ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF 2013 AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

ASMPT Experienced Rebound in Revenue and Bookings in 2013

2013

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

Second half of 2013

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

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of audited results for the year ended 31 December 2013:

RESULTS

ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASMPT") reported a turnover of **HK$10,841 million** in the fiscal year ended 31 December 2013, representing a rise of 3.6% as compared with HK$10,461 million for the previous year. The Group's consolidated profit after taxation for the year is **HK$559 million** which is 18.9% lower than the previous year's net profit of HK$689 million. Basic earnings per share (EPS) for the year amounted to **HK$1.40** (2012: HK$1.73). Excluding a one-time charge associated with the partial relocation of our factory in Shenzhen, China, and related severance payments and tax effect, net profit for the Group in 2013 contracted by 7.5% to **HK$637 million**, and basic earnings per share amounted to **HK$1.60**.

DIVIDEND AND CLOSURES OF REGISTER OF MEMBERS

We continue to believe in returning excessive cash to our shareholders as dividends. After considering the Group's short term needs and our cash on hand, the Board of Directors has resolved to recommend to shareholders the payment of a final dividend of **HK$0.50** (2012: final dividend of HK$0.30) per share. Together with the interim dividend of HK$0.35 (2012: HK$0.61) per share paid in August 2013, the total dividend payment for year 2013 will be **HK$0.85** (2012: HK$0.91) per share.

The proposed final dividend of **HK$0.50** per share, the payment of which is subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 25 April 2014 ("2014 AGM"), is to be payable on Friday, 16 May 2014 to shareholders whose names appear on the Register of Members of the Company on 9 May 2014.

The Register of the Members of the Company will be closed during the following periods:

(i) From Wednesday, 23 April 2014 to Friday, 25 April 2014, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2014 AGM. In order to be eligible to attend and vote at the 2014 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Secretaries Limited not later than 4:00 p.m. on Tuesday, 22 April 2014; and

(ii) From Wednesday, 7 May 2014 to Friday, 9 May 2014, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Register in Hong Kong, Tricor Secretaries Limited not later than 4:00 p.m. on Monday, 5 May 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December **2013** **HK$'000**	2012 HK$'000
Non-current assets			
Property, plant and equipment		**2,000,800**	2,105,615
Investment property		**70,215**	69,501
Intangible assets		**9,650**	15,213
Prepaid lease payments		**26,983**	27,794
Pledged bank deposit		**213,866**	204,520
Deposits paid for acquisition of property, plant and equipment		**61,490**	36,920
Rental deposits paid		**16,719**	13,549
Deferred tax assets		**242,427**	171,634
Other non-current assets		**79,459**	53,397
		2,721,609	2,698,143
Current assets			
Inventories		**3,236,119**	2,876,375
Trade and other receivables	11	**3,115,798**	3,155,458
Prepaid lease payments		**974**	997
Derivative financial instruments		**4,225**	1,479
Income tax recoverable		**65,152**	4,525
Bank balances and cash		**1,596,592**	1,487,003
		8,018,860	7,525,837
Current liabilities			
Trade and other payables	12	**2,151,810**	2,091,605
Provisions		**348,901**	320,638
Income tax payable		**251,781**	244,423
Bank borrowings		**550,778**	695,273
		3,303,270	3,351,939
Net current assets		**4,715,590**	4,173,898
		7,437,199	6,872,041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- continued

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

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"s) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Application of new and revised HKFRSs

In the current year, the Group has applied a number of new and revised HKFRSs issued by the HKICPA.

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

<u>Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"</u>

The Group has applied the amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, 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 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.

1. PRINCIPAL ACCOUNTING POLICIES - continued

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad:

- the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements; and
- disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realizable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognized in the consolidated financial statements.

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

In the current year, 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 recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the 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.

Specific transitional provisions are applicable to first-time application of HKAS 19 (as revised in 2011).

HKAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures. However, the application of HKAS 19 (as revised in 2011) has not had any material impact on the amounts recognized in profit or loss and other comprehensive income in prior years.

2. SEGMENT INFORMATION

The Group has three (2012: three) operating segments: development, production and sales of back-end equipment, surface mount technology equipment and 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 organized and managed around the three (2012: three) major types of products manufactured by the Group. No operating segments have been aggregated in arriving at reportable segments of the Group.

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

Segment revenues and results

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

	Three months ended 31 Dec		**Year ended 31 Dec**	
	2013	2012	**2013**	2012
	(unaudited)	(unaudited)	**(audited)**	(audited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Segment revenue from external customers				
Back-end equipment	**1,239,540**	809,584	**5,200,054**	5,024,111
Surface mount technology ("SMT") equipment	**1,126,918**	1,134,581	**3,917,089**	3,789,461
Lead frame	**397,297**	335,636	**1,724,023**	1,646,986
	2,763,755	2,279,801	**10,841,166**	10,460,558
Segment profit (loss)				
Back-end equipment	**71,323**	(167,474)	**541,310**	485,176
SMT equipment	**79,235**	113,850	**210,802**	370,794
Lead frame	**25,217**	18,735	**134,910**	87,456
	175,775	(34,889)	**887,022**	943,426
Interest income	**1,025**	2,506	**3,273**	9,766
Finance costs	**(4,600)**	(3,993)	**(18,563)**	(8,774)
Unallocated other (expenses) income	**(617)**	6	**(3,176)**	1,623
Unallocated net foreign exchange (loss) gain	**(1,274)**	6,658	**6,054**	(8,069)
Unallocated general and administrative expenses	**(52,774)**	(23,684)	**(97,079)**	(69,294)
Restructuring costs	**(104,521)**	-	**(104,521)**	-
Profit (loss) before taxation	**13,014**	(53,396)	**673,010**	868,678

2. SEGMENT INFORMATION - continued

Segment revenues and results - continued

	Three months ended 31 Dec		Year ended 31 Dec	
	2013	2012	**2013**	2012
Segment profit (loss) %				
Back-end equipment	**5.8%**	(20.7%)	**10.4%**	9.7%
SMT equipment	**7.0%**	10.0%	**5.4%**	9.8%
Lead frame	**6.3%**	5.6%	**7.8%**	5.3%

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

The accounting policies of the operating segments are the same as the Group's accounting policies. This is the measure reported to the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

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

2. SEGMENT INFORMATION - continued

Other segment information

2013

	Back-end equipment HK$'000	SMT equipment HK$'000	Lead frame HK$'000	Unallocated general and administrative expenditure HK$'000	Consolidated HK$'000
Amounts regularly provided to chief operating decision maker:					
Additions of property, plant and equipment	**179,585**	**94,518**	**39,769**	**-**	**313,872**
Additions to investment property	**53**	**-**	**-**	**-**	**53**
Additions of intangible assets	**-**	**3,898**	**-**	**-**	**3,898**
Amounts included in the measure of segment profit :					
Amortization for intangible assets	**-**	**10,157**	**-**	**-**	**10,157**
Depreciation of property, plant and equipment	**263,745**	**66,781**	**81,249**	**-**	**411,775**
Depreciation of investment property	**1,514**	**-**	**-**	**-**	**1,514**
Loss on disposal / write-off of property, plant and equipment	**10,989**	**99**	**72**	**-**	**11,160**
Release of prepaid lease payments	**622**	**-**	**352**	**-**	**974**
Research and development expenses	**534,700**	**407,054**	**6,541**	**-**	**948,295**
Share-based payments	**104,746**	**8,223**	**10,662**	**18,787**	**142,418**

2. SEGMENT INFORMATION – continued

Other segment information – continued

2012	Back-end equipment HK$'000	SMT equipment HK$'000	Lead frame HK$'000	Unallocated general and administrative expenditure HK$'000	Consolidated HK$'000
Amounts regularly provided to chief operating decision maker:					
Additions of property, plant and equipment	333,458	56,767	77,922	-	468,147
Additions to investment property	2,676	-	-	-	2,676
Additions of intangible assets	-	17,316	-	-	17,316
Amounts included in the measure of segment profit:					
Amortization for intangible assets	-	13,681	-	-	13,681
Depreciation of property, plant and equipment	251,038	47,429	74,260	-	372,727
Depreciation of investment property	1,115	-	-	-	1,115
(Gain) loss on disposal / write-off of property, plant and equipment	(16)	(568)	8	-	(576)
Release of prepaid lease payments	569	-	428	-	997
Research and development expenses	503,974	394,932	6,209	-	905,115
Share-based payments	140,999	10,619	16,248	29,266	197,132

2. SEGMENT INFORMATION - continued

Other segment information - continued

The information of the Group's non-current assets by geographical location of assets are detailed below:

	Non-current Assets	
	2013	2012
	HK$'000	HK$'000
Mainland China	**1,637,805**	1,711,257
Singapore	**227,485**	193,010
Malaysia	**196,668**	227,757
Europe	**150,406**	131,848
- Germany	**145,799**	127,746
- Others	**4,607**	4,102
Hong Kong	**42,506**	49,956
Korea	**4,385**	703
Taiwan	**2,240**	2,529
Japan	**773**	919
Others	**3,048**	4,010
	2,265,316	2,321,989

Note: Non-current assets excluded deferred tax assets and pledged bank deposit.

Geographical analysis of turnover by location of customers

	Turnover Year ended 31 December	
	2013	2012
	HK$'000	HK$'000
Mainland China	**4,669,179**	4,451,562
Europe	**1,490,296**	1,775,886
- Germany	**723,254**	914,704
- Romania	**75,382**	146,390
- Others	**691,660**	714,792
Americas	**1,038,084**	903,598
- United States of America	**801,940**	656,384
- Mexico	**165,618**	171,340
- Others	**70,526**	75,874
Malaysia	**921,032**	933,838
Hong Kong	**686,393**	275,817
Taiwan	**641,683**	634,559
Korea	**415,786**	361,608
Thailand	**360,952**	425,922
Philippines	**292,273**	252,077
Singapore	**159,676**	149,430
Japan	**117,719**	187,286
Others	**48,093**	108,975
	10,841,166	10,460,558

3. Analysis of quarterly segment revenue and results

	Three months ended				Change		
	31 December 2013	30 September 2013	30 June 2013	31 March 2013	Q4 vs Q3	Q4 vs Q2	Q4 vs Q1
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
	HK$'000	HK$'000	HK$'000	HK$'000			
Segment revenue from external customers							
Back-end equipment	**1,239,540**	1,521,569	1,491,925	947,020	-18.5%	-16.9%	30.9%
SMT equipment	**1,126,918**	1,092,154	880,560	817,457	3.2%	28.0%	37.9%
Lead frame	**397,297**	488,010	477,677	361,039	-18.6%	-16.8%	10.0%
	2,763,755	3,101,733	2,850,162	2,125,516	-10.9%	-3.0%	30.0%
Segment profit							
Back-end equipment	**71,323**	250,744	217,836	1,407	-71.6%	-67.3%	4969.2%
SMT equipment	**79,235**	71,497	57,236	2,834	10.8%	38.4%	2695.9%
Lead frame	**25,217**	51,335	40,603	17,755	-50.9%	-37.9%	42.0%
	175,775	373,576	315,675	21,996	-52.9%	-44.3%	699.1%
Interest income	**1,025**	557	759	932	84.0%	35.0%	10.0%
Finance costs	**(4,600)**	(4,423)	(4,568)	(4,972)	4.0%	0.7%	-7.5%
Unallocated other (expenses) income	**(617)**	(2,632)	76	(3)	-76.6%	N/A	20466.7%
Unallocated net foreign exchange (loss) gain	**(1,274)**	(16,837)	13,194	10,971	-92.4%	N/A	N/A
Unallocated general and administrative expenses	**(52,774)**	(21,480)	(14,949)	(7,876)	145.7%	253.0%	570.1%
Restructuring costs	**(104,521)**	-	-	-	N/A	N/A	N/A
Profit before taxation	**13,014**	328,761	310,187	21,048	-96.0%	-95.8%	-38.2%
Segment profit %							
Back-end equipment	**5.8%**	16.5%	14.6%	0.1%			
SMT equipment	**7.0%**	6.5%	6.5%	0.3%			
Lead frame	**6.3%**	10.5%	8.5%	4.9%			

3. Analysis of quarterly segment revenue and results - continued

	Three months ended				Change		
	31 December 2012	30 September 2012	30 June 2012	31 March 2012	Q4 vs Q3	Q4 vs Q2	Q4 vs Q1
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
	HK$'000	HK$'000	HK$'000	HK$'000			
Segment revenue from external customers							
Back-end equipment	809,584	1,541,012	1,608,621	1,064,894	-47.5%	-49.7%	-24.0%
SMT equipment	1,134,581	992,763	845,420	816,697	14.3%	34.2%	38.9%
Lead frame	335,636	501,691	472,491	337,168	-33.1%	-29.0%	-0.5%
	2,279,801	3,035,466	2,926,532	2,218,759	-24.9%	-22.1%	2.8%
Segment profit (loss)							
Back-end equipment	(167,474)	200,675	307,287	144,688	N/A	N/A	N/A
SMT equipment	113,850	107,697	83,828	65,419	5.7%	35.8%	74.0%
Lead frame	18,735	35,747	36,612	(3,638)	-47.6%	-48.8%	N/A
	(34,889)	344,119	427,727	206,469	N/A	N/A	N/A
Interest income	2,506	2,082	1,804	3,374	20.4%	38.9%	-25.7%
Finance costs	(3,993)	(1,767)	(710)	(2,304)	126.0%	462.4%	73.3%
Unallocated other income (expenses)	6	1,620	-	(3)	-99.6%	N/A	N/A
Unallocated net foreign exchange gain (loss)	6,658	(15,133)	(5,690)	6,096	N/A	N/A	9.2%
Unallocated general and administrative expenses	(23,684)	(18,269)	(20,358)	(6,983)	29.6%	16.3%	239.2%
Profit (loss) before taxation	(53,396)	312,652	402,773	206,649	N/A	N/A	N/A
Segment profit (loss) %							
Back-end equipment	(20.7%)	13.0%	19.1%	13.6%			
SMT equipment	10.0%	10.8%	9.9%	8.0%			
Lead frame	5.6%	7.1%	7.7%	(1.1%)			

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

	Year ended 31 December 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	HK$'000	**HK$'000**	**HK$'000**
Turnover	**6,924,077**	**3,917,089**	**10,841,166**
Gross profit	**2,095,953**	**1,083,405**	**3,179,358**
EBIT	**604,370**	**188,451**	**792,821**
Gross profit %	**30.3%**	**27.7%**	**29.3%**
EBIT %	**8.7%**	**4.8%**	**7.3%**

	Year ended 31 December 2012		
	Back-end Business (Note)	SMT Business	Total
	HK$'000	HK$'000	HK$'000
Turnover	6,671,097	3,789,461	10,460,558
Gross profit	2,021,897	1,140,479	3,162,376
EBIT	509,879	357,807	867,686
Gross profit %	30.3%	30.1%	30.2%
EBIT %	7.6%	9.4%	8.3%

Reconciliation between "Earnings before interest and tax excluding the effect of restructuring costs" to profit before taxation for the year ended 31 December 2013

	Year ended 31 December 2013
	HK$'000
Earnings before interest and tax excluding the effect of restructuring costs	**792,821**
Effect of restructuring costs	**(104,521)**
Net Interest expense	**(15,290)**
Profit before taxation	**673,010**

4. An analysis of the Group's turnover, gross profit and earnings (loss) before interest and tax excluding the effect of restructuring costs ("EBIT (LBIT)") by business is as follows: - continued

	Three months ended 31 December 2013		
	Back-end Business (Note)	**SMT Business**	**Total**
	(unaudited) HK$'000	**(unaudited) HK$'000**	**(unaudited) HK$'000**
Turnover	**1,636,837**	**1,126,918**	**2,763,755**
Gross profit	**441,856**	**307,584**	**749,440**
EBIT	**54,210**	**66,900**	**121,110**
Gross profit %	**27.0%**	**27.3%**	**27.1%**
EBIT %	**3.3%**	**5.9%**	**4.4%**

	Three months ended 31 December 2012		
	Back-end Business (Note)	SMT Business	Total
	(unaudited) HK$'000	(unaudited) HK$'000	(unaudited) HK$'000
Turnover	1,145,220	1,134,581	2,279,801
Gross profit	212,007	321,477	533,484
(LBIT) EBIT	(158,402)	106,492	(51,910)
Gross profit %	18.5%	28.3%	23.4%
(LBIT) EBIT %	(13.8%)	9.4%	(2.3%)

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

5. DEPRECIATION AND AMORTIZATION

During the year, depreciation and amortization amounting to HK$411.8 million (2012: HK$372.7 million), HK$1.5 million (2012: HK$1.1 million) and HK$10.2 million (2012: HK$13.7 million) 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

	Year ended 31 December	
	2013	2012
	HK$'000	HK$'000
The losses comprise:		
Net foreign exchange losses	**(11,909)**	(24,540)
(Loss) gain on disposal / write-off of property, plant and equipment	**(11,160)**	576
Gain on fair value change of derivative financial instruments	**17,963**	16,471
Others	**(2,314)**	-
	(7,420)	(7,493)

7. RESTRUCTURING COSTS

Due to the local authorities' redevelopment plans for the Yantian District of Shenzhen, part of the operation of a subsidiary of the Company, Shenzhen ASM Micro Electronic Technology Co., Ltd., is required to move out of its premises located in Yantian District by October 2014. The Group has announced the details of the relocation and compensation plan to the affected employees in October 2013. In connection with this plant relocation, the restructuring costs recorded by the Group amount to HK$104,521,000, which primarily relates to severance payments of HK$74,367,000 and incentive payments and other compensation of HK$24,020,000 to employees for relocation to new premises of the Group.

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2013	2012
	HK$'000	HK$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong	**38,859**	37,900
PRC Enterprise Income Tax	**72,304**	64,298
Other jurisdictions	**87,664**	148,105
	198,827	250,303
(Over)under provision in prior years:		
Hong Kong	**(30)**	(375)
PRC Enterprise Income Tax	**2,086**	315
Other jurisdictions	**(9,750)**	11,532
	(7,694)	11,472
Deferred tax credit		
Current year	**(76,712)**	(82,091)
	114,421	179,684

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

(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% (2012: 25%).

(c) On 12 July 2010, the Singapore Economic Development Board ("EDB") granted a Pioneer Certificate to ASM Technology Singapore Pte Ltd ("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.

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% (2012: 17%).

8. INCOME TAX EXPENSE – continued

(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 year. 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% (2012: 32.825%).

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

The Group continued to receive letters from the Hong Kong Inland Revenue Department during the year ended 31 December 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 31 December 2013, the Group purchased tax reserve certificates amounting to HK$298,529,000 (2012: HK$234,929,000).

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 consolidated financial statements and the amounts paid under the tax reserve certificates are fully recoverable.

9. DIVIDENDS

	Year ended 31 December	
	2013	2012
	HK$'000	HK$'000
Dividend recognized as distribution during the year		
Interim dividend paid 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
Final dividend paid for 2012 of HK$0.30 (2012: final dividend paid for 2011 of HK$0.80) per share on 399,244,500 (2012: 397,637,100) shares	**119,773**	318,110
	259,509	560,669
Dividend proposed after the year end		
Proposed final dividend for 2013 of HK$0.50 (2012: HK$0.30) per share on 400,633,700 (2012: 399,244,500) shares	**200,317**	119,773

The final dividend of HK$0.50 (2012: final dividend of HK$0.30) per share in respect of the year ended 31 December 2013 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

10. EARNINGS (LOSS) PER SHARE

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

	Three months ended 31 Dec		Year ended 31 Dec	
	2013	2012	**2013**	2012
	(unaudited)	(unaudited)	**(audited)**	(audited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (Profit (loss) for the period)	**47,193**	(44,129)	**558,589**	688,994
	Number of shares (in thousands)		**Number of shares (in thousands)**	
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**399,269**	397,667	**399,115**	397,478
Effect of dilutive potential shares from the Employee Share Incentive Scheme	**1,400**	1,320	**1,240**	1,192
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**400,669**	398,987	**400,355**	398,670

11. TRADE RECEIVABLES

Included in trade and other receivables are trade receivables with the aging analysis presented based on the due date at the end of the reporting period as follows:

	At 31 December	
	2013	2012
	HK$'000	HK$'000
Not yet due	**1,939,899**	1,721,565
Overdue within 30 days	**234,819**	218,882
Overdue within 31 to 60 days	**108,539**	111,407
Overdue within 61 to 90 days	**75,499**	57,453
Overdue over 90 days	**117,171**	159,847
	2,475,927	2,269,154

12. TRADE PAYABLES

Included in trade and other payables are trade payables with the aging analysis presented based on the due date at the end of the reporting period as follows:

	At 31 December	
	2013	2012
	HK$'000	HK$'000
Not yet due	**622,760**	552,157
Overdue within 30 days	**228,622**	130,659
Overdue within 31 to 60 days	**147,766**	115,331
Overdue within 61 to 90 days	**87,837**	83,389
Overdue over 90 days	**74,165**	60,402
	1,161,150	941,938

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

a) Acquisition of DEK business

On 3 December 2013, the Company entered into a master sale and purchase agreement (the "S&P Agreement") with Dover Printing & Identification, Inc. and Dover Corporation (the "Sellers") pursuant to which the Company conditionally agreed to acquire the screen printing and processes business currently operated by the Sellers ("DEK Business") which comprises all the shares in the companies currently operating the DEK Business ("Target Companies"). The product portfolio of the DEK Business consists of surface mount technology assembly equipment for the electronics industry, metallization equipment for solar and fuel cells industry and a portfolio of the following recurring revenue products: consumables, replacement screens, stencils, parts and services.

The purchase consideration is comprised of the base purchase price of US$170,000,000 (equivalent to approximately HK$1,318,146,000) adjusted by the amount of working capital, capital expenditures and cash and cash equivalents of the Target Companies upon completion pursuant to the terms specified in the S&P Agreement; and plus a contingent consideration totaling up to US$30,000,000 (equivalent to approximately HK$232,614,000) that are linked to the actual revenue of the Target Companies earned during the measurement period specified in the S&P Agreement.

Details of the transaction were set out in the Company's announcement dated 3 December 2013. The transaction has not yet completed at the date of approval of these consolidated financial statements.

b) Setting up of an Advanced Laser Technology Centre

The Group entered into a purchase agreement on 12 February 2014 (the “Agreement”) to purchase, amongst other things, the intellectual property rights and know-how of Advanced Laser Separation International B.V. (“ALSI”), a Dutch technology company specializing in multi-beam laser-cutting and low-K wafer grooving. Through this purchase, the Group has set up an advanced laser technology centre in the Netherlands to develop technology and machines to serve the laser sawing market. ALSI is an independent third party. Details are set out in the Company’s announcement on “Setting Up of Advanced Laser Technology Centre” dated 14 February 2014.

REVIEW

With the US and Europe still emerging from recession, 2013 continued to be a challenging year for our industry. In late 2012, there was an expectation that the following year would bring forth a noticeable improvement. In particular, the bookings for the second half of 2013 were expected to be strong. Unfortunately, the expectation did not quite materialize. On the bright side, while market demand did wane during the second half of 2013 as in the previous three years, the contraction was much smaller.

For ASMPT, 2013 was a year full of challenges as well as achievements.

First of all, all three segments of our business achieved small revenue growths relative to 2012, notwithstanding predictions by market analysts that both the semiconductor Back-end and SMT equipment markets would contract from 2012. Against this backdrop, our Lead frame business also set another new revenue record last year, surpassing the previous record that was set in 2012.

Next, Group bookings exceeded the levels achieved in 2012. In fact, new order bookings for all three segments of our business registered positive, albeit small, growth.

Additionally, it appears that all three segments of our business were successful in gaining market share. This is amply demonstrated by the fact that we regained the number one position in the global semiconductor assembly and packaging equipment market, and even opened up a substantial lead over our closest rival that was holding the top position in 2012. Further, we continued to set new revenue records for our Lead frame business. We have also advanced from the third to the second position in the global SMT placement machine market through significant market share gains in China and the Americas. Based on our sales volume in 2013, we have undoubtedly attained the number one position in the Americas market for SMT equipment.

Our achievements are a reflection of our successful business strategies. ASMPT build its business with a diversified product portfolio and a broad customer base. This enables ASMPT to be more resilient during periods of challenging market conditions.

Furthermore, ASMPT's strategic approach of focusing on multiple application markets, investing in advanced technologies and collaborating with leading customers resulted in tangible rewards last year, and it opened up channels to both short-term and long-term growth of the Group.

Demand for our CMOS Image Sensor ("CIS") equipment was strong last year. The Light-Emitting Diode ("LED") equipment market continued on track towards recovery. Thermo-Compression Bonding ("TCB") equipment started to make meaningful contributions to our revenue stream, and our SMT equipment made in-roads into non-traditional SMT markets.

Likewise, the profitability of our Lead frame business improved significantly, powered by both internal and external factors.

Although the profitability of our Back-end equipment business has yet to show significant improvement due to a challenging market, we are confident that the various cost reduction measures and out-sourcing strategy that we have put in place will lead to significant improvements to the profitability of the Back-end equipment business segment during the second and/or third quarters this year, when business activities should improve further.

REVIEW – continued

Meanwhile, despite the profitability of the SMT equipment business being negatively impacted by geographical mix and downward pressure on average selling prices ("ASP") brought about by the depreciation of the Japanese yen, on a positive note, the savings from our in-sourcing activities last year made a material contribution to the profitability of this business segment. Further opportunities for in-sourcing are being explored and implemented, and we have identified various avenues for improving the future profitability of the SMT equipment business.

Last but not least, we successfully entered into a sale and purchase agreement with Dover Corporation to acquire its DEK printer business. We believe that the DEK printer business will offer enhanced synergies to further build upon and expand our SMT equipment business.

Overall, Group revenue for 2013 was US$1,397.6 million, representing a growth of 3.6% compared to 2012. Group net profit was HK$558.6 million, which amounts to a contraction of 18.9% from 2012. Excluding a one-time charge relating to the relocation of part of our factory in Yantian to Longgang in Shenzhen, China, and the severance payments related to the relocation and tax effect, Group net profit was HK$637.0 million, which was a 7.5% contraction from 2012.

The Lead frame business performed strongly last year. The revenue from our Lead frame business attained another new record of US$222.2 million, representing a growth of 4.7% from the year before. Last year, Lead frame revenue contributed to 15.9% of the Group's total revenue.

We continued to drive improvement in the profitability of our Lead frame business last year. The segment result improved 54.3% over the previous year.

Revenue of our Back-end equipment business grew by 3.5% last year to US$670.4 million, contributing to 48.0% of the Group's total revenue. With an aggressive cost reduction program in place, we were able to achieve a moderate improvement of 11.6% in the segment result of our Back-end equipment business last year.

On the other hand, revenue of our SMT equipment business grew by 3.4% to US$505.0 million. Last year, SMT equipment revenue contributed to 36.1% of the Group's total revenue. Profitability of our SMT equipment business was negatively affected by geographical mix and lower ASP pressure brought about by the depreciation of the Japanese yen.

ASMPT has a geographically well-diversified business. By geographical distribution, China (including Hong Kong) (49.4%), Europe (13.7%), the Americas (9.6%), Malaysia (8.5%) and Taiwan (5.9%) were the top five markets for ASMPT in 2013. We continue to make good progress in the Americas market, led by both our Back-end equipment and SMT equipment businesses. In fact, we are now the leader in the Americas market for SMT equipment.

Due to the weak economic conditions, the contribution to Group revenue from the European market has declined. Nevertheless, it has remained the second largest market for ASMPT. Towards the end of last year, we observed signs suggesting a recovery of the European market, which is in line with the general belief that the European economy is finally gaining strength after its long recession.

We continue to build our business on a diversified customer base. In 2013, our top 5 customers contributed to 16.1% of our total revenue. 80% of the Group revenue came from 240 customers. Out of the top 20 customers, 5 were from the SMT equipment business and 3 were key customers for both the Back-end and SMT equipment businesses.

REVIEW – continued

New order bookings last year were US$1.39 billion, an improvement of 4.7% as compared to 2012. New order bookings for all three segments of our business improved over the previous year, with Back-end equipment business improved by 1.8%, Lead frame business by 11.9% and SMT equipment business by 5.5%. The book-to-bill ratio was 0.99, while backlog as of the end of last year was US$256.7 million.

Similar to the pattern seen in the last few years, the market contracted during the second half of last year. However, the contraction was significantly smaller this time. Our new order bookings for the second half of last year contracted by only 9.0% compared to the preceding six months but saw a growth of 29.4% over the second half of 2012. In our view, this could signal that we have reached or even passed the trough of the current industry cycle.

Despite the contraction in the second half of 2013, due to the contribution from our healthy backlog, billings for the second half of last year were at a higher level than the first half year. Group billings for the second half of last year was US$756.4 million, representing growths of 17.9% and 10.4% over the first half of last year and the same period in 2012, respectively.

The SMT equipment business registered the most sizeable growth of 30.7% over the first half of 2013. SMT equipment revenue for the last six months of 2013 was US$286.1 million, contributing to 37.8% of the Group revenue. SMT equipment revenue was 4.3% above the same period of 2012.

Lead frame revenue for the second half of last year was US$114.2 million, representing increases of 5.6% and 5.7% over the first half of 2013 and the second half of 2012, respectively.

Back-end equipment business revenue grew by 13.2% and 17.5% over the first half of 2013 and the second half of 2012, respectively. Back-end equipment revenue totaled US$356.1 million for the second half of last year.

Excluding the one-time relocation charges and related severance payments and tax effect, net profit for the Group in the second half last year improved by 67.3% and 94.1% against the first half of 2013 and the second half of 2012, respectively. All three segments of our business demonstrated improved profitability during the second half of last year as compared to the preceding six months, with improvements in the results of the respective segments falling within the range of 31.2% to 150.9%.

We noticed that, during the fourth quarter of last year, the market was significantly better than that of the corresponding period in 2012. Bookings were US$292.8 million, representing an increase of 17.0% and a decrease of 20.3%, over the same period of the previous year and the preceding quarter, respectively.

Bookings for our Lead frame business rebounded by 13.6% from the drop during the third quarter of last year. Generally, the low point of our Lead frame bookings last year occurred during the third quarter and was relatively mild.

Bookings for our Back-end equipment business during the fourth quarter of last year achieved strong improvement of 25.7% over the same period a year ago. However, it suffered a 25.0% decline, quarter-on-quarter.

The fourth-quarter bookings for our SMT equipment declined both quarter-on-quarter and year-on-year by 26.1% and 4.5% respectively, but we are encouraged by the likely recovery of the European market in the near future.

REVIEW – continued

During the fourth quarter last year, Group revenue was US$356.5 million, representing a decline of 10.9% and an improvement of 21.2% compared to the preceding quarter and the same quarter of previous year, respectively.

Back-end equipment revenue was US$159.9 million, representing a decline of 18.5% compared to the preceding quarter and robust growth of 53.1% compared to the same quarter of the previous year. Back-end equipment revenue contributed to 44.8% of the Group revenue in the fourth quarter.

Lead frame revenue was US$51.2 million, representing decline of 18.6% against the preceding quarter and increase of 18.4% compared to the same quarter of the previous year. Lead frame revenue contributed to 14.4% of the Group revenue in the fourth quarter.

SMT equipment revenue was US$145.4 million, representing an improvement of 3.2% as compared to the preceding quarter and a slight decline of 0.7% compared to the same quarter of the previous year. SMT equipment revenue contributed to 40.8% of the Group revenue in the fourth quarter.

Although we had booked the one-time relocation charges and related severance payments and the costs related to the acquisition of the DEK business in the fourth quarter of last year, we were still able to achieve a small net profit as contrasted to a loss a year ago. However, gross margins during the quarter were negatively affected by the lower revenue level and the loss of productivity during the industrial incident in our factory in Yantian, Shenzhen, China in November last year. The said incident led to a reduction of 1,412 workers in our China factories, representing approximately 15.0% of our production workforce serving the Back-end Equipment business. After the incident, productivity has been quickly restored and even surpassed the pre-incident level. Going forward, we expect that the improvement in productivity will contribute positively to the gross margin improvement of our Back-end Equipment business.

LIQUIDITY AND FINANCIAL RESOURCES

Cash on hand as of 31 December 2013 was HK$1,597 million (2012: HK$1,487 million). During the twelve-month period, HK$259.5 million was paid as dividends (2012: HK$560.7 million). Capital addition during the period amounted to HK$350.4 million (2012: HK$542.0 million), which was funded by the year's depreciation and amortization of HK$427.4 million (2012: HK$389.0 million). Accounts receivable have been tightly monitored during the year. With slower sales during the fourth quarter of 2013, accounts receivable increased to 83.4 days sales outstanding (2012: 79.4 days).

As of 31 December 2013, current ratio was 2.43, with a debt-equity ratio of 51.7%. The Group had available bank loans and overdraft facilities of US$319.3 million or its equivalent, out of which US$85.4 million or its equivalent were committed facilities. As of 31 December 2013, US$89.8 million of the Group's bank loan and overdraft facilities was drawn down, out of which utilization of committed facilities was US$35.4 million. The Group's shareholders' funds increased to HK$7,081 million as at 31 December 2013 (2012: HK$6,557 million).

The Group has moderate currency exposure. The majority of our sales were denominated in U.S. dollars, Euros and Chinese Renminbi. On the other hand, the disbursements were mainly in U.S. dollars, Euros, Hong Kong dollars, Singapore dollars, Malaysian Ringgit and Chinese Renminbi. Our limited yen-based receivables were offset by some accounts payable in yen to Japanese vendors. With the addition of the SMT equipment business, the Group's exposure to Euro had increased starting from 2011.

LIQUIDITY AND FINANCIAL RESOURCES – continued

We continue to believe in returning excessive cash to our shareholders as dividends. After considering our short-term needs and our cash on hand, the Board recommends a final dividend of HK$0.50 per share. The dividend payout ratio for 2013 is 60.9%.

HUMAN RESOURCES

ASMPT recognizes human resources as 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 staff based on the Group's financial results and individual performance.

As of 31 December 2013, total headcount of the Group worldwide was approximately 14,400 people, of whom 1,300 were based in Hong Kong and 13,100 were based in Mainland China and other locations overseas.

Total manpower costs for 2013 were HK$3,318 million, as compared with HK$3,135 million for 2012.

PROSPECTS

Smart phones and tablet computers continue to be the most important drivers of growth for the market, while demand for automotive electronics is gaining traction. The rise in portable consumer devices also drives up demand for data centers, cloud computing and network infrastructures for accessing data on the move.

Most industry analysts continue to forecast positive growth in the demand for semiconductor devices. Together with such growth, LED lighting and displays are driving the demand for LED equipment. On the whole, the world economy seems to have improved as compared to a year ago.

Therefore, we are of the view that our industry is likely to have come off the bottom of the current industry cycle. In fact, we are noticing some positive signs in the market. For instance, our Lead frame bookings show strong growth momentum, and Back-end equipment customers seem to be more optimistic than a year ago. We anticipate that there is a good chance for our Lead frame business to achieve both quarter-on-quarter and year-on-year improvement in bookings during the first quarter of 2014, whilst there is a fair chance for our Back-end equipment and SMT equipment businesses to achieve the same showing. However, we are mindful that the macroeconomic conditions, confidence of consumers and level of business investment will invariably have a significant impact on the market as well as on our performance.

With reduced bookings received in the previous quarter, we expect a sequential decline in Group billings in the first quarter of 2014, but a low double digit percentage improvement year-on-year. Most of the improvement is expected to come from the Back-end equipment and Lead frame business.

Besides growing on the back of market upturns, ASMPT also aims to achieve growth by gaining market share and participating in new technologies addressing the future needs of the industry. For example, TCB bonding equipment made a meaningful contribution to our revenue last year and we expect it to make a significant contribution this year. With our success in TCB bonders, we have become a clear number two in the flip-chip bonder market. This year, we will strive for the top position in the flip-chip bonder market.

PROSPECTS – continued

The semiconductor market has changed significantly in the past few years. In tandem with the changes, our customers are aggressively developing new packaging solutions. ASMPT has been selected by many of its customers to not only be their equipment supplier, but also to be their technology development partner.

Unlike our peers, which mainly focus on specific product segments, ASMPT has a strong R&D team, comprehensive knowledge of the entire assembly process relating to semiconductor packaging and SMT placement, the broadest product portfolio and strong financial resources. We have found that when it comes to picking their technology development partners, many of our customers assign great weight to these factors.

Our experience of working with our leading customers in the development of CIS and TCB equipment has been very promising. This approach significantly shortens our time-to-market, with our product development cycle time being reduced significantly. In this respect, we are also able to substantially reduce the time it takes to generate meaningful revenue contributions from our new products.

The conversion to fine-pitch copper pillar flip-chip bonding and TCB bonding continue to offer ASMPT tremendous growth opportunities. Such advances have changed the technology game. They have diluted the advantages that our peers have been enjoying until now in the traditional flip chip bonder market. Furthermore, ASMPT continues to engage with its other leading customers to develop advanced and yet cost effective solutions for the challenging new packages.

The addition of the DEK printer business to the Group offers significant synergistic potential. We expect the acquisition to help us to gain further market share in the SMT placement equipment market and, at the same time, solidify DEK's leading position in the screen-printing business. In fact, we have noted that DEK printers are not only used for SMT processes. Many of our customers in the semiconductor assembly and packaging business also use DEK printers, especially for the production of system-in-package ("SIP") devices.

In February 2014, the Group also made a decision to invest in advanced multi-beam laser separation technology. It has done so through the purchase of, amongst other things, the intellectual property rights and know-how of Advanced Laser Separation International B.V. ("ALSI"), a Dutch technology company specializing in multi-beam laser-cutting and low-K wafer grooving. This marks the Group's entry into the laser saw business. Multi-beam laser cutting technology has various applications, including the grooving of low-K wafers, sawing of thin wafers and silicon-based LED wafers. The Group believes that access to the said technology will accelerate its know-how in laser saw equipment, and will enable the Group to further enhance its product portfolio for advanced packaging in the near future.

With the development of advanced flip chip bonders, TCB bonders, Mold Under Fill ("MUF") systems for flip chip and TCB packages, multi-beam laser separation systems for low-K wafers and thin wafers, and SMT solutions for system-in-package ("SIP") and wafer level packages ("WLP"), the Group aims to build a product portfolio that has an increasing contribution from advanced packaging solutions.

We believe we have put in place a solid long-term strategy to capture greater market share in both the Back-end semiconductor and SMT market segments and to improve their profitability. Coupled with our already-commanding position in the LED market, the future for ASMPT is promising.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except that a professional 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 amounted to HK$23 million.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Listing Rules throughout the year 31 December 2013.

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

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code during the year ended 31 December 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 consolidated financial statements for the year ended 31 December 2013 in conjunction with the Company's external auditor.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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, 26 February 2014