

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**ASM PACIFIC TECHNOLOGY LIMITED**

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

**(Stock Code: 0522)**

**ANNOUNCEMENT OF UNAUDITED 2012 FIRST QUARTER RESULTS FOR  
THE THREE MONTHS ENDED 31 MARCH 2012**

**A Surge In New Order Bookings Of 55%**

- \* **Group turnover of US\$286.0 million, a decline of 11.9% against Q4 2011 and a contraction of 34.3% over same period last year**
- \* **Net profit of HK\$173.6 million and earnings per share of HK\$0.44, representing an increase of 37.3% over the preceding quarter and a decline of 70.2% over same period last year, excluding the non-recurring one-time gain realized from the purchase of the SMT Equipment business last year**
- \* **Assembly and packaging equipment turnover of US\$137.3 million, representing a slight decline of 3.1% against the preceding three months and a contraction of 44.6% over same period last year**
- \* **Lead frame turnover of US\$43.5 million, achieving a growth of 7.8% against the preceding three months and a decline of 4.4% over same period last year**
- \* **SMT equipment turnover of US\$105.2 million, representing a decline of 26.2% against the preceding three months and a decline of 26.0% over same period last year**
- \* **New order bookings of US\$371.8 million, a surge of 54.6% over the preceding quarter**
- \* **Cash on hand of HK\$1.613 billion at the end of March 2012**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the three months ended 31 March 2012:

## **RESULTS**

ASM Pacific Technology Limited and its subsidiaries (the “Group” or “ASM”) achieved a turnover amounting to HK\$2.2 billion in the three months ended 31 March 2012, representing a decrease of 34.3% as compared with HK\$3.4 billion for the first quarter of 2011 and a decrease of 11.9% against the preceding quarter. The Group’s consolidated profit after taxation for the first quarter of 2012 was HK\$173.6 million as compared to a profit of HK\$1,667.7 million in the corresponding period in 2011 and a profit of HK\$126.5 million in the previous quarter. Basic earnings per share (EPS) for the first quarter of 2012 amounted to HK\$0.44 (first quarter of 2011: HK\$4.21, fourth quarter of 2011: HK\$0.32). Net profits and EPS in the first quarter last year included the non-recurring one-time gain realized from the purchase of the SMT Equipment business.

## FINANCIAL HIGHLIGHTS

		<b>Three months ended</b>		
		<b>31 March 2012 (Unaudited) HK\$'000</b>	31 December 2011 (Unaudited) (Restated) <i>Note 1</i> HK\$'000	31 March 2011 (Unaudited) (Restated) <i>Note 1</i> HK\$'000
	<i>Notes</i>			
Turnover	3	<b>2,218,759</b>	2,517,499	3,377,472
Cost of sales		<b>(1,544,836)</b>	(1,774,198)	(2,202,086)
Gross profit	2	<b>673,923</b>	743,301	1,175,386
Other income		<b>3,891</b>	14,622	4,460
Selling and distribution expenses		<b>(186,886)</b>	(209,508)	(184,458)
General and administrative expenses		<b>(86,231)</b>	(109,575)	(89,576)
Research and development expenses		<b>(201,456)</b>	(221,769)	(193,992)
Other gains and losses		<b>5,712</b>	(69,537)	(24,145)
Gain from a bargain purchase		-	-	1,084,427
Finance costs		<b>(2,304)</b>	(981)	(839)
Profit before taxation		<b>206,649</b>	146,553	1,771,263
Income tax expense		<b>(33,057)</b>	(20,086)	(103,559)
Profit for the period, attributable to owners of the Company		<b>173,592</b>	126,467	1,667,704
Other comprehensive income (expense)				
- exchange differences on translation of foreign operations		<b>61,566</b>	(69,907)	96,110
- actuarial loss on retirement benefit plans, net of tax		-	(8,485)	-
Other comprehensive income (expense) for the period		<b>61,566</b>	(78,392)	96,110
Total comprehensive income for the period, attributable to owners of the Company		<b>235,158</b>	48,075	1,763,814
Earnings per share	4			
- Basic		<b>HK\$0.44</b>	HK\$0.32	HK\$4.21
- Diluted		<b>HK\$0.44</b>	HK\$0.31	HK\$4.21

Notes:

### 1. Restatements of results in accordance with HKFRS 3 (Revised)

During the period ended 31 March 2011, the Group acquired the entire equity interest of 13 direct and indirect subsidiaries of Siemens Aktiengesellschaft (the “Acquisition”) of which the fair value of the identifiable assets, liabilities and contingent liabilities acquired were measured at provisional value. In September 2011, the Group completed initial accounting for the business combination in relation to the aforesaid Acquisition and made certain fair value adjustments to the carrying amounts of the identifiable assets and liabilities of the subsidiaries acquired. In December 2011, the Group had finalized the fair value assessment of the assets and liabilities at date of acquisition and adjusted the provisional amounts recognized previously. In accordance with the requirement under Hong Kong Financial Reporting Standard 3 (Revised) Business Combination (“HKFRS 3 (Revised)”), the Group recognized the adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. The published information for the three months ended 31 March 2011, 30 June 2011 and 31 December 2011 of the Group were then revised.

	<b>Three months ended 31 March 2011</b>		
	<b>(Unaudited) (Originally stated) HK\$'000</b>	<b>Subsequent fair value adjustments on acquisition of business HK\$'000</b>	<b>(Unaudited) (Restated) HK\$'000</b>
Turnover	3,377,472	-	3,377,472
Cost of sales	(2,081,198)	(120,888)	(2,202,086)
Gross profit	1,296,274	(120,888)	1,175,386
Other income	4,460	-	4,460
Selling and distribution expenses	(184,458)	-	(184,458)
General and administrative expenses	(89,576)	-	(89,576)
Research and development expenses	(193,992)	-	(193,992)
Other gains and losses	(23,743)	(402)	(24,145)
Gain from a bargain purchase	-	1,084,427	1,084,427
Finance costs	(839)	-	(839)
Profit before taxation	808,126	963,137	1,771,263
Income tax expense	(132,676)	29,117	(103,559)
Profit for the period, attributable to owners of the Company	675,450	992,254	1,667,704
Exchange differences on translation of foreign operations, representing other comprehensive income for the period	96,110	-	96,110
Total comprehensive income for the period, attributable to owners of the Company	771,560	992,254	1,763,814
Earnings per share			
- Basic	<u>HK\$1.71</u>		<u>HK\$4.21</u>
- Diluted	<u>HK\$1.70</u>		<u>HK\$4.21</u>

1. Restatements of results in accordance with HKFRS 3 (Revised) - continued

	<b>Three months ended 31 December 2011</b>		
	<b>(Unaudited) (Originally stated) HK\$'000</b>	<b>Subsequent fair value adjustments on acquisition of business HK\$'000</b>	<b>(Unaudited) (Restated) HK\$'000</b>
Turnover	2,517,499	-	2,517,499
Cost of sales	(1,774,198)	-	(1,774,198)
Gross profit	743,301	-	743,301
Other income	14,622	-	14,622
Selling and distribution expenses	(209,508)	-	(209,508)
General and administrative expenses	(109,575)	-	(109,575)
Research and development expenses	(221,769)	-	(221,769)
Other gains and losses	(69,537)	-	(69,537)
Gain from a bargain purchase	30,862	(30,862)	-
Finance costs	(981)	-	(981)
Profit before taxation	177,415	(30,862)	146,553
Income tax expense	9,031	(29,117)	(20,086)
Profit for the period, attributable to owners of the Company	186,446	(59,979)	126,467
Other comprehensive expense			
- exchange differences on translation of foreign operations	(69,907)	-	(69,907)
- actuarial loss on retirement benefit plans, net of tax	(8,485)	-	(8,485)
Other comprehensive expense for the period	(78,392)	-	(78,392)
Total comprehensive income for the period, attributable to owners of the Company	108,054	(59,979)	48,075
Earnings per share			
- Basic	HK\$0.47		HK\$0.32
- Diluted	HK\$0.46		HK\$0.31

2. An analysis of the Group's turnover, gross profit and earning before interest and tax ("EBIT") excluding the effect of acquisition-date fair value increase of inventories and gain from a bargain purchase by Business is as follow:

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

<b>Three months ended 31 December 2011</b>			
	<b>Back-end Business (Note a)</b>	<b>SMT Business</b>	<b>Total</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	1,411,283	1,106,216	2,517,499
Gross Profit	469,788	273,513	743,301
EBIT	87,982	53,480	141,462
Gross Profit %	33.3%	24.7%	29.5%
EBIT %	6.2%	4.8%	5.6%

<b>Three months ended 31 March 2011</b>						
	<b>Back-end Business (Note a)</b>	<b>SMT Business</b>	<b>Total before effect of acquisition-date fair value increase of inventories and gain from a bargain purchase</b>	<b>Effect of acquisition- date fair value increase of inventories</b>	<b>Gain from a bargain purchase</b>	<b>Total after effect of acquisition-date fair value increase of inventories and gain from a bargain purchase</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>(Restated)</b>		<b>(Restated)</b>			<b>(Restated)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	2,273,989	1,103,483	3,377,472	-	-	3,377,472
Gross Profit	989,484	306,790	1,296,274	(120,888)	-	1,175,386
EBIT	705,262	99,202	804,464	(120,888)	1,084,427	1,768,003
Gross Profit %	43.5%	27.8%	38.4%			34.8%
EBIT %	31.0%	9.0%	23.8%			52.3%

Note a: Back-end Business: Assembly and Packaging Equipment and Lead Frame

### 3. Segment Information

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

	<b>Three months ended</b>		
	<b>31 March</b>	31 December	31 March
	<b>2012</b>	2011	2011
	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000
<b><u>Segment revenues and results</u></b>			
<b>Segment revenue from external customers</b>			
Assembly and packaging equipment	<b>1,064,894</b>	1,098,638	1,921,389
Surface mount technology equipment ("SMT")	<b>816,697</b>	1,106,216	1,103,483
Lead frame	<b>337,168</b>	312,645	352,600
	<b>2,218,759</b>	2,517,499	3,377,472
<b>Segment profit (loss)</b>			
Assembly and packaging equipment	<b>144,688</b>	193,626	743,695
Surface mount technology equipment			
- Profit (loss) before accounting for fair value adjustment to inventory acquired	<b>65,419</b>	60,227	120,287
- Fair value adjustment to inventory acquired	-	-	(120,888)
SMT segment profit (loss)	<b>65,419</b>	60,227	(601)
Lead frame			
- Loss before accounting for impairment losses recognized in respect of property, plant and equipment	<b>(3,638)</b>	(21,486)	(26,007)
- Impairment losses recognized in respect of property, plant and equipment	-	(56,293)	-
Lead frame segment loss	<b>(3,638)</b>	(77,779)	(26,007)
	<b>206,469</b>	176,074	717,087
Interest income	<b>3,374</b>	6,072	4,099
Finance costs	<b>(2,304)</b>	(981)	(839)
Gain from a bargain purchase	-	-	1,084,427
Unallocated other (expenses) income	<b>(3)</b>	(56)	54
Unallocated net foreign exchange gain (loss)	<b>6,096</b>	(13,049)	(23,405)
Unallocated general and administrative expenses	<b>(6,983)</b>	(21,507)	(10,160)
Profit before taxation	<b>206,649</b>	146,553	1,771,263
<b>Segment profit (loss) %</b>			
Assembly and packaging equipment	<b>13.6%</b>	17.6%	38.7%
Surface mount technology equipment			
- Before accounting for fair value adjustment to inventory acquired	<b>8.0%</b>	5.4%	10.9%
- After accounting for fair value adjustment to inventory acquired	<b>8.0%</b>	5.4%	(0.1%)
Lead frame			
- Before accounting for impairment losses recognized in respect of property, plant and equipment	<b>(1.1%)</b>	(6.9%)	(7.4%)
- After accounting for impairment losses recognized in respect of property, plant and equipment	<b>(1.1%)</b>	(24.9%)	(7.4%)



During the first quarter, assembly and packaging equipment revenue was US\$137.3 million, representing a small decline of only 3.1% as compared to the fourth quarter of last year but a larger decline of 44.6% against the same period a year ago. Assembly and packaging equipment revenue contributed to 48.0% of the Group's turnover. Our lead frame revenue was US\$43.5 million for the first quarter of 2012. This represents a sequential growth of 7.8% over the preceding quarter but a small decline of 4.4% as compared to the same period a year ago. Lead frame revenue contributed to 15.2% of the Group's turnover. SMT equipment revenue was US\$105.2 million, representing declines of 26.2% and 26.0% as compared to the fourth and first quarter of last year respectively. SMT equipment revenue contributed to 36.8% of the Group's turnover.

So far, the IC, discrete and CIS market segments are driving the strong market momentum for assembly and packaging equipment. Although we did experience a small rebound of order intakes from our customers in the LED market, overall bookings are still staying at relatively low levels. Nevertheless, we continue to observe that customer capacity utilization in the LED market remains on an upward trend.

We were pleasantly surprised by an early rebound in new order bookings for our SMT equipment during the first quarter. However, we believe that it is still premature to draw any definite conclusion as to whether the SMT equipment market has started its recovery cycle. Meanwhile, since the assembly and packaging equipment market appears to be recovering, we are cautiously optimistic that the SMT equipment market will follow suit very soon.

The first quarter of 2012 has been a test of the resilience of our SMT equipment business after its acquisition by the Group. We are glad that, despite much lower revenue since its peak last year, our SMT equipment business remains profitable.

The SMT equipment business unit achieved a net profit of HK\$41.1 million in the first quarter of 2012, with gross margin of 29.3% and EBIT (Earnings before Interest and Tax) margin of 7.9%. During the first quarter, more billings were realized in Europe and the Americas, where customers have a greater preference for our high-performance SX series machines.

By geographical distribution, China (32.6%), Europe (22.7%), Malaysia (10.9%), Americas (7.9%) and Taiwan (5.1%) were the top five markets for ASM in the first quarter of 2012. Overall, activity levels in all the territories in which we operate are reasonably good. In particular, the rise in the contribution from Thailand reflects the fact that customers in Thailand are quickly re-building their capacity after the flooding last year.

The book-to-bill ratio for the Group for the first quarter of 2012, representing net bookings over billings, was 1.3. As of 31 March 2012, the order backlog amounted to US\$379.2 million, an increase of 29.9% from the end of last year due to the rising bookings that we experienced during the first quarter.

Capital addition during the period amounted to HK\$134.8 million, which was partially funded by this quarter's depreciation and amortization of HK\$93.0 million. Cash on hand as of 31 March 2012 was HK\$1.613 billion.

## **PROSPECTS**

Worldwide semiconductor revenue is projected by some analysts to increase slightly in 2012 as compared to 2011. Semiconductor sales are expected to improve due to positive demand drivers, including demand for mobile consumer devices, media tablets and personal computers. In general, 2012 should be a reasonably good year for the semiconductor industry if the macroeconomic outlook stays positive, for instance if the Euro zone debt issues are kept under control and solid growth continues in China and other emerging economies. Moreover, the improving economic outlook in the US is another positive factor.

Apart from potential macroeconomic setbacks, it does appear that the global economic momentum is improving. Moving forward, we expect the semiconductor market to continue its path of recovery unless it is derailed by adverse macroeconomic conditions. For ASM, the rebound in new order bookings in the first quarter indicates that billings can be expected to improve in the second quarter.

## **REVIEW OF ACCOUNTS**

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2012.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Mr. Arthur H. del Prado (Chairman), Mr. Peter Lo Tsan Yin (Vice 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. Robert Lee Shiu Hung and Mr. John Lok Kam Chong as Independent Non-executive Directors.

On behalf of the Board

**Lee Wai Kwong**

Director

Hong Kong, 24 April 2012