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ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF UNAUDITED 2013 FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2013

ASM Experienced Strong Order Rebound In The First Quarter Of 2013

- Improvements in bookings across the board during the first quarter of 2013. New order bookings have improved by 22.6% as compared to the last quarter of 2012 to US\$306.9 million
- The book-to-bill ratio for the Group for the first quarter of 2013 was 1.12, the order backlog as of 31 March 2013 increased to US\$291.7 million, an increase of 11.9% from the end of 2012
- The profitability of our Back-end equipment business has been significantly improved
- SMT equipment business has continued to deliver positive operating profits despite significantly lower revenue achieved in the first quarter this year
- New order bookings for lead frames achieved very strong double-digit growth over the fourth quarter of 2012. It has now reached a relatively high level, which suggests a healthy level of activity in the broader semiconductor industry
- Group turnover of US\$274.1 million, a decline of 6.8% against Q4 12 and contraction of 4.2% over the same period last year
- Net profit of HK\$8.0 million and earnings per share of HK\$0.02, representing an improvement of HK\$0.14 per share against last quarter and a decline of 95.5% over the same period last year
- Back-end equipment turnover of US\$122.1 million, representing 17.0% increase against preceding three months and a contraction of 11.1% over the same period last year
- SMT equipment turnover of US\$105.4 million, representing 28.0% decline against the last three months and a slight increase of 0.1% over the same period last year
- Lead frame turnover of US\$46.6 million, achieving a growth of 7.6% and 7.1% against the preceding three months and the same period last year, respectively
- Cash on hand of HK\$1.15 billion at the end of March 2013

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the three months ended 31 March 2013:

RESULTS

ASM Pacific Technology Limited and its subsidiaries (the “Group” or “ASMPT”) achieved a turnover amounting to HK\$2.1 billion for the three months ended 31 March 2013, representing a decrease of 4.2% as compared with HK\$2.2 billion for the first quarter of 2012 and a decrease of 6.8% from the preceding quarter. The Group’s consolidated profit after taxation for the first quarter of 2013 was HK\$8.0 million as compared to a profit of HK\$173.6 million in the corresponding period in 2012 and a loss of HK\$44.1 million in the previous quarter. Basic earnings per share (EPS) for the first quarter of 2013 amounted to HK\$0.02 (EPS for the first quarter of 2012: HK\$0.44, loss per share for the fourth quarter of 2012: HK\$0.12).

FINANCIAL HIGHLIGHTS

		Three months ended		
		31 March 2013 (Unaudited) HK\$'000	31 December 2012 (Unaudited) HK\$'000	31 March 2012 (Unaudited) HK\$'000
	<i>Notes</i>			
Turnover	1	2,125,516	2,279,801	2,218,759
Cost of sales		(1,580,431)	(1,746,317)	(1,544,836)
Gross profit	2	545,085	533,484	673,923
Other income		1,159	6,934	3,891
Selling and distribution expenses		(206,035)	(244,430)	(186,886)
General and administrative expenses		(113,337)	(118,015)	(86,231)
Research and development expenses		(211,665)	(233,316)	(201,456)
Other gains and losses		10,813	5,940	5,712
Finance costs		(4,972)	(3,993)	(2,304)
Profit (loss) before taxation		21,048	(53,396)	206,649
Income tax expense		(13,096)	9,267	(33,057)
Profit (loss) for the period, attributable to owners of the Company		7,952	(44,129)	173,592
Other comprehensive (expense) income				
- exchange differences on translation of foreign operations		(48,929)	38,881	61,566
- actuarial loss on retirement benefit plans, net of tax		-	(40,160)	-
Other comprehensive (expense) income for the period		(48,929)	(1,279)	61,566
Total comprehensive (expense) income for the period, attributable to owners of the Company		(40,977)	(45,408)	235,158
Earnings (loss) per share	3			
- Basic		HK\$0.02	HK\$(0.12)	HK\$0.44
- Diluted		HK\$0.02	HK\$(0.11)	HK\$0.44

Notes:

1. Segment Information

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

	Three months ended		
	31 March 2013 (Unaudited) HK\$'000	31 December 2012 (Unaudited) HK\$'000	31 March 2012 (Unaudited) HK\$'000
Segment revenue from external customers			
Back-end equipment	947,020	809,584	1,064,894
Surface mount technology ("SMT") equipment	817,457	1,134,581	816,697
Lead frame	361,039	335,636	337,168
	<u>2,125,516</u>	<u>2,279,801</u>	<u>2,218,759</u>
Segment profit (loss)			
Back-end equipment	1,407	(167,474)	144,688
SMT equipment	2,834	113,850	65,419
Lead frame	17,755	18,735	(3,638)
	<u>21,996</u>	<u>(34,889)</u>	<u>206,469</u>
Interest income	932	2,506	3,374
Finance costs	(4,972)	(3,993)	(2,304)
Unallocated other (expenses) income	(3)	6	(3)
Unallocated net foreign exchange gain	10,971	6,658	6,096
Unallocated general and administrative expenses	(7,876)	(23,684)	(6,983)
Profit (loss) before taxation	<u>21,048</u>	<u>(53,396)</u>	<u>206,649</u>
Segment profit (loss) %			
Back-end equipment	0.1%	(20.7%)	13.6%
SMT equipment	0.3%	10.0%	8.0%
Lead frame	4.9%	5.6%	(1.1%)

2. An analysis of the Group's turnover, gross profit and earnings (loss) before interest and tax ("EBIT(LBIT)") by Business is as follow:

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

Three months ended 31 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
EBIT (LBIT)	(158,402)	106,492	(51,910)
Gross profit %	18.5%	28.3%	23.4%
EBIT (LBIT) %	(13.8%)	9.4%	(2.3%)

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

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

3. Earnings (loss) per share

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

	Three months ended		
	31 March 2013 (Unaudited) HK\$'000	31 December 2012 (Unaudited) HK\$'000	31 March 2012 (Unaudited) HK\$'000
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (Profit (loss) for the period)	7,952	(44,129)	173,592
	Number of Shares (in thousands)		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	399,230	397,667	397,637
Effect of dilutive potential shares from the Employee Share Incentive Scheme	6	1,320	23
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	399,236	398,987	397,660

REVIEW

This year has started relatively well. The Back-end equipment and materials markets have shown clear improvement even though the pick-up in the level of activity is not as vigorous as compared to the same period of last year. Nevertheless, it signals that the market is on its way to recovery.

We are encouraged that there were improvements in bookings across the board during the first quarter of 2013. New order bookings have improved by 22.6% as compared to the last quarter of 2012 to US\$306.9 million, although it is still 17.4% below the level of bookings experienced during the same quarter a year ago.

Specifically, new order bookings for lead frames achieved very strong double-digit growth over the fourth quarter of 2012. It has now reached a relatively high level, which suggests a healthy level of activity in the broader semiconductor industry.

Similarly, new order bookings for Back-end equipment rebounded in the first quarter, and managed to achieve strong double-digit growth over the preceding quarter. Bookings for CMOS Imaging Sensors ("CIS") equipment have been leading the recovery of new order bookings for Back-end equipment, reflecting the continued thriving demand for smart phones and tablet PCs. This was followed by new order bookings for bonding equipment. Comparatively, bookings for packaging-related Back-end equipment showed only a moderate quarter-on-quarter improvement.

REVIEW – continued

While demand for mobile devices is still the main driver of growth in the semiconductor equipment market, the recovery has also been noticeable across other application markets such as the automotive, industrial electronics and LED device markets. Customers for our LED equipment have further contributed to the recovery of new order intakes in the first quarter, particularly those in the LED general lighting device market.

As compared to the corresponding period last year, the recovery momentum this year was relatively milder and more moderate. We consider that this may not necessarily be a negative sign, as it means that the recovery is likely to be more sustainable this time. The more gradual pick-up may increase the chances of the improvement gaining further momentum when we enter the second half of this year.

Our new order bookings for SMT equipment in the first quarter of 2013 remained quite flat as compared to the preceding quarter. Generally, the SMT equipment market is still relatively weak. However, we are especially pleased that we received good order intakes from customers in China during the first quarter, signaling that the China SMT equipment market is progressively recovering.

During the first three months of 2013, we achieved billings of US\$274.1 million. This represents declines of 6.8% and 4.2% as compared to the fourth and the first quarters of last year, respectively. On the other hand, revenue for our Back-end business actually achieved a quarter-on-quarter growth of 14.2%.

Billings for Back-end equipment were US\$122.1 million, representing an improvement of 17.0% as compared to the fourth quarter of last year, but a decline of 11.1% against the same period a year ago. It is worth highlighting that the profitability of our Back-end equipment business has been significantly improved. Although the business unit suffered a rare loss in the last quarter of 2012, it has made a quick return to profitability during the first quarter of 2013. Back-end equipment revenue contributed to 44.6% of the Group's revenue during the first quarter of 2013.

Lead frame billings were US\$46.6 million, resulting in expansions of 7.6% and 7.1% relative to the preceding three months and the same period a year ago, respectively. Lead frame revenue contributed to 17.0% of the Group's revenue during the first quarter of 2013.

Billings in respect of SMT equipment were US\$105.4 million, representing a decline of 28.0% as compared to the fourth quarter of last year, but stayed flat (with a small gain of 0.1%) as compared to the same period a year ago. We are not unduly concerned about the quarter-on-quarter contraction of our SMT equipment revenue experienced during the first quarter of this year. The beginning of the year has historically been a low season for SMT equipment sales. Furthermore, the strong performance of our SMT equipment business in the second half of last year, in particularly during the fourth quarter, was a result of specific order gains by us, and did not reflect the general trend in the market. The fact that bookings for our SMT equipment remained stable during the past three months suggests a high possibility that the recovery of the SMT equipment market may be just around the corner. Despite significantly lower revenue achieved in the first quarter this year, our SMT equipment business has continued to deliver positive operating profits. SMT equipment revenue contributed to 38.4% of the Group's revenue during the first quarter of 2013.

By geographical distribution, China (including Hong Kong) (44.1%), Europe (15.2%), the Americas (12.5%), Malaysia (7.8%) and Korea (5.8%) were the five leading markets for ASMPT during the first quarter of 2013.

The book-to-bill ratio for the Group for the first quarter of 2013, representing net bookings over billings, was 1.12. As a result of the improvement in orders, the order backlog as of 31 March 2013 increased to US\$291.7 million, an increase of 11.9% from the end of 2012.

REVIEW – continued

Capital addition during the period amounted to HK\$74.1 million, which was fully funded by this quarter's depreciation and amortization of HK\$105.7 million. Cash on hand as of 31 March 2013 was HK\$1.15 billion.

PROSPECTS

With the rebound in new order bookings during the first quarter, we expect billings to improve in the second quarter for all the different segments of our business. It is not possible to make any specific predictions at this time due to the many uncertainties that still remain in the global economic outlook.

In general, we perceive that the overall market sentiment has significantly improved. Customers are anticipating a strong second half to this year. We expect the market to continue on its recovery path unless unfavourable macroeconomic conditions resurface. Accordingly, we anticipate that our booking improvement will continue in the second quarter of this year. We are hopeful that, in light of the promising start, we will have a much stronger second half of the year in 2013.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2013.

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, Mr. John Lok Kam Chong and Mr. Wong Hon Yee as Independent Non-executive Directors.

On behalf of the Board
Lee Wai Kwong
Director

Hong Kong, 23 April 2013