Group over the past few years, the TAM for the Group's business has doubled to around US\$10 billion currently, from around US\$5 billion in 2010. In third quarter this year, the SMT Equipment business contributed to more than 44.9% of the Group's revenue, and to more than 43.2% of the Group's profit before tax.

Group	Q3 2014	QoQ	YoY	YTD 2014	YoY
Bookings	US\$533.0m	-15.6%	+45.1%	US\$1,567.7m	+43.4%
Billings	US\$626.1m	+41.2%	+56.4%	US\$1,390.7m	+33.5%
Gross margin	35.8%	+100bps	+404bps	34.7%	+461bps
Net profit	HK\$782.4m	+87.6%	+186.5%	HK\$1,356.2m	+165.2%
Net profit margin	16.1%	+399bps	+732bps	12.6%	+625bps

One disappointment with our results in the third quarter of this year is that we have yet to reach our gross margin target of 40% for our Back-end business. While profitability of the Back-end Equipment business continued to improve, gross margin improvement was not as fast as we have anticipated. In addition, the gross margin for our Lead frame business dropped from the levels seen in the preceding quarters. We will continue to strive towards our goal of achieving the targeted gross margin for our Back-end business. Additional measures will be taken to help us to achieve the target. It should be appreciated though that whilst we failed to achieve our gross margin target, the Back-end business nevertheless turned in a respectable EBIT of 22.3% during the third quarter.

The Group is now propelled by two growth engines – namely, its Back-end and SMT Solutions businesses. Furthermore, its acquisitions have well-equipped the Group to take on new market opportunities being presented when the industry is still making its transition to advanced packaging technology.

Our cash-on-hand as of end-September 2014 is at HK\$1.9 billion. Capital addition during the period amounted to HK\$125.6 million, which is mostly funded by this quarter's depreciation and amortization of HK\$103.8 million. Based on the results achieved during the third quarter of this year, Return on Equity ("ROE") was 39.6% on an annualized basis.

### Back-end Equipment Business

The Back-end Equipment business has continued to perform well during the third quarter of 2014. Back-end Equipment billings during the third quarter amounted to US\$279.7 million, representing improvements of 17.1% and 42.5% as compared to the second quarter of this year and the same period a year ago, respectively.

## REVIEW (continued)

Although Back-end Equipment billings have not been able to set a new third quarter record, they were only 3.7% behind the record set in the third quarter of 2010.

Back-end Equipment billings for the first nine months of this year were US\$681.9 million. This level of billings has already surpassed the full-year billings for last year. Back-end Equipment contributed to 49.0% of total Group billings for the first nine months of this year, and 44.7% for the third quarter of this year.

Continuing the strong market momentum experienced in the second quarter of the year, new order bookings for Back-end Equipment grew by 44.4% against the same period last year, although it decreased by 20.5% against the preceding quarter.

Back-end Equipment bookings have returned to a high level. In fact, bookings for the first nine months of this year already surpassed the full-year Back-end Equipment bookings of last year by 20.7%. Back-end Equipment bookings in 2014 will thus be expected to be only lower than the historical record bookings that we had in 2010.

	Q3 2014		YTD 2014
Back-end Equipment	QoQ	YoY	YoY
Bookings	-20.5%	+44.4%	+51.9%
Billings	+17.1%	+42.5%	+33.5%
Gross margin	+92bps	+257bps	+475bps
Segment result	+45.3%	+124.9%	+139.0%
Segment result margin	+504bps	+953bps	+938bps

The demand for bonders including die bonders, flip chip bonders, thermal compression bonding (“TCB”) equipment and wire bonders, together with equipment for CMOS imaging sensors were the key drivers of growth. It is notable that by the end of September 2014, billings for many of the said products have either exceeded or almost matched their full-year billings achieved last year.

As compared to a year ago, we saw stronger demand for bonders and equipment for CMOS imaging sensors. Bookings for bonders for the first nine months of this year have in fact already surpassed last year’s whole-year levels by significant margins.

We noticed that the demand this year for LED equipment and for IC/discrete equipment have been strong. The growth rates of bookings during the first nine months of this year for these two product markets were at similar levels.

During the past three months, while demand for IC/discrete equipment grew by a strong double-digit percentage as compared to the previous year, it has nevertheless slowed down as compared to the preceding quarter. On the other hand, the yearly growth rate for LED equipment continued to keep pace with that of the preceding quarter.

The gross margin of the Back-end Equipment business has improved to 43.3% during the past three months. It is a direct result of our continuous cost reduction effort and the realignment of our business strategies. Not only have we implemented strict controls in manufacturing headcount growth, the improvement in our productivity has translated directly into the gross margin improvement. The Back-end Equipment business achieved a segment result (similar to EBIT) of 26.0% during the third quarter this year and 21.2% for the first nine months of this year.

## REVIEW (continued)

### Lead Frame Business

Lead frame billings during the third quarter amounted to US\$64.9 million, representing an improvement of 3.0% over the same period a year ago, but a small contraction of 0.6% as compared to the second quarter of this year. Lead frame revenue contributed to 10.4% of total Group billings in the third quarter of 2014.

Lead frame billings for the nine-month period in 2014 amounted to US\$187.2 million, representing growth of 9.4% against the same period a year ago.

This year, we noticed that there is a more stable market for Lead frames. Contrary to what we had experienced in the past four years, bookings for Lead frames did not fall sharply during the third quarter of this year.

New order bookings for Lead frames grew by 20.8% during the third quarter over the same period last year, but it contracted by 14.5% from the preceding quarter.

Over the first nine months of this year, bookings for Lead frames were 4.9% above the same period last year. Unless there are any unforeseen drastic changes in macroeconomic and market conditions, we believe that our Lead frame business is on course to set a new billings record this year.

Over the years, ASMPT has built a cost structure that is superior to that of its peers, and as a result, has been consistently gaining market share in the Lead frame business. ASMPT is now the fourth largest Lead frame supplier in the world. 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, and our cost structure is likely to be further enhanced when we gain further market share. The Lead frame business achieved a segment result (similar to EBIT) of 8.7% during the third quarter this year and 9.5% for the first nine months of this year.

	Q3 2014		YTD 2014
Lead frame	QoQ	YoY	YoY
Bookings	-14.5%	+20.8%	+4.9%
Billings	-0.6%	+3.0%	+9.4%
Gross margin	-368bps	-249bps	+98bps
Segment result	-23.0%	-14.9%	+25.5%
Segment result margin	-253bps	-184bps	+122bps

### SMT Equipment Business

Our SMT Equipment business performed very well during the third quarter of this year. It set a new quarterly billings record (since the Group's acquisition of the SMT business) and contributed significantly to the Group's profitability.

SMT Equipment billings in the third quarter were US\$281.5 million, which were huge improvements of 101.9% and 99.7% as compared to the second quarter of this year and the same period a year ago, respectively. SMT Equipment revenue contributed to 44.9% of total Group billings in the third quarter of this year.

## REVIEW (continued)

The Printer business that was recently acquired from Dover Corporation (“the DEK business”) contributed around 14.2% to SMT Equipment billings. At the present time, the integration of the DEK business is still ongoing, and we are pleased that the integration continues to progress well.

Our SMT Equipment business achieved good profitability with EBIT of 19.5% and contributed to 43.2% of the Group’s profit before tax during the third quarter of this year.

SMT Equipment billings for the first nine months this year were US\$521.6 million, representing an increase of 44.9% as compared to the same period last year.

New order bookings for SMT Equipment improved substantially as compared to a year ago. Bookings in the third quarter improved by 54.5% over the third quarter of last year, but contracted by 9.3% from the preceding quarter.

New order bookings for the first nine months of this year already exceeded the previous record bookings in 2011 for our SMT Equipment business, after its acquisition by the Group. New order bookings increased by 50.0% as compared to the same period of last year. With the very good progress that it has made in the third quarter, we also expect this business segment to achieve a new record for post-acquisition billings this year.

The gross margin for the SMT Equipment business segment was 33.5% as of the end of the third quarter. The Printer business has contributed positively to the improvement of the segment result of our SMT Equipment business.

	Q3 2014		YTD 2014
SMT Solutions	QoQ	YoY	YoY
Bookings	-9.3%	+54.5%	+50.0%
Billings	+101.9%	+99.7%	+44.9%
Gross margin	+338bps	+710bps	+463bps
Segment result	+233.7%	+410.9%	+275.5%
Segment result margin	+661bps	+1020bps	+750bps

## PROSPECTS

Since we are entering a seasonally low period towards the end of the year, we expect bookings in the fourth quarter to weaken relative to the third quarter of this year.

Notwithstanding the expected weakening, bookings during the first nine months of this year for our Back-end Equipment and SMT Equipment have already surpassed the bookings for the whole of last year by 20.7% and 18.9% respectively. Bookings for our Lead frame business have also exceeded bookings for the same period last year by 4.9%.

Therefore, while we anticipate that bookings in the fourth quarter will contract from that of the preceding quarter due to seasonal factors, we do not see it as a sign of a broader deterioration of the market. As of this moment, we understand that most players in the industry are anticipating a healthy 2015 ahead.

We are also mindful of the potential headwinds stemming from the macroeconomic and market conditions. However, we take this as a challenge to drive ASMPT to be a leaner and fitter organization going forward.

## **PROSPECTS (continued)**

On the billings side, with the strong backlog on hand, we are looking forward to another quarter of solid performance in billings and profitability. We expect billings in the fourth quarter to experience a strong double-digit percentage growth over the same period of last year.

Based on the results for the past nine months, we are optimistic that 2014 will turn out to be a multi-record-breaking year for the Group – at least in relation to Group billings and bookings, as well as SMT Equipment and Lead frames billings and bookings.

Whilst we do not expect bookings and billings for our Back-end Equipment to break new records, we do believe that they will be the second highest, after the extraordinary record that we achieved in 2010.

During the third quarter of this year, our SMT Equipment business has demonstrated its ability to contribute to both the top and bottom lines of the Group. We believe that both the Back-end Equipment and SMT Equipment business segments will continue to drive the performance of the Group to new heights.

The multiple-application and multiple-product strategies of the Group have proven to be very successful. With ASMPT's financial strength and prudent investments, especially in relation to advanced packaging technology, it is in the best position to ride the wave of technological innovation in its relentless march towards future growth.

## **REVIEW OF ACCOUNTS**

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2014.

## **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, 29 October 2014