

[For Immediate Release]

ASM ANNOUNCES 2012 THIRD QUARTERLY RESULTS

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LEAD FRAME BUSINESS ACHIEVE RECORD HIGH BILLINGS
ASM GETS READY FOR THE NEXT UPTURN**Highlights**

- Group turnover of US\$391.5 million, an increase of 3.7% over the preceding quarter but a decline of 0.4% as compared to the same period last year
- Net profit of HK\$250 million and earnings per share of HK\$0.63, representing decreases of 19.5% and 30.9% over the preceding quarter and the same period last year, respectively
- Assembly and packaging equipment turnover of US\$198.8 million, representing a growth of 19.2% over the same period last year and a contraction of 4.2% from preceding three months
- Record Lead frame turnover of US\$64.7 million, achieving a growth of 6.2% against the preceding three months and a surge of 26.4% over the same period last year
- SMT equipment turnover of US\$128 million, representing an increase of 17.4% against the preceding three months and a decline of 27% over the same period last year
- New order bookings of US\$259.9 million, a contraction of 41.1% over the preceding quarter
- Cash on hand of HK\$1.1 billion at the end of September 2012

(Hong Kong, October 25, 2012) — The world's No.1 semiconductor assembly and packaging equipment supplier **ASM Pacific Technology Limited** ("ASM" / the "Group") (Stock code: 522) today announced its quarterly results for the three months ended September 30, 2012. Even in the midst of worsening market conditions, ASM has shown resilience by maintaining a similar level of billings in the third quarter as compared with the second quarter of 2012. In particular, Lead frame business continued the upward trend since the second quarter and achieved a record high in its billings.

During the period under review, ASM reported turnover amounting to HK\$3,035 million, representing a decrease of 0.4% as compared with HK\$3,049 million for the same period last year. The Group's consolidated profit after taxation for the three months is HK\$250 million, which is 30.9% lower than the corresponding period in 2011. Basic earnings per share (EPS) for the three-month period amounted to HK\$0.63 (third quarter of 2011: HK\$0.91).

The Group's new order bookings amounted to US\$259.9 million. The Group's book to bill ratio, representing net bookings over billings, was 0.66. As of 30 September 2012, order backlog amounted to US\$307.6 million.

Mr. Lee Wai Kwong, Chief Executive Officer of ASM, said, “The third quarter of 2012 was a difficult period for the entire manufacturing sector. The turnaround in the semiconductor industry appeared to have stalled by the strong economic headwinds. However, the strong backlog that the Group enjoyed at the end of the second quarter contributed to the relatively strong billing performance. We are pleased to have maintained a relatively high billing level in the third quarter.”

Lead frame business achieved a new record revenue amounted to US\$64.7 million, increased by 26.4% as compared to the same period last year, contributing to 16.5% of the Group’s turnover. Facing deteriorating market conditions and shortened lead times offered by suppliers, some customers adjusted their inventory planning and requested to push-out orders. However, the Group believes that the adjustment has been completed; lead frame bookings are expected to rebound moderately in the fourth quarter.

Assembly and Packaging Equipment billings registered a strong double-digit growth year-on-year with revenue grew by 19.2% to US\$198.8 million as compared to the same period last year, contributing to 50.8% of the Group’s turnover. Facing the downward pressure on average selling price, product mix and lower volume, the Group has launched an aggressive cost reduction programme to maintain its competitiveness, aimed at returning to normal profitability levels next year when market demand is expected to recover.

Surface Mount Technology (“SMT”) Equipment revenue amounted to US\$128.0 million in the third quarter, representing a decline of 27.0% from the same period last year, with gross margin of 30.2% and EBIT margin of 9.8%. During the first nine months of 2012, the business unit achieved a net profits of HK\$162.2 million. Overall, the market continues to be driven by portable electronic products such as smart phones and tablet computers. The Group expects recovery of the Assembly and Packaging Equipment and SMT Equipment markets to take place in the second part of the first quarter of 2013 at the earliest.

Mr. Lee said, “The fourth quarter is the traditional low season and is expected to remain challenging. However, more stabilized demand is likely to result boosting by upcoming rollouts of new mobile devices. With increasing popularity of mobile devices, we believe that adoption of 2.5D and/or 3D packages will accelerate. ASM continues to invest heavily in thermal compression bonding (TCB) technologies and related areas to support such growth. We are confident that it will bring significant business opportunities to the Group in the near future.”

“Our strong financial position and R&D capabilities that have been built over many years help ASM to take advantage of market opportunities whenever they arise. In the short term, the Group will tighten control on costs and expenses to maintain productivity and competitiveness. We will further reap the rewards of stronger synergies between the Assembly and Packaging Equipment and SMT Equipment markets and step up our cost reduction efforts in the SMT Equipment business. More outsourcing will be employed to cope with additional capacity demands during future upturns. The Group is well-positioned to capture growth from each semiconductor cycle when market opportunities present themselves.” **Mr. Lee** concluded.

About ASM Pacific Technology Limited

ASM has been continuously enlarging its market share, and ranks No. 1 in the world's semiconductor assembly and packaging equipment industry since 2002. ASM was listed on the Hong Kong Stock Exchange in 1989. The Group is principally engaged in the design, manufacture and marketing of machines, tools and materials used in the assembly and packaging of semiconductors and surface mount technology, with operations being carried out in Hong Kong, China, Singapore, Malaysia and Germany.

Currently, ASM is one of the constituent stocks on the Hang Seng HK MidCap Index under the Hang Seng Composite Index, and the Hang Seng Information Technology Industry Index and the Hang Seng Hong Kong 35 index.

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(N.B.: Enclosed please find the Financial Highlights of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

FINANCIAL HIGHLIGHTS

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited and restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3,035,466	3,049,077	8,180,757	10,397,695
Cost of sales	(2,106,820)	(2,042,570)	(5,551,865)	(6,714,519)
Gross profit	928,646	1,006,507	2,628,892	3,683,176
Other income	3,905	3,570	9,777	18,518
Selling and distribution expenses	(244,756)	(230,420)	(692,979)	(657,914)
General and administrative expenses	(121,069)	(107,466)	(333,603)	(303,021)
Research and development expenses	(237,480)	(250,318)	(671,799)	(663,601)
Other gains and losses	(14,827)	15,805	(13,433)	(15,791)
Finance costs	(1,767)	(1,002)	(4,781)	(2,903)
Gain from a bargain purchase	-	-	-	1,084,427
Profit before taxation	312,652	436,676	922,074	3,142,891
Income tax expense	(63,135)	(75,450)	(188,951)	(337,378)
Profit for the period, attributable to owners of the Company	249,517	361,226	733,123	2,805,513
Other comprehensive income (expense) for the period				
- Exchange differences on translation of foreign operations	55,615	(113,510)	3,736	26,147
- Actuarial gains on retirement benefit plans, net of tax	-	17,787	-	17,787
Total comprehensive income for the period, attributable to owners of the Company	305,132	265,503	736,859	2,849,447
Earnings per share				
- Basic	HK\$0.63	HK\$0.91	HK\$1.85	HK\$7.08
- Diluted	HK\$0.62	HK\$0.90	HK\$1.84	HK\$7.06