



Rating  
**Hold**

Asia  
Hong Kong

Technology  
Semiconductor &  
Equipment

**Mixed bag; Hold**

Company  
**ASM Pacific  
Technology**

Reuters 0522.HK	Bloomberg 522 HK	Exchange HKG	Ticker 0522
ADR Ticker ASMY	ISIN US00212G1085		

Date  
5 March 2015

## Results

Price at 5 Mar 2015 (HKD)	79.10
Price target - 12mth (HKD)	84.00
52-week range (HKD)	91.15 - 64.65
HANG SENG INDEX	24,465

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### Fairly valued

ASMP's 4Q14 EPS was below expectations owing to lower-than-expected sales. We remain concerned about ASMP's semiconductor back-end equipment orders in 2015, especially for wirebonding packaging in light of OSAT companies' capex decline YoY. However, we raise our 2015/16 EPS forecasts by 12%/9% to factor in cost-down efforts and a favorable currency impact (Euro depreciation can help reduce SMT COGS, which is around 50% Euro exposed). We lift our target price from HK\$82 to HK\$84 but maintain Hold on fair risk/reward.

### Weaker-than-expected 4Q14 results

The company reported EPS of HK\$0.61 in 4Q14. This was lower than our estimate of HK\$1.06 and the consensus estimate of HK\$1.18 owing to weak sales and a non-operating loss (provision for tax-related expense). Sales fell 29% QoQ in 4Q14, below our forecast of a 19% decrease and consensus estimate of a 10% drop. This was attributable to some order postponement due to conservative capex plans for 2015, especially for semiconductor back-end equipment. Its OPM dropped by 475bps QoQ to 15.0% in 4Q14, vs. our/consensus estimates of 15.4%/14.2%. ASMP's backlog fell 20% QoQ in 4Q14 and the book-to-bill ratio decreased to 0.77 in 4Q14 from 0.85 in 3Q14.

### Muted outlook for 1Q15

Management guides for a sequential sales decline but a low to moderate double-digit percentage sales increase YoY in 1Q15, vs. our forecast of a 16% sales drop QoQ and 32% sales growth YoY. We expect GM to drop by 250bps QoQ to 35.5% in 1Q15. We believe ASMP will continue to gain market share in SMT and maintain its high LED back-end equipment market share based on its enriched product lines and solid execution. However, OSAT's capex decline in 2015 may lead to headwinds to ASMP's semiconductor back-end business.

### Valuation and risks

We introduce our 2017 EPS forecast. Our target price is based on 3.9x 2015E P/B. We shift our target price multiple from 3.7x 2014-15E average P/B to 3.9x 2015E P/B. This is in line with the fair PB of 3.9x generated by a Gordon Growth Model (long-term ROE of 21% and industry growth rate of 2.5%). Upside/downside risks: market share gains in flip-chip/SMT, ASP and demand.

### Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
DB EPS FD(HKD)	1.40	3.82	4.84	4.87	5.20
DB EPS growth (%)	-19.1	173.4	26.5	0.7	6.7
PER (x)	59.0	20.4	16.3	16.2	15.2
Price/BV (x)	3.7	3.8	3.7	3.4	3.0
Yield (net) (%)	1.0	2.7	3.2	3.4	3.5
ROE (%)	8.2	20.9	23.7	21.7	20.8

Source: Deutsche Bank estimates, company data

<sup>1</sup> DB EPS is fully diluted and excludes non-recurring items

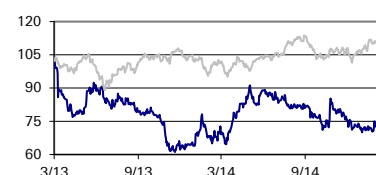
<sup>2</sup> Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

### Key changes

Price target	82.00 to 84.00	↑	2.4%
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Source: Deutsche Bank

### Price/price relative



Performance (%)	1m	3m	12m
Absolute	9.0	3.9	13.8
HANG SENG INDEX	-1.2	1.9	8.4

Source: Deutsche Bank

### DB EPS estimates vs. consensus

Year	2015E	2016E
DB's estimates (HK\$)	4.84	4.87
Consensus estimates (HK\$)	5.02	5.60
DB over consensus (%)	-4%	-13%

Source: Bloomberg Finance LP, Deutsche Bank estimates

Deutsche Bank AG/Hong Kong

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Model updated: 05 March 2015

Running the numbers

Asia  
Hong Kong  
Semiconductor & Equipment

ASM Pacific Technology

Reuters: 0522.HK Bloomberg: 522 HK

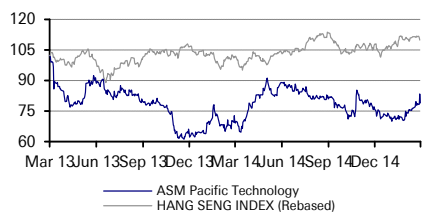
Hold

Price (5 Mar 15) HKD 79.10  
Target Price HKD 84.00  
52 Week range HKD 64.65 - 91.15  
Market Cap (m) HKDm 31,171  
USDm 4,019

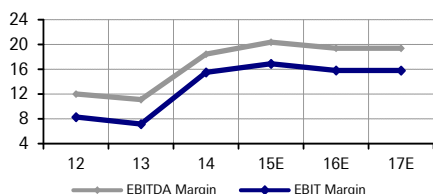
Company Profile

ASM Pacific Technology Limited, through its subsidiaries, designs, manufactures and markets machines, tools and materials used in the semiconductor industry.

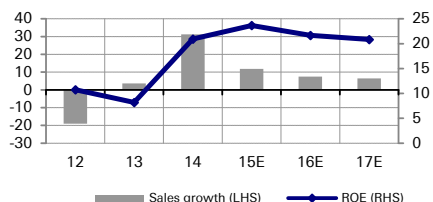
Price Performance



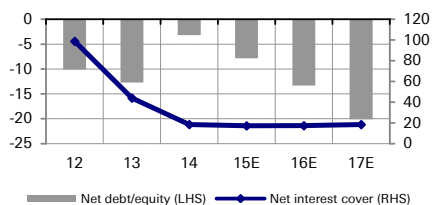
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2012	2013	2014	2015E	2016E	2017E
DB EPS (HKD)	1.73	1.40	3.82	4.84	4.87	5.20
Reported EPS (HKD)	1.73	1.40	3.82	4.84	4.87	5.20
DPS (HKD)	0.91	0.85	2.10	2.55	2.65	2.80
BVPS (HKD)	16.4	17.7	19.6	21.4	23.6	26.3
Weighted average shares (m)	394	394	394	394	394	394
Average market cap (HKDm)	38,066	32,571	30,792	31,171	31,171	31,171
Enterprise value (HKDm)	37,403	31,670	30,530	30,467	29,849	28,948

Valuation Metrics

P/E (DB) (x)	55.9	59.0	20.4	16.3	16.2	15.2
P/E (Reported) (x)	55.9	59.0	20.4	16.3	16.2	15.2
P/BV (x)	5.74	3.66	3.77	3.70	3.35	3.01
FCF Yield (%)	0.4	0.2	nm	6.0	5.6	6.5
Dividend Yield (%)	0.9	1.0	2.7	3.2	3.4	3.5
EV/Sales (x)	3.6	2.9	2.1	1.9	1.7	1.6
EV/EBITDA (x)	29.8	26.3	11.6	9.4	9.0	8.2
EV/EBIT (x)	43.2	40.8	13.8	11.3	11.0	10.1

Income Statement (HKDm)

Sales revenue	10,460	10,841	14,229	15,905	17,095	18,200
Gross profit	3,551	3,607	5,468	6,547	6,762	7,191
EBITDA	1,255	1,203	2,623	3,241	3,317	3,528
Depreciation	389	427	418	555	613	653
Amortisation	0	0	0	0	0	0
EBIT	866	776	2,205	2,686	2,703	2,875
Net interest income/(expense)	-9	-18	-119	-156	-156	-156
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinaries	0	0	0	7	7	7
Other pre-tax income/(expense)	11	-85	-58	20	20	20
Profit before tax	869	673	2,028	2,551	2,568	2,740
Income tax expense	180	114	429	523	526	562
Minorities	0	0	0	0	0	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	689	559	1,600	2,035	2,048	2,185
DB adjustments (including dilution)	0	0	0	0	0	0
DB Net profit	689	559	1,600	2,035	2,048	2,185

Cash Flow (HKDm)

Cash flow from operations	707	426	-201	2,277	2,122	2,405
Net Capex	-542	-350	-444	-390	-390	-390
Free cash flow	165	76	-645	1,887	1,732	2,015
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-561	-260	-535	-946	-1,114	-1,114
Net inc/(dec) in borrowings	128	41	2,177	0	0	0
Other investing/financing cash flows	127	253	0	0	0	-395
Net cash flow	-141	110	997	941	618	506
Change in working capital	-696	-288	-969	-812	-539	-433

Balance Sheet (HKDm)

Cash and other liquid assets	1,487	1,597	2,594	3,535	4,153	5,053
Tangible fixed assets	2,106	2,001	2,073	1,884	1,661	1,453
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	0	0	0	0	0	0
Other assets	6,631	7,143	9,829	10,631	11,520	12,191
Total assets	10,224	10,740	14,496	16,051	17,334	18,698
Interest bearing debt	824	696	2,332	2,830	2,830	2,830
Other liabilities	2,843	2,963	3,959	4,233	4,582	4,820
Total liabilities	3,667	3,659	6,291	7,063	7,412	7,650
Shareholders' equity	6,557	7,081	8,205	8,988	9,922	11,047
Minorities	0	0	0	0	0	0
Total shareholders' equity	6,557	7,081	8,205	8,988	9,922	11,047
Net debt	-663	-900	-262	-704	-1,322	-2,223

Key Company Metrics

Sales growth (%)	-19.0	3.6	31.3	11.8	7.5	6.5
DB EPS growth (%)	-76.5	-19.1	173.4	26.5	0.7	6.7
EBITDA Margin (%)	12.0	11.1	18.4	20.4	19.4	19.4
EBIT Margin (%)	8.3	7.2	15.5	16.9	15.8	15.8
Payout ratio (%)	52.1	60.0	51.8	49.4	51.0	50.5
ROE (%)	10.8	8.2	20.9	23.7	21.7	20.8
Capex/sales (%)	5.2	3.2	3.1	2.5	2.3	2.1
Capex/depreciation (x)	1.4	0.8	1.1	0.7	0.6	0.6
Net debt/equity (%)	-10.1	-12.7	-3.2	-7.8	-13.3	-20.1
Net interest cover (x)	98.8	44.0	18.5	17.3	17.4	18.5

Source: Company data, Deutsche Bank estimates

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## 4Q14 results below expectations

- **Low-than-expected sales** – Sales declined 29% QoQ in 4Q14, below our forecast of a 19% decrease and consensus estimate of a 10% drop.
- **Sales by segment in 4Q14** – assembly and packaging equipment sales of HK\$1,516m (44% of sales in 4Q14; 30% QoQ decrease); leadframe sales of HK\$450m (13% of sales in 4Q14; 10% QoQ decrease); SMT equipment sales of HK\$1,480m (43% of sales in 4Q14; 32% QoQ decrease).
- **Book-to-bill ratio** – decreased to 0.77 in 4Q14 from 0.85 in 3Q14.
- **Better-than-expected gross margin** – increased by 220bps QoQ to 38.0% in 4Q14, which was better than our estimate of 33.2% and the consensus estimate of 33.8%. GM of back-end equipment improved 240bps QoQ to 36.9% in 4Q14. GM of SMT (surface mounting technology) equipment increased by 130bps QoQ to 34.8%. This was attributable to cost-down efforts (outsourcing increased to 30% in 2014 vs. 20% in 2013) and favorable Euro depreciation of 3.5% QoQ in 4Q14, which helps reduce SMT COGS in Europe.
- **Operating margin** – declined by 4.7ppt QoQ to 15.0% in 4Q14 vs. our estimate of 15.4% and consensus of 14.2%.
- **New order booking dropped** – US\$342.5m in 4Q14, a 35.7% QoQ decrease.
  - **Back-end equipment booking** – declined 46.5% QoQ in 4Q14. We attribute this to customers' front-end loaded capex in 2014.
  - **Leadframe booking** – down 6.5% QoQ in 4Q14.
  - **SMT equipment booking** – decreased 31.0% QoQ in 4Q14.
- **Order backlog decreased** – US\$362m in 2Q14, a 20% QoQ decrease.
- **Net profit** – HK\$244m in 4Q14, below our estimate of HK\$451m and the consensus estimate of HK\$485m.
- **EPS** – HK\$0.60 in 4Q14, lower than our estimate of HK\$1.06 and the consensus estimate of HK\$1.18. This is due to weaker-than-expected sales and a non-operating loss (provision for tax-related expense).

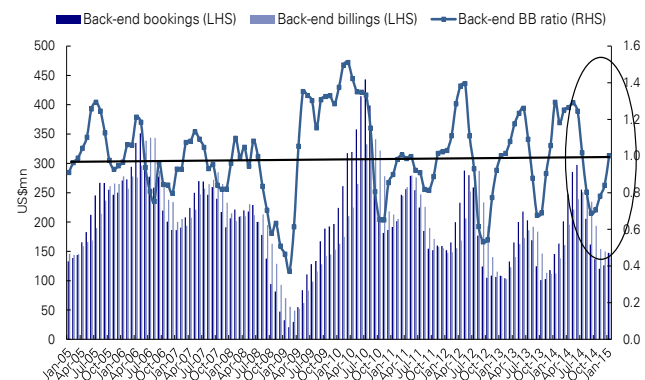
Figure 1: ASMP's 4Q14 results vs. Deutsche Bank and consensus estimates

HK\$m; %	4Q13	3Q14	4Q14	% QoQ	% YoY	DB 4Q14E	Diff. (%)	Consensus 4Q14E	Diff. (%)
Net sales	2,764	4,852	3,446	-29%	25%	3,911	-12%	4,360	-21%
Gross profit	749	1,737	1,308	-25%	75%	1,298	1%	1,474	-11%
Operating profit	123	957	516	-46%	320%	600	-14%	620	-17%
PBT	13	985	337	-66%	2491%	563	-40%	607	-44%
Net income	47	782	244	-69%	416%	451	-46%	485	-50%
EPS (HK\$)	0.12	1.83	0.61	-67%	414%	1.06	-43%	1.18	-49%
							Diff. (% pt)		Diff. (% pt)
Gross margin	27.1%	35.8%	38.0%	2.2%	10.8%	33.2%	4.8%	33.8%	4.2%
Operating margin	4.4%	19.7%	15.0%	-4.7%	10.5%	15.4%	-0.4%	14.2%	0.7%
Net margin	1.7%	16.1%	7.1%	-9.0%	5.4%	11.5%	-4.5%	11.1%	-4.0%

Source: Company data, Deutsche Bank estimates; Bloomberg Finance LP

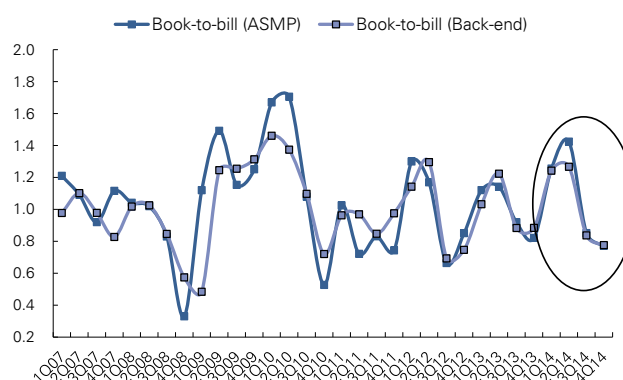


**Figure 2: SEMI back-end book-to-bill ratio – improved to 1.00 in January 2015 from 0.84 in December 2014**



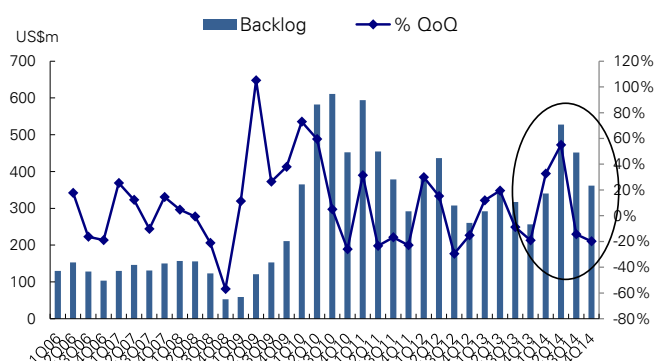
Source: SEMI, Company data, Deutsche Bank

**Figure 3: ASMP's quarterly book-to-bill ratio – decreased to 0.77 in 4Q14 and bottom in 1Q15**



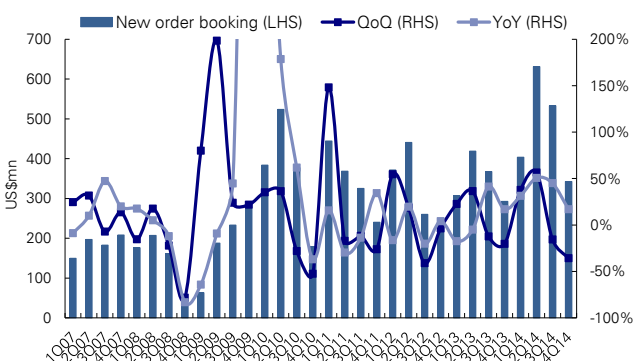
Source: Company data, Deutsche Bank

**Figure 4: ASMP's quarterly backlog – declined 20% QoQ to US\$362m in 4Q14**



Source: Company data, Deutsche Bank

**Figure 5: ASMP's quarterly new order booking – decreased 36% QoQ to US\$343m in 4Q14**



Source: Company data, Deutsche Bank

## Sales outlook in 1Q15

Management guides for a sequential sales decline but a low to moderate double-digit percentage sales increase YoY in 1Q15, vs. our previous forecast of a 16% sales drop QoQ and 32% sales growth YoY. We now forecast sales down 13% QoQ but up 20% YoY in 1Q15.

### Semiconductor back-end equipment

We expect semiconductor back-end sales to decline 16% QoQ in 1Q15.

### LED equipment

We forecast LED sales to drop 11% QoQ in 1Q15. Management anticipates LED lighting, 4K TV, and large LED display panels will drive the growth in its LED segment in 2015. We expect LED sales to grow 7% YoY in 2015.

### Leadframe

We expect leadframe sales to decrease 8% QoQ in 1Q15.

### SMT equipment

We expect SMT equipment sales to decline 13% QoQ in 1Q15. Management expects DEK together with SIPLACE to serve as a second growth engine, and



to gain market share in SMT market in 2015. We anticipate SMT equipment sales will grow 24% YoY in 2015.

Figure 6: Sales and margin breakdown by product

HK\$m	1Q14	2Q14	3Q14	4Q14	2014	1Q15E	2Q15E	3Q15E	4Q15E	2015E
<b>Sales</b>										
Back-end equipment	1,269	1,851	2,168	1,516	6,804	1,303	1,799	2,159	1,705	6,966
SMT equipment	782	1,080	2,181	1,480	5,524	1,287	1,764	2,117	1,693	6,861
Leadframe	443	506	503	450	1,902	407	514	617	540	2,078
<b>% of sales</b>										
Back-end equipment	51%	54%	45%	44%	48%	43%	44%	44%	43%	44%
SMT equipment	31%	31%	45%	43%	39%	43%	43%	43%	43%	43%
Leadframe	18%	15%	10%	13%	13%	14%	13%	13%	14%	13%
<b>Sales YoY growth</b>										
Back-end equipment	34%	24%	42%	22%	31%	3%	-3%	0%	13%	2%
SMT equipment	-4%	23%	100%	31%	41%	65%	63%	-3%	14%	24%
Leadframe	23%	6%	3%	13%	10%	-8%	2%	23%	20%	9%
<b>Sales QoQ growth</b>										
Back-end equipment	2%	46%	17%	-30%		-14%	38%	20%	-21%	
SMT equipment	-31%	38%	102%	-32%		-13%	37%	20%	-20%	
Leadframe	11%	14%	-1%	-10%		-10%	26%	20%	-13%	
<b>Gross margin</b>										
Back-end equipment	34.5%	42.4%	43.3%	41.9%	41.1%	39.0%	42.0%	44.0%	42.0%	42.1%
SMT equipment	32.5%	30.2%	33.5%	34.8%	33.1%	33.5%	35.0%	38.5%	35.0%	35.8%
Leadframe	26.2%	16.9%	13.5%	35.1%	22.5%	30.6%	30.3%	31.9%	23.8%	29.2%
<b>Operating margin</b>										
Back-end equipment	13.5%	21.0%	26.0%	16.4%	20.2%	10.0%	22.0%	26.0%	22.5%	21.1%
SMT equipment	2.5%	10.1%	16.7%	16.0%	13.2%	13.5%	12.8%	20.5%	13.6%	15.5%
Leadframe	8.4%	11.2%	8.7%	8.1%	9.2%	2.6%	10.3%	13.9%	6.3%	8.9%

Source: Company data, Deutsche Bank estimates

Figure 7: Earnings revisions for ASMP

HK\$m	New		Previous		Diff. (%; New/Previous)	
	2015E	2016E	2015E	2016E	2015E	2016E
Net sales	15,905	17,095	16,720	17,254	-5%	-1%
Gross profit	5,992	6,149	5,667	5,866	6%	5%
Operating profit	2,686	2,703	2,436	2,523	10%	7%
Net income	2,035	2,048	1,841	1,910	11%	7%
EPS (NT\$)	4.84	4.87	4.32	4.48	12%	9%
<b>Difference (ppt)</b>						
Gross margin	37.7%	36.0%	33.9%	34.0%	3.8%	2.0%
Operating margin	16.9%	15.8%	14.6%	14.6%	2.3%	1.2%
Net margin	12.8%	12.0%	11.0%	11.1%	1.8%	0.9%

Source: Deutsche Bank estimates

## Maintaining Hold

### Target price basis

We base our HK\$84 target price (HK\$82 previously) on 3.9x 2015E PB, which is in line with the fair PB of 3.9x generated by a Gordon Growth Model (long-term ROE of 21%, long-term industry growth rate of 2.5%, 7.1% cost of equity).



**Investment risks**

Upside/downside risks include stronger/weaker growth in the LED business, better/worse execution in relation to cost reductions, the pace of ASP contraction, and demand.

- If the LED business and end-demand are stronger/weaker than our expectations, this could result in upside/downside to our sales estimates.
- If the company reduces costs at a faster/slower pace or if ASP declines more moderately/deeply than we expect, this could lead to upside/downside to our margin estimates.

**Fair risk/reward profile (Figure 8)**

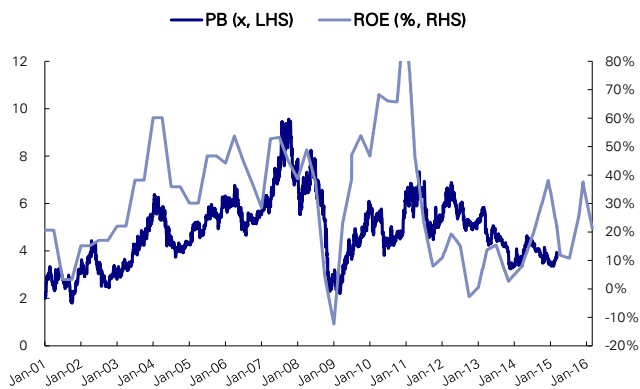
Our analysis shows a fair risk/reward balance (including the dividend) of 27% downside risk (a valuation of HK\$57) and 35% upside risk (a valuation of HK\$106). Our HK\$84 target price assumes 2015E sales growth of 12% and a blended gross margin of 37.7%. If we assume that ASMP can deliver 2015E sales growth of 22% and a gross margin of 41.7%, our valuation would rise to HK\$106, all else being equal. On the downside, 2% sales growth and a 33.7% gross margin for 2015E would generate a valuation of HK\$57.

**Figure 8: Target price sensitivity analysis for ASMP**

	2015E sales growth (%)				
	2%	7%	12%	17%	22%
33.7%	57	61	65	72	78
35.7%	67	72	77	80	82
37.7%	77	82	<b>84</b>	87	90
39.7%	86	87	91	95	99
41.7%	90	96	102	104	106

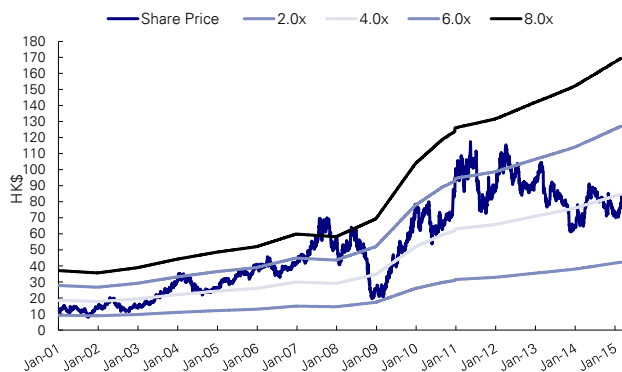
Source: Bloomberg Finance LP, Deutsche Bank

**Figure 9: Forward P/B vs. ROE for ASMP**



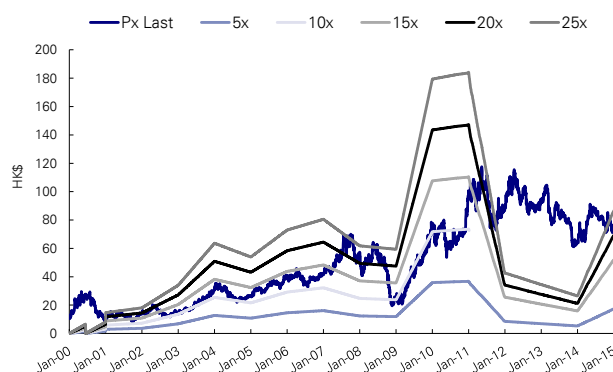
Source: Deutsche Bank estimates

**Figure 10: ASMP's forward P/B band**



Source: Bloomberg Finance LP, Deutsche Bank

**Figure 11: ASMP's forward P/E band**



Source: Bloomberg Finance LP, Deutsche Bank



Figure 12: Quarterly earnings model for ASMP

HK\$m	1Q14	2Q14	3Q14	4Q14	2014	1Q15E	2Q15E	3Q15E	4Q15E	2015E
Net sales	2,493	3,438	4,852	3,446	14,229	2,998	4,077	4,892	3,938	15,905
Gross profit	808	1,196	1,737	1,308	5,050	1,064	1,529	1,962	1,437	5,992
Operating profit	213	519	957	516	2,205	308	672	1,072	634	2,686
PBT	198	508	985	337	2,028	274	638	1,038	600	2,551
Net income	157	417	782	244	1,600	218	508	825	477	2,035
Fully-diluted EPS (HK\$)	0.39	0.98	1.83	0.61	3.82	0.54	1.26	2.05	1.19	4.84
<b>Margin (%)</b>										
Gross margin	32.4%	34.8%	35.8%	38.0%	35.5%	35.5%	37.5%	40.1%	36.5%	37.7%
Operating margin	8.6%	15.1%	19.7%	15.0%	15.5%	10.3%	16.5%	21.9%	16.1%	16.9%
Net margin	6.3%	12.1%	16.1%	7.1%	11.2%	7.3%	12.4%	16.9%	12.1%	12.8%
<b>Growth (%)</b>										
Sales YoY	17%	21%	56%	25%	31%	20%	19%	1%	14%	12%
Net income YoY	1870%	81%	186%	416%	186%	39%	22%	5%	96%	27%
Sales QoQ	-10%	38%	41%	-29%		-13%	36%	20%	-20%	
Net income QoQ	232%	166%	88%	-69%		-11%	133%	63%	-42%	

Source: Company data, Deutsche Bank estimates



Figure 13: Semi-annual earnings model for ASMP

HK\$m	1H14	2H14	2014	1H15E	2H15E	2015E
Net sales	5,931	8,298	14,229	7,075	8,831	15,905
Gross profit	2,004	3,045	5,050	2,593	3,399	5,992
Depreciation & amortization	(186)	(232)	(418)	(259)	(296)	(555)
Operating profit	732	1,473	2,205	980	1,706	2,686
Tax	706	1,322	2,028	912	1,638	2,551
PBT	(133)	(296)	(429)	(187)	(336)	(523)
Net income	574	1,026	1,600	728	1,307	2,035
Fully-diluted EPS (HK\$)	1.37	2.44	3.82	1.73	3.11	4.84
<b>Margin (%)</b>						
Gross margin	33.8%	36.7%	35.5%	36.7%	38.5%	37.7%
Depreciation & amortization	3.1%	2.8%	2.9%	3.7%	3.3%	3.5%
Operating margin	12.3%	17.8%	15.5%	13.9%	19.3%	16.9%
Net margin	9.7%	12.4%	11.2%	10.3%	14.8%	12.8%
<b>Growth (%)</b>						
Sales YoY	19%	41%	31%	19%	6%	12%
Net income YoY	141%	220%	186%	27%	27%	27%
Sales HoH	1%	40%		-15%	25%	
Net income HoH	79%	79%		-29%	79%	
<b>Profitability (%)</b>						
ROE	15%	26%	21%	18%	31%	24%
ROA	8%	14%	11%	10%	16%	13%
ROIC	13%	20%	18%	14%	23%	19%
<b>Solvency analysis</b>						
Current ratio	3.1	2.9	2.9	2.6	2.8	2.8
Quick ratio	2.1	1.9	1.9	1.7	1.9	1.9
Cash ratio	0.9	0.7	0.7	0.6	0.8	0.8
<b>Gearing/leverage analysis</b>						
Gross gearing (D/E)	31%	28%	28%	35%	31%	31%
Net gearing (D-CCE)/E	-12%	-3%	-3%	4%	-8%	-8%
Leverage (D/D+E)	24%	22%	22%	26%	24%	24%
<b>Cash conversion cycle (days)</b>						
Inventory	163	134	142	168	145	151
Account receivables	110	90	93	115	99	102
Account payables	116	100	101	125	109	113

Source: Company data, Deutsche Bank estimates





# Appendix 1

## Important Disclosures

Additional information available upon request

### Disclosure checklist

Company	Ticker	Recent price*	Disclosure
ASM Pacific Technology	0522.HK	79.10 (HKD) 5 Mar 15	14,15

\*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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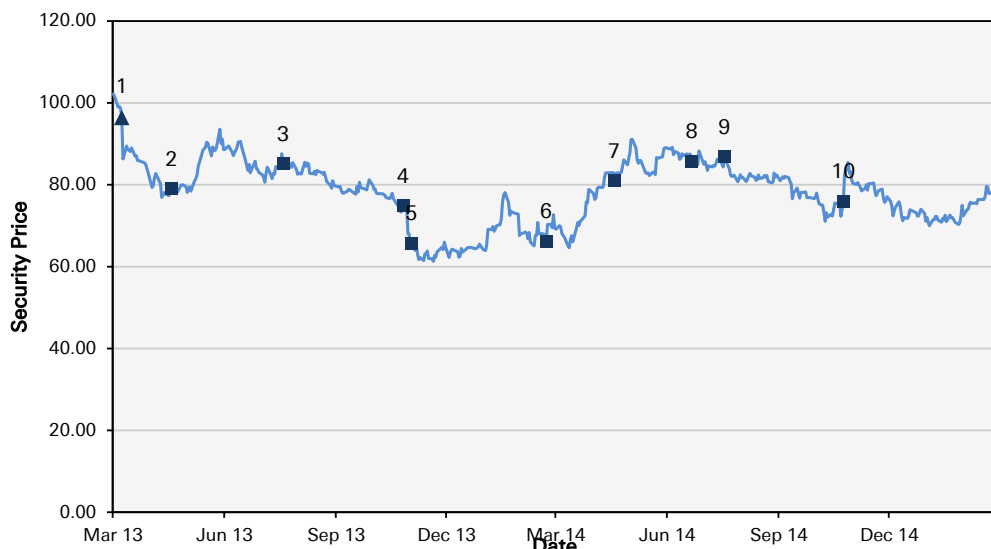
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**Historical recommendations and target price: ASM Pacific Technology (0522.HK)**  
 (as of 3/5/2015)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

\*New Recommendation Structure as of September 9, 2002

1.	14/03/2013:	Upgrade to Hold, HKD79.00	6.	27/02/2014:	Hold, Target Price Change HKD68.00
2.	24/04/2013:	Hold, Target Price Change HKD83.00	7.	24/04/2014:	Hold, Target Price Change HKD73.00
3.	25/07/2013:	Hold, Target Price Change HKD84.00	8.	27/06/2014:	Hold, Target Price Change HKD77.00
4.	01/11/2013:	Hold, Target Price Change HKD80.00	9.	24/07/2014:	Hold, Target Price Change HKD80.00
5.	08/11/2013:	Hold, Target Price Change HKD70.00	10.	30/10/2014:	Hold, Target Price Change HKD82.00

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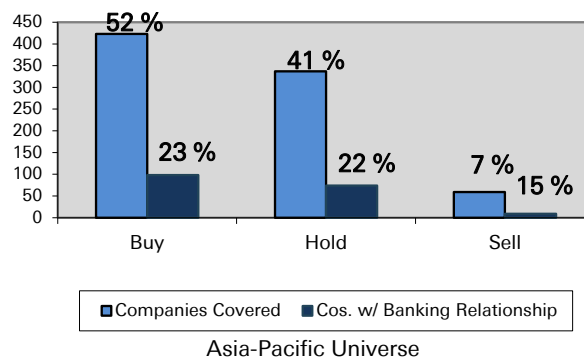
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**Equity rating dispersion and banking relationships**





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