ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF 2013 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

ASMPT Net Profits Surged 28 Times Over The First Quarter

Second Quarter of 2013

- **Group turnover of US$367.1 million, a significant increase of 34.1% over the preceding quarter and a decline of 2.6% against the same period last year**
- **Net profit of HK$230.3 million, which is 29 times the profit for the preceding quarter and a decline of 25.7% against the same period last year**
- **Earnings per share of HK$0.58 for the second quarter 2013**
- **All three business segments registered improvement in profits against the preceding quarter**
- **Back-end equipment turnover of US$192.2 million, representing a surge of 57.5% over the preceding three months and a decline of 7.3% against the same period last year**
- **Lead frame turnover of US$61.5 million, achieving a significant increase of 32.3% against the preceding three months and an increase of 1.1% over the same period last year**
- **SMT equipment turnover of US$113.4 million, an increase of 7.7% and 4.2% against the preceding three months and the same period last year, respectively**
- **New order bookings of US$419 million, a significant increase of 36.4% over the preceding quarter**
- **Cash on hand of HK$948.6 million as of 30 June 2013**

First Half of 2013

- **Group turnover of US$641.2 million, a decline of 3.3% and 6.4% over the first and second six-month period of last year, respectively**
- **Net profit of HK$238.3 million, representing a contraction of 50.7% as compared to the first six-month period of 2012 and an increase of 16.0% as compared to the second six-month period of 2012**
- **Earnings per share of HK$0.60 for the first half of 2013**
- **Back-end equipment turnover of US$314.3 million, representing a decline of 8.8% over the first six-month period of last year and an increase of 3.8% over the second six-month period of last year**
- **Lead frame turnover of US$108.1 million, an increase of 3.6% and 0.2% over the first and second six-month periods of last year**
- **SMT equipment turnover of US$218.8 million, an increase of 2.2% against the first six-month period of 2012 and a decline of 20.2% against the second six-month period of 2012**
- **New order bookings of US$725.5 million, an increase of 42.2% over the preceding six-month period**
- **Order backlog stood at US$348.4 million as of 30 June 2013**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the six months ended 30 June 2013:

RESULTS

ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASMPT") achieved a turnover amounting to HK$5.0 billion in the six months ended 30 June 2013, representing a decrease of 3.3% as compared with HK$5.1 billion for the first six months of 2012 and a decline of 6.4% against the preceding six months. The Group's consolidated profit after taxation for the first six months of 2013 was HK$238.3 million as compared to a profit of HK$483.6 million in the corresponding period in 2012 and a profit of HK$205.4 million in the preceding six months. Basic earnings per share (EPS) for the first six months of 2013 amounted to HK$0.60 (first six months of 2012: HK$1.22, second six months of 2012: HK$0.51).

DIVIDEND AND CLOSURES OF REGISTER OF MEMBERS

The Board of Directors of ASM Pacific Technology Limited (the "Company") is pleased to declare an interim dividend of HK$0.35 (2012: HK$0.61) per share, payable to shareholders whose names appear on the register of members of the Company on 22 August 2013.

The Register of Members will be closed from 20 August 2013 to 22 August 2013, both days inclusive, during which period no share transfers can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant shares certificates, must be lodged with Company's Share Registrars, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, not later than 4:00p.m. on 19 August 2013. The interim dividend will be paid on or about 29 August 2013.

FINANCIAL HIGHLIGHTS

		Three months ended 30 June		Six months ended 30 June	
		2013	2012	**2013**	2012
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		HK$'000	HK$'000	**HK$'000**	HK$'000
	Notes				
Turnover	2	**2,850,162**	2,926,532	**4,975,678**	5,145,291
Cost of sales		**(1,950,737)**	(1,900,209)	**(3,531,168)**	(3,445,045)
Gross profit	4	**899,425**	1,026,323	**1,444,510**	1,700,246
Other income		**7,681**	1,981	**8,840**	5,872
Selling and distribution expenses		**(234,091)**	(261,337)	**(440,126)**	(448,223)
General and administrative expenses		**(128,034)**	(126,303)	**(241,371)**	(212,534)
Research and development expenses		**(241,485)**	(232,863)	**(453,150)**	(434,319)
Other gains and losses	6	**11,259**	(4,318)	**22,072**	1,394
Finance costs		**(4,568)**	(710)	**(9,540)**	(3,014)
Profit before taxation		**310,187**	402,773	**331,235**	609,422
Income tax expense	7	**(79,863)**	(92,759)	**(92,959)**	(125,816)
Profit for the period, attributable to owners of the Company		**230,324**	310,014	**238,276**	483,606
Other comprehensive income (expense)					
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss		**37,997**	(113,445)	**(10,932)**	(51,879)
Total comprehensive income for the period, attributable to owners of the Company		**268,321**	196,569	**227,344**	431,727
Earnings per share	9				
- Basic		**HK$0.58**	HK$0.78	**HK$0.60**	HK$1.22
- Diluted		**HK$0.58**	HK$0.78	**HK$0.60**	HK$1.22

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 30 June 2013 (Unaudited) HK$'000**	At 31 December 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**2,038,183**	2,105,615
Investment property		**69,999**	69,501
Intangible assets		**10,310**	15,213
Prepaid lease payments		**27,443**	27,794
Pledged bank deposit		**202,954**	204,520
Deposits paid for acquisition of property, plant and equipment		**22,195**	36,920
Rental deposits paid		**13,474**	13,549
Deferred tax assets		**245,569**	171,634
Other non-current assets		**50,366**	53,397
		2,680,493	2,698,143
Current assets			
Inventories		**3,361,372**	2,876,375
Trade and other receivables	10	**3,427,546**	3,155,458
Prepaid lease payments		**988**	997
Derivative financial instruments		**3,240**	1,479
Income tax recoverable		**10,587**	4,525
Bank balances and cash		**948,628**	1,487,003
		7,752,361	7,525,837
Current liabilities			
Trade and other payables	11	**2,399,593**	2,091,605
Derivative financial instruments		**297**	-
Provisions		**301,094**	320,638
Income tax payable		**289,890**	244,423
Bank borrowings		**320,956**	695,273
		3,311,830	3,351,939
Net current assets		**4,440,531**	4,173,898
		7,121,024	6,872,041

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	At 30 June 2013 (Unaudited) HK$'000	At 31 December 2012 (Audited) HK$'000
Capital and reserves		
Share capital	**39,925**	39,925
Dividend reserve	**139,736**	119,773
Other reserves	**6,516,062**	6,396,976
Equity attributable to owners of the Company	**6,695,723**	6,556,674
Non-current liabilities		
Retirement benefit obligations	**102,448**	91,410
Provisions	**50,065**	54,181
Bank borrowings	**210,118**	129,175
Deferred tax liabilities	**28,834**	8,811
Other liabilities and accruals	**33,836**	31,790
	425,301	315,367
	7,121,024	6,872,041

Notes:

1. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments which are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group's financial year beginning 1 January 2013.

Amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKAS 19 "*Employee Benefits" (as revised in 2011)*

In the current interim period, the Group has applied HKAS 19 "Employee Benefits" (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the condensed consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group has applied the amendments to HKAS 19 for the first time for year ending 31 December 2013. The directors of the Company are of the opinion that the application of these amendments has

1. Principal Accounting Policies - continued

no material effect on amounts reported in the condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements of the Group.

The application of the other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

2. Segment Information

The Group has three operating segments: development, production and sales of (i) back-end equipment (formerly known as assembly and packaging equipment); (ii) surface mount technology equipment; and (iii) lead frame. They represent three major types of products manufactured by the Group. The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Company's Chief Executive Officer, the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. The Group is organised and managed around the three major types of products manufactured by the Group.

Segment results represent the profit before taxation earned by each segment without allocation of interest income, finance costs, unallocated other income (expenses), unallocated net foreign exchange gain and unallocated general and administrative expenses.

2. Segment Information – continued

Segment revenue and results

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Segment revenue from external customers		
Back-end equipment	**2,438,945**	2,673,515
Surface mount technology ("SMT") equipment	**1,698,017**	1,662,117
Lead frame	**838,716**	809,659
	4,975,678	5,145,291
Segment profit		
Back-end equipment	**219,243**	451,975
SMT equipment	**60,070**	149,247
Lead frame	**58,358**	32,974
	337,671	634,196
Interest income	**1,691**	5,178
Finance costs	**(9,540)**	(3,014)
Unallocated other income (expenses)	**73**	(3)
Unallocated net foreign exchange gain	**24,165**	406
Unallocated general and administrative expenses	**(22,825)**	(27,341)
Profit before taxation	**331,235**	609,422
Segment profit %		
Back-end equipment	**9.0%**	16.9%
SMT equipment	**3.5%**	9.0%
Lead frame	**7.0%**	4.1%

2. Segment Information – continued

No analysis of the Group's assets and liabilities by operating segment is disclosed as they are not regularly provided to the chief operating decision maker for review.

All of the segment revenue derived by the segments is from external customers.

Geographical analysis of turnover by location of customers

	Turnover Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Mainland China	**2,044,476**	2,027,115
Europe	**621,176**	970,272
- Germany	**280,407**	557,359
- Romania	**52,285**	78,539
- Others	**288,484**	334,374
Americas	**555,896**	401,191
- United States of America	**431,157**	269,772
- Mexico	**88,601**	98,387
- Others	**36,138**	33,032
Malaysia	**423,560**	546,923
Taiwan	**322,209**	296,813
Korea	**281,719**	193,592
Hong Kong	**251,200**	117,777
Thailand	**177,683**	220,439
Philippines	**145,333**	124,551
Singapore	**80,353**	73,953
Others	**72,073**	172,665
	4,975,678	5,145,291

3. Analysis of quarterly segment revenue and results for the six months ended 30 June 2013

	Three months ended		
	30 June 2013	31 March 2013	30 June 2012
	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	HK$'000	HK$'000
Segment revenue from external customers			
Back-end equipment	**1,491,925**	947,020	1,608,621
SMT equipment	**880,560**	817,457	845,420
Lead frame	**477,677**	361,039	472,491
	2,850,162	2,125,516	2,926,532
Segment profit			
Back-end equipment	**217,836**	1,407	307,287
SMT equipment	**57,236**	2,834	83,828
Lead frame	**40,603**	17,755	36,612
	315,675	21,996	427,727
Interest income	**759**	932	1,804
Finance costs	**(4,568)**	(4,972)	(710)
Unallocated other income (expenses)	**76**	(3)	-
Unallocated net foreign exchange gain (loss)	**13,194**	10,971	(5,690)
Unallocated general and administrative expenses	**(14,949)**	(7,876)	(20,358)
Profit before taxation	**310,187**	21,048	402,773
Segment profit%			
Back-end equipment	**14.6%**	0.1%	19.1%
SMT equipment	**6.5%**	0.3%	9.9%
Lead frame	**8.5%**	4.9%	7.7%

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

	Six months ended 30 June 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	(Unaudited) HK$'000	**(Unaudited) HK$'000**	**(Unaudited) HK$'000**
Turnover	**3,277,661**	**1,698,017**	**4,975,678**
Gross Profit	**957,384**	**487,126**	**1,444,510**
EBIT	**272,931**	**66,152**	**339,083**
Gross Profit %	**29.2%**	**28.7%**	**29.0%**
EBIT %	**8.3%**	**3.9%**	**6.8%**

	Six months ended 30 June 2012		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	3,483,174	1,662,117	5,145,291
Gross Profit	1,180,970	519,276	1,700,246
EBIT	452,758	154,500	607,258
Gross Profit %	33.9%	31.2%	33.0%
EBIT %	13.0%	9.3%	11.8%

4. 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 June 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	(Unaudited) HK$'000	**(Unaudited) HK$'000**	**(Unaudited) HK$'000**
Turnover	**1,969,602**	**880,560**	**2,850,162**
Gross Profit	**621,070**	**278,355**	**899,425**
EBIT	**257,541**	**56,453**	**313,994**
Gross Profit %	**31.5%**	**31.6%**	**31.6%**
EBIT %	**13.1%**	**6.4%**	**11.0%**

	Three months ended 30 June 2012		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	2,081,112	845,420	2,926,532
Gross Profit	746,694	279,629	1,026,323
EBIT	311,761	89,918	401,679
Gross Profit %	35.9%	33.1%	35.1%
EBIT %	15.0%	10.6%	13.7%

4. 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 31 March 2013		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	1,308,059	817,457	2,125,516
Gross Profit	336,314	208,771	545,085
EBIT	15,390	9,699	25,089
Gross Profit %	25.7%	25.5%	25.6%
EBIT %	1.2%	1.2%	1.2%

	Three months ended 31 March 2012		
	Back-end Business (Note)	SMT Business	Total
	(Unaudited) HK$'000	(Unaudited) HK$'000	(Unaudited) HK$'000
Turnover	1,402,062	816,697	2,218,759
Gross Profit	434,276	239,647	673,923
EBIT	140,997	64,582	205,579
Gross Profit %	31.0%	29.3%	30.4%
EBIT %	10.1%	7.9%	9.3%

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

5. Depreciation and amortisation

During the six months ended 30 June 2013, depreciation and amortisation amounting to HK$203.4 million (HK$177.4 million for the six months ended 30 June 2012), HK$0.7 million (HK$0.4 million for the six months ended 30 June 2012) and HK$5.6 million (HK$7.5 million for the six months ended 30 June 2012) were charged to profit or loss in respect of the Group's property, plant and equipment, investment property and intangible assets, respectively.

6. Other gains and losses

During the six months ended 30 June 2013, included in other gains and losses are net foreign exchange gains of HK$24.2 million (HK$0.4 million for the six months ended 30 June 2012).

7. Income tax expense

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong	**18,704**	18,652
PRC Enterprise Income Tax	**66,461**	30,314
Other jurisdictions	**63,100**	134,157
	148,265	183,123
Deferred tax credit:		
Current period	**(55,306)**	(57,307)
	92,959	125,816

Current tax:

(a) Hong Kong Profits Tax is calculated at 16.5% (16.5% for the six months ended 30 June 2012) of the estimated assessable profit for the period.

(b) Under the Law of the People's Republic of China (the “PRC”) on Enterprise Income Tax (the “EIT Law”) and Implementation Regulations of the EIT Law, the Enterprise Income Tax rate of the Group's subsidiaries in the PRC is 25% for the six months ended 30 June 2013 (25% for the six months ended 30 June 2012).

(c) On 12 July 2010, the Singapore Economic Development Board (“EDB”) granted a Pioneer Certificate to ASM Technology Singapore Pte Limited (“ATS”), a principal subsidiary of the Company, to the effect that profits arising from certain new back-end equipment and lead frame products are exempted from tax for a period of 10 years effective from the dates commenced between 1 June 2010 and 1 January 2012 across specified products, subject to fulfillment of certain criteria during the relevant periods. EDB also granted a 5-year Development and Expansion Incentive to ATS to the effect that profits arising from certain existing products are subject to tax at a concessionary tax rate of 10% for a period of 5 years from 1 January 2011, subject to the fulfillment of certain criteria during the relevant period.

7. Income tax expense - continued

On the same date, EDB also granted ATS an International Headquarters Award to the effect that certain income arising from qualifying activities conducted by ATS, excluding income from business transactions with companies or end customers in Singapore, are subject to a concessionary tax rate of 5% for a period of 10 years from 1 January 2011, subject to fulfillment of certain criteria during the relevant period.

Income of ATS arising from activities not covered under the abovementioned incentives is taxed at the prevailing corporate tax rate in Singapore of 17% (17% for the six months ended 30 June 2012).

(d) The calculation of current tax of the Group's subsidiaries in Germany is based on a corporate income tax rate of 15.00% plus 5.50% solidarity surcharge thereon for the assessable profit for the period. In addition to corporate income tax, trade tax is levied on taxable income. The applicable German trade tax (local income tax) rate was 17.00%. Thus the aggregate tax rate amounts to 32.825% (32.825% for the six months ended 30 June 2012).

(e) Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The deferred tax credit is mainly related to the tax effect of temporary difference between the tax base of certain assets and liabilities and the carrying value of the assets and liabilities. The balance mainly includes deductible temporary differences arising from retirement benefit obligations, provisions, inventories and trade receivables.

The Group continued to receive letters from the Hong Kong Inland Revenue Department during the six months ended 30 June 2013 seeking information relating to Hong Kong Profits Tax and other tax affairs of certain subsidiaries of the Company. The enquiries might lead to additional tax being charged on profits from some overseas subsidiaries that have not previously been included in the scope of charge for Hong Kong Profits Tax or tax adjustments to companies currently subject to Hong Kong Profits Tax. As at 30 June 2013, the Group purchased tax reserve certificates amounting to HK$298.5 million (31 December 2012: HK$234.9 million), as disclosed in note 10.

Based on legal and other professional advice that the Company has sought, the directors continued to be of the opinion that sufficient provision for taxation has been made in the condensed consolidated financial statements and the amounts paid under the tax reserve certificates are fully recoverable.

8. Dividends

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Dividend recognised as distribution during the period		
Final dividend for 2012 paid of HK$0.30 (2012: final dividend for 2011 paid of HK$0.80) per share on 399,244,500 (2012: 397,637,100) shares	**119,773**	318,110
Dividend declared after the end of the interim reporting period		
Interim dividend for 2013 of HK$0.35 (2012: HK$0.61) per share on 399,244,500 (2012: 397,637,100) shares	**139,736**	242,559

The dividends declared after 30 June 2013 will be paid to the shareholders of the Company whose names appear on the Register of Members on 22 August 2013.

9. 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:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings for the purposes of basic and diluted earnings per share (Profit for the period)	**238,276**	483,606

	Number of Shares (in thousand)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	**399,105**	397,469
Effect of dilutive potential shares from the Employee Share Incentive Scheme	**338**	417
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**399,443**	397,886

10. Trade and other receivables

	At 30 June 2013 (Unaudited) HK$'000	At 31 December 2012 (Audited) HK$'000
Trade receivables (Note a)	**2,555,132**	2,269,154
Amount recoverable from Siemens AG (Note b)	**206,810**	208,179
VAT recoverable	**226,024**	329,755
Tax reserve certificate recoverable	**298,529**	234,929
Other receivables, deposits and prepayments	**154,525**	126,990
	3,441,020	3,169,007
Less : Non-current rental deposits paid shown under non-current assets	**(13,474)**	(13,549)
	3,427,546	3,155,458

An aging analysis of trade receivables presented based on the due date at the end of reporting period is as follows:

Not yet due (Note a)	**2,009,159**	1,721,565
Overdue within 30 days	**306,025**	218,882
Overdue within 31 to 60 days	**96,578**	111,407
Overdue within 61 to 90 days	**41,230**	57,453
Overdue over 90 days	**102,140**	159,847
	2,555,132	2,269,154

Notes:

(a) The amount included notes receivables amounting to HK$458,810,000 (31 December 2012: HK$435,508,000).

(b) Pursuant to the Master Sale and Purchase Agreement of the Acquisition entered into between Siemens Aktiengesellschaft ("Siemens AG") and the Company, Siemens AG undertakes to pay to the Group such amount as is necessary to indemnify the entire interest of 13 former direct and indirect subsidiaries of Siemens AG ("ASM AS Entities") from and against any and all taxes imposed to ASM AS Entities relating to any taxable periods beginning before and ending before or after 7 January 2011 while Siemens AG was the beneficial owner. The amount recoverable from Siemens AG represents the aggregate amount of the tax liabilities of the ASM AS Entities covered under the tax indemnity and is therefore recoverable from Siemens AG. It is due for settlement once the Group pays the related taxes and received the tax demand notes from tax authorities. The related tax liabilities are to be settled in the remaining six months of 2013.

Payment terms with customers are mainly on credit together with deposits received in advance. Invoices are normally payable within 30 to 60 days of issuance, except for certain well established customers, where the terms are extended to 3 to 4 months or more. Each customer has a pre-set maximum credit limit.

11. Trade and other payables

	At 30 June 2013 (Unaudited) HK$'000	At 31 December 2012 (Audited) HK$'000
Trade payables	**1,365,764**	941,938
Accrued salaries and wages	**230,877**	270,902
Other accrued charges	**360,309**	419,690
Deposits received from customers	**346,566**	288,092
Payables arising from acquisition of property, plant and equipment	**59,482**	143,437
Other payables	**70,431**	59,336
	2,433,429	2,123,395
Less : Non-current other liabilities and accruals	**(33,836)**	(31,790)
	2,399,593	2,091,605

An aging analysis of trade payables presented based on the due date at the end of reporting period is as follows:

Not yet due	**959,509**	552,157
Overdue within 30 days	**243,209**	130,659
Overdue within 31 to 60 days	**122,587**	115,331
Overdue within 61 to 90 days	**29,603**	83,389
Overdue over 90 days	**10,856**	60,402
	1,365,764	941,938

The credit period on purchases of goods ranges from 30 to 90 days.

REVIEW

The market improvement seen in the first quarter has continued into the second quarter. On the back of the strength of the market, ASMPT has boosted its bookings, billings and net profits quarter-on-quarter. However, the overall market was still not as vibrant compared to the same period last year.

In particular, led by the performance of Back-end Equipment, Group billings in the second quarter of 2013 achieved strong quarterly growth. The strong performance of Back-end Equipment is followed by the performances of the Lead frames and Surface Mount Technology ("SMT") Equipment business segments.

During the past three months, we achieved Group billings of US$367.1 million, representing an improvement of 34.1% over the first quarter of this year but a small decline of 2.6% from the same period a year ago.

Back-end Equipment revenue was at US$192.2 million in the second quarter of 2013, representing a surge of 57.5% over the preceding quarter and a decrease of 7.3% from the same period last year. Back-end Equipment contributed to 52.3% of total billings for the Group.

Our Lead frame business achieved a turnover of US$61.5 million in the second quarter of 2013, growing by 32.3% and 1.1% over the preceding three months and the same period a year ago, respectively. It contributed to 16.8% of total Group billings in the second quarter of 2013.

SMT Equipment attained US$113.4 million in revenue in the second quarter of 2013, representing improvements of 7.7% and 4.2% as compared to the first quarter of this year and the same period in 2012, respectively. SMT Equipment contributed to 30.9% of total billings for the Group in the second quarter of 2013.

Net profit for the second quarter of 2013 was HK$230.3 million, an increase of 2,796.4% over the preceding quarter and a decrease of 25.7% from the same period last year. Profitability of the Group has improved significantly, mainly due to higher production volumes and, to a lesser extent, our on-going cost control efforts.

During the second quarter, all our business segments experienced growth in revenue, profits and bookings as compared to the previous quarter.

New order bookings in the second quarter of 2013 amounted to US$418.6 million, surging by 36.4% as compared to the preceding quarter, although it is still 5.1% below the same quarter last year. The improvement in bookings in the second quarter of 2013 was seen clearly across the board, with all our major product segments benefitting.

Bookings for Back-end Equipment experienced very strong double-digit improvement over the previous quarter. Our bonders (which include die bonders, flip-chip bonders, wire bonders and thermal compression bonders ("TCB")) were the best performers in the last three months in terms of bookings, and they were followed by bookings for CMOS Imaging Sensor ("CIS") equipment. Correspondingly, bookings for packaging-related Back-end Equipment continued its moderate growth over the previous quarter. In terms of market segment, the integrated circuits ("IC") and discrete market showed the most improvement and it was followed by demand for LED and CIS equipment.

Admittedly, demand for Back-end Equipment in the past six months was overall not as strong as during the same period a year ago, particularly for the IC/discrete market segment. However, Back-end Equipment bookings in the second quarter of 2013 showed only a single digit contraction against the same period last year due to contributions from bookings for TCB, CIS and LED equipment. Our diversified product portfolio strategy once again enabled the Group to take on market challenges more effectively.

Quarterly new order bookings for Lead frames showed further moderate growth over the preceding quarter. Not unexpectedly, we did not experience the panic-buying which occurred during the corresponding quarter a year ago. Owing to this normalization, out of our three business segments, new order bookings for Lead frames experienced a relatively larger year-on-year decline. Still, bookings for Lead frames in the past quarter were actually at a fairly high level, reflecting the healthy activities of the semiconductor market as Lead frames are raw materials used in manufacturing by our customers.

New order bookings for SMT Equipment improved substantially in the second quarter as compared to the past few quarters, as a result of substantial contributions mainly from the China and Americas markets.

Our ending order backlog as of 30 June 2013 was US$348.4 million, which was an increase of 19.4% as compared to the end of the first quarter of 2013. Our book to bill ratio, representing net bookings over billings, for the second quarter was 1.14.

Since market activities were not as vibrant during the first six months of 2013 as compared to the same period last year, our performance during this period was also affected. During the first six months of 2013, Group turnover was US$641.2 million, representing decreases of 3.3% and 6.4% as compared to the first and second six-month periods of 2012, respectively.

Billings for Back-end Equipment during the past six months were US$314.3 million, equivalent to 49.0% of the Group's turnover. It represents a decline of 8.8% as compared to the first six-month period of 2012 but an improvement of 3.8% as compared to the second six-month period of 2012. Our Lead frame billings were US$108.1 million, achieving growths of 0.2% and 3.6% against the preceding six months and against the same period a year ago, respectively. This business segment contributed to 16.9% of the Group's turnover during the first half of 2013.

During the first six months of 2013, SMT Equipment billings were US$218.8 million, equivalent to 34.1% of the Group's turnover. Billings for SMT Equipment improved by 2.2% over the same period a year ago, and declined 20.2% as compared to the preceding six months. During the first six months of 2013, the SMT Equipment business contributed net profits of HK$28.7 million to the Group, with an EBIT margin of 3.9% and a gross margin of 28.7%. We believe that we have achieved a solid market share gain in the SMT Equipment business during the past six months. The progress we have made in the Americas market is particularly encouraging.

During the first six months of 2013, net profit was HK$238.3 million, decreasing by 50.7% and increasing by 16.0% as compared to the first and second six-month periods in 2012, respectively.

New order bookings for the first half of 2013 improved by 42.2% as compared to the preceding half year to US$725.5 million, although it is 10.7% below the same period a year ago. New order bookings for all three of our business segments followed the same pattern as the Group bookings attained for the first and second halves of last year. During the past six months, our book to bill ratio was at 1.13.

REVIEW - continued

By geographical distribution, China inclusive of Hong Kong (46.1%), Europe (12.5%), the Americas (11.2%), Malaysia (8.5%) and Taiwan (6.5%) have been the top five markets for ASMPT during the first half of 2013. We are very pleased with our progress in the Americas market, especially since both the Back-end and SMT Equipment businesses contributed to the improvement. We believe that, with our sterling efforts, we have emerged as the number one supplier in the SMT equipment market in the Americas during the first half of this year.

During the first half of 2013, sales attributable to our five largest customers combined were 14.3% of the total, with no customer exceeding 10%, demonstrating the continuing success of our aggressively diversified market strategy. 80% of the Group's turnover in the first six-month period came from 167 customers. 5 out of the top 20 customers in the first half this year are from SMT Equipment business. During this period, purchases from integrated device manufacturers ("IDM") and discrete customers exceeded purchases from out-sourced assembly and test ("OSAT") customers.

Portable electronic products such as smart phones and tablet computers continued to be the key drivers for market demand in the first half year. Compared to previous years, we observed more activities from manufacturers of smart phones and tablet computers from outside the tier-1 players this time. The LED market is on a recovery path, especially in China in respect of general lighting applications.

The integration of the Surface Mount Technology ("SMT") Equipment business into our core activities continues to progress very well. The SMT industry had been in a prolonged downturn since the second half of 2011. Despite challenging market conditions, we have made sturdy progress in gaining market share, particularly in China and in the Americas market. We have successfully narrowed the gap with our leading peers. After years of preparation, our new generation of equipment is getting close to fruition to address both the high performance and main stream markets. In the next few quarters, we will be rolling out these new generation equipment, together with new equipment addressing adjacent markets in the SMT industry. We are aiming at offering our customers better value with our solutions. Our in-sourcing activities have started to make a bigger contribution to gross margin improvement of our SMT equipment business. So far we are on track to significantly increase the value of in-sourcing to our operations this year. We are getting ready to be in prime position to achieve significant improvement in both the top and bottom lines of our SMT equipment business when the market regains its vibrancy.

During the past six months, ASMPT continued to invest in research and development, thereby maintaining a valuable competitive advantage which increasingly differentiates ASMPT from its peers. Mobile computing is bringing a plethora of changes to the semiconductor industry. Customers are looking for smaller, thinner, lower-cost and more power-efficient devices. They are also looking at integrating more functions into a device either through system on chip ("SOC") or system in package ("SIP"). 2.5D and 3D integration are drawing much more attention than in the past. During this evolution, semiconductor device manufacturers are increasingly looking for technology partners to collaborate with them to develop these new generation devices. ASMPT's breadth of knowledge in semiconductor packaging and surface mount technology and its depth in enabling technologies put ASMPT in a unique position to capture the opportunities brought about by the technology transition. In the first six months of this year, our intensive investment in the development of TCB technology started to bear fruit. TCB equipment has already contributed meaningfully to our revenue and we anticipate its contribution will increase significantly next year.

Research and development expenses for the period amounted to HK$453.2 million, of which 43.4% was spent on the SMT Equipment business. As of 30 June 2013, the Group operates four research and development centers in Hong Kong, Chengdu, Singapore and Munich, with a total research and development work force of approximately 1,200 people.

REVIEW - continued

Return on capital employed and on sales were 4.9% and 6.8% respectively for the six-month period.

LIQUIDITY AND FINANCIAL RESOURCES

Due to production ramp-up, our ending inventory as of 30 June 2013 increased to HK$3.4 billion, as compared to HK$2.9 billion as of 31 December 2012. Our annualized inventory turn was 3.19 times (first half of 2012: 3.58 times).

Days sales-outstanding increased to 92.9 days from 78.6 days in the second half of 2012. It was mainly due to the trend of an increasing shipment rate throughout the second quarter. Return on invested capital for the past six months was 4.2%.

Capital expenditure ("capex") in the first six months amounted to HK$138.7 million which was fully funded by the depreciation and amortization of HK$211.7 million for the same period. After paying last year's final dividend totaling HK$119.8 million in May, funding capital investments and paying off some bank loans in the first half of 2013, cash on hand as of 30 June 2013 was HK$948.6 million, which was HK$538.4 million lower than six months ago. Our current ratio stands at 2.34, and we have a debt-equity ratio of 55.8%.

Bank borrowings are mainly arranged to support the day to day operations as well as to finance the second phase expansion of the Huizhou factory in China. These are denominated in Hong Kong dollars and US dollars. Cash holdings by the Group are mainly in US dollars, Euro, Chinese Yuan (RMB) and Hong Kong dollars. The SMT Equipment business unit of the Group enters into US dollars and Euro hedging contracts to mitigate the foreign currency risks as the production of SMT Equipment and its suppliers are mainly located in Europe while a substantial part of the Group's revenue for SMT Equipment are denominated in US dollars.

After carefully considering the near to mid-term cash flow need for the Company, the Board recommends a moderate dividend payout ratio, amounting to 58.6% of the net profits for the first half this year.

HUMAN RESOURCES

As of 30 June 2013, the total headcount of the Group worldwide stood at approximately 16,000 people, including 348 temporary or short-term contract employees.

ASMPT recognizes that human resource is one of the Company's most important assets. Recruiting and retaining high-calibre employees is always of high priority in ASMPT. Besides offering competitive remuneration packages, ASMPT also commits to specialized yet demanding staff development and training programs. In general, salary review is conducted annually. In addition to salary payments, other benefits include contributions to provident fund schemes, medical and training subsidies. Discretionary bonus and incentive shares may be granted to eligible staffs based on the Group's financial results and individual performance.

Total manpower costs for the first six months of 2013 were HK$1,594.0 million, as compared to HK$1,546.5 million for the same period last year. In March this year, the Board granted a total of 1,678,000 incentive shares to 1,029 employees, inclusive of four Executive Directors of the Company. The vesting period of these incentive shares is from 22 March to 16 December of this year.

PROSPECTS

Whilst the first half of this year was not as strong as that for the same period of last year, the subdued but solid progress that has been made suggests there is less likelihood that we will experience a sharp decline in the second half of this year.

In recent years, we have experienced sharp deteriorations in the market in the second half as compared to the first half of the year. Hopefully, this scenario will not be repeated this year. Generally, customers have been more optimistic about the second half of this year. Unless the market is derailed once again by adverse macroeconomic conditions, we expect the market momentum to continue into the second half of the year. The actual booking level in the third quarter will be a key factor for our performance in the second half of the year.

Perceived problems about the world economy appear to have softened recently. Encouraged by consumer demand for mobile devices such as tablet computers and smartphones, our customers have continued to purchase manufacturing equipment for expanding their production capacities during the second quarter. They appeared to have stepped up their capacity expansion efforts, likely expecting further recovery in the economy in 2013. Nonetheless, the booking trend in the second half of the year is difficult to predict due to macroeconomic uncertainties which persist.

We believe that consumer demand for automobiles, smart phones, portable computers and tablet PCs will still be the drivers of growth for the global semiconductor industry for the near future. Some market analysts are forecasting that market growth from the first half of the year to the second half of the year will be noticeably better than that seen occurring in the past few years. On the other hand, weaker GDP growth in the U.S., negative growth predicted among the Eurozone countries, which together account for about 43% of global GDP, and the seemingly slowdown of the China economy may serve to dampen growth somewhat during the remainder of this year. Despite the possibility of headwinds facing the industry, our overall view is that there are reasons for cautious optimism for the rest of 2013. We believe that versatility and being able to react swiftly to fast-changing market conditions will remain the key to being successful as we negotiate upcoming challenges that may surface.

Certain market segments appear to be doing better than others. In the LED market, our customers that are involved in the general lighting market continue to do well and move ahead of their peers. Specifically, it seems that the LED market in China is doing much better than in other countries.

We are confident that with the strong backlog that we have on hand, we can look forward to at least another quarter of solid performance in terms of both billings and profitability. Looking further ahead, we believe that we are well-poised to benefit from the recovery of the SMT and LED equipment market and from the technology transition to TCB.

CORPORATE GOVERNANCE

The Group has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30 June 2013.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

CORPORATE GOVERNANCE - continued

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code during the six months ended 30 June 2013.

AUDIT COMMITTEE

The audit committee is comprised of three Independent Non-executive Directors and one Non-executive Director who together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2013 in conjunction with the Company's external auditor.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the Employee Share Incentive Scheme, pursuant to the terms of the rules and trust deed of the Employee Share Incentive Scheme, purchased on the Exchange a total of 263,200 shares in the Company. The cost of purchase of these shares is about HK$23 million.

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, 24 July 2013