

[For Immediate Release]

ASM ANNOUNCES 2012 ANNUAL RESULTS

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Achieve New Height In Lead Frame Turnover Get Ready For Upcoming Market Rebound

Highlights

Fiscal Year 2012

- Group revenue of US\$1.35 billion, a contraction of 19.0% over the preceding year
- Net profit of HK\$689.0 million and earnings per share of HK\$1.73, a contraction of 62.7% over the preceding year, excluding the one-time bargain purchase realized from the acquisition of the SEAS business from Siemens AG in 2011
- Record Lead frame revenue of US\$212.3 million, achieving a growth of 8.8% over 2011
- Back-end equipment revenue of US\$647.9 million, representing a decrease of 23.0% against 2011
- SMT equipment revenue of US\$488.5 million, representing a decrease of 22.3% against 2011
- New order bookings of US\$1,323 million, a slight decrease of 4.0% over 2011
- Cash on hand of HK\$1.49 billion at the end of December 2012

Second Half of 2012

- Group revenue of US\$0.69 billion, representing a slight increase of 3.3% over the first half year but 4.5% below the same period of 2011
- Net profit of HK\$205.4 million and earnings per share of HK\$0.51, representing contractions of 57.5% and 57.9% over the first half of 2012 and the same period of 2011 respectively
- Lead frame revenue of US\$108.0 million, representing increases of 3.4% and 18.0% over the first half of 2012 and the second half of 2011 respectively
- Back-end equipment revenue of US\$303.2 million, representing contractions of 12.1% and 1.7% over the first half of 2012 and the second half of 2011 respectively
- SMT equipment revenue of US\$274.4 million, representing an increase of 28.0% over the first half of 2012 and a decrease of 13.7% over the second half of 2011
- New order bookings of US\$510.2 million, decreased by 37.2% as compared to the preceding six months

(Hong Kong, March 6, 2013) — **ASM Pacific Technology Limited** (“ASM” / the “Group”) (Stock code: 522) today announced its annual results for the year ended December 31, 2012. Despite the pick-up activities in semiconductor and assembly equipment markets during the first half of the year, deteriorating global economy in particular the slowdown in China, led to a global slowdown in consumers demand and affected the Group’s overall performance. Even in the midst of worsening market conditions, ASM has made good progress in SMT equipment business. Worth noting, the Group’s lead frame business continued the upward trend since the second quarter and achieved a record high in its billings.

During the year, ASM achieved a turnover of HK\$10,461 million, representing a contraction of 19.0% as compared with HK\$12,915 million for the previous year. The Group’s consolidated profit after taxation for the year is HK\$689 million which is 76.5% lower than the previous year’s net profit of HK\$2,932 million, having been negatively impacted by challenging market and economic conditions. Basic earnings per share (EPS) for the year amounted to HK\$1.73 (2011: HK\$7.40). In view of the Group’s short-term needs, commitment made for acquisition of the SMT equipment business and the cash on hand, the Board of Directors has recommended a final dividend of HK\$0.30

per share (2011: HK\$0.80). Together with the interim dividend of HK\$0.61 (2011: HK\$1.60) per share, the total dividend payment for year 2012 will be HK\$0.91 (2011: HK\$2.40) per share. Excluding the earnings from the SMT equipment business, the dividend payout ratio for 2012 is 82.5% (2011:62.9%, excluding the earnings from the SMT equipment business and one-time gain realized from the purchase of the SMT equipment business).

New order bookings for 2012 amounted to US\$1.32 billion. New order bookings of Lead frames and Back-end equipment businesses (formerly referred to as the Assembly and Packaging equipment business) improved over 2011. Book-to-bill ratio, representing net bookings over billings, was 0.98. As of 31 December 2012, order backlog amounted as US\$260.7 million.

Mr. Lee Wai Kwong, Chief Executive Officer of ASM, said, “Assisted by stable metal prices and our efforts in convincing customers to accept either a floating price formula or price increase, we successfully returned the Lead frame business to profitability. Its revenue attained another new record of US\$212.3 million, representing a growth of 8.8% from the year before and contributed to 15.8% of the Group’s total revenue; making it our star performer last year. More importantly, we are glad to see the Surface Mount Technology (“SMT”) equipment business has demonstrated strong resilience and maintained profitability during every quarter of last year despite the volatile market condition. In fact, the Gross margins have even improved as compared to 2011.”

Contributing to 36.2% of the Group’s turnover, SMT equipment business revenue amounted to US\$488.5 million. During the reviewing year, the Group has successfully penetrated into many new accounts, including an important customer for the manufacturing of smart phones. Assisted by the Group’s Chip Assembly (CA) machines, ASM is moving into non-traditional SMT placement markets. In addition, the SMT market in China appears to be on its way to recovery since fourth quarter of last year. ASM is confident that the SMT equipment business is on its way to achieve even better performances and to increasingly contribute to enhancing the financial performance of the Group.

Back-end equipment business which consists of the IC, discrete, CIS (CMOS image sensor) and LED equipment business, experienced a strong pick-up during the first half of 2012. Nevertheless, the unfavourable economic and market conditions served to stall the initial momentum during the second half of 2012, thereby halting the promising improvement and adversely impacting the profitability of this business segment. The segment revenue contracted by 23.0% to US\$647.9 million, contributing 48.0% of the Group’s total revenue. However, the quarterly decline rate of new order bookings had reduced significantly which shows the market started stabilizing in the fourth quarter of 2012.

Mr. Lee said, “Look ahead, there are signs that the market slowdown had stabilized towards the end of last year, indicating that we have probably come off the bottom of the current industry cycle. Smart phones and tablet computers will continue to maintain as the most important drivers of the semiconductor market, especially demand for low-price smart phones and tablet computers catering to the emerging markets. Benefited by this global trend, we believe that adoption of 2.5D and 3D packages will accelerate. ASM has been investing aggressively in this area, developing technologies and solutions for both bonding and encapsulation. We are confident that these investments will bring meaningful returns in the foreseeable future.”

“We believe that our strategy of investing for the future, our potential for further market share gain in the SMT equipment business, the growing Lead frame and Back-end equipment businesses and our strong market position in the LED market are all strengths that enhance ASM’s outlook for the future. In the short term, the Group will aggressively control costs and expenses to maintain productivity and competitiveness. More outsourcing will be employed to cope with additional capacity demands during future upturns. The Group is well-positioned to capture growth from the upcoming market rebound.” **Mr. Lee** concluded.

About ASM Pacific Technology Limited

ASM has been continuously enlarging its market share. 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 Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 Dec		Year ended 31 Dec	
	2012 (unaudited) HK\$'000	2011 (unaudited and restated) HK\$'000	2012 (audited) HK\$'000	2011 (audited) HK\$'000
Turnover	2,279,801	2,517,499	10,460,558	12,915,194
Cost of sales	(1,746,317)	(1,774,198)	(7,298,182)	(8,488,717)
Gross profit	533,484	743,301	3,162,376	4,426,477
Other income	6,934	14,622	16,711	33,140
Selling and distribution expenses	(244,430)	(209,508)	(937,409)	(867,422)
General and administrative expenses	(118,015)	(109,575)	(451,618)	(412,596)
Research and development expenses	(233,316)	(221,769)	(905,115)	(885,370)
Other gains and losses	5,940	(69,537)	(7,493)	(85,328)
Gain from a bargain purchase	-	-	-	1,084,427
Finance costs	(3,993)	(981)	(8,774)	(3,884)
Profit (loss) before taxation	(53,396)	146,553	868,678	3,289,444
Income tax expense	9,267	(20,086)	(179,684)	(357,464)
Profit (loss) for the period, attributable to owners of the Company	(44,129)	126,467	688,994	2,931,980
Other comprehensive income (expense)				
- exchange differences on translation of foreign operations	38,881	(69,907)	42,617	(43,760)
- actuarial (losses) gains on retirement benefit plans, net of tax	(40,160)	(8,485)	(40,160)	9,302
Other comprehensive income (expense) for the period	(1,279)	(78,392)	2,457	(34,458)
Total comprehensive income (expense) for the period, attributable to owners of the Company	(45,408)	48,075	691,451	2,897,522
Earnings (loss) per share				
- Basic	HK\$(0.12)	HK\$0.32	HK\$1.73	HK\$7.40
- Diluted	HK\$(0.11)	HK\$0.31	HK\$1.73	HK\$7.37

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2012	2011
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	2,105,615	2,073,679
Investment property	69,501	-
Intangible assets	15,213	11,380
Prepaid lease payments	27,794	28,531
Pledged bank deposit	204,520	201,020
Deposits paid for acquisition of property, plant and equipment	36,920	49,972
Rental deposits paid	13,549	5,480
Deferred tax assets	171,634	98,223
Other non-current assets	53,397	2,367
	<u>2,698,143</u>	<u>2,470,652</u>
Current assets		
Inventories	2,876,375	2,545,601
Trade and other receivables	3,155,458	2,956,191
Prepaid lease payments	997	979
Derivative financial instruments	1,479	-
Income tax recoverable	4,525	8,611
Pledged bank deposit	-	2,010
Bank balances and cash	1,487,003	1,627,662
	<u>7,525,837</u>	<u>7,141,054</u>
Current liabilities		
Trade and other payables	2,091,605	2,031,739
Derivative financial instruments	-	17,733
Provisions	320,638	307,051
Income tax payable	244,423	470,622
Bank borrowings	695,273	331,144
	<u>3,351,939</u>	<u>3,158,289</u>
Net current assets	<u>4,173,898</u>	<u>3,982,765</u>
	<u><u>6,872,041</u></u>	<u><u>6,453,417</u></u>

ASM PACIFIC TECHNOLOGY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
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	At 31 December	
	2012	2011
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	39,925	39,764
Dividend reserve	119,773	318,110
Other reserves	6,396,976	5,907,921
Equity attributable to owners of the Company	6,556,674	6,265,795
Non-current liabilities		
Retirement benefit obligations	91,410	26,845
Provisions	54,181	68,625
Bank borrowings	129,175	-
Deferred tax liabilities	8,811	38,468
Other liabilities and accruals	31,790	53,684
	315,367	187,622
	6,872,041	6,453,417