



PSPC Phoenix Semiconductor Philippines Corp.

Panday Pira Ave. Cor Creekside Road, Clark Freeport Zone, Pampanga, Philippines

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July 3, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA

Mandaluyong City



Attention: **Vicente Graciano P. Felizmenio, Jr.**
Director
Markets and Securities Regulation Department

Re : Press Release - PSPC Spends PHP199 Million on CAPEX in
First Half of 2015 – Launches Blister Packing Line

Gentlemen:

We submit herewith SEC Form 17-C, Current Report under Section 17 of the Securities Regulation Code and SRC Rule 17.2 (c) thereunder, to disclose the press release that will be shared with the media on July 6, 2015.

Thank you very much.

Very truly yours,


ATTY. ANNA GAYLE TAN BARIN

Corporate Lawyer/Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. July 3, 2015
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201000985 3. BIR Tax Identification No. 007-582-936
4. PHOENIX SEMICONDUCTOR PHILIPPINES CORP.
Exact name of issuer as specified in its charter
5. Pampanga, Philippines
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code
7. Panday Pira Avenue, corner Creekside Road, Clark Freeport Zone, Pampanga 2009
Address of principal office Postal Code
8. 045-499-1742 / 045-499-1749 / 045-499-1822
Issuer's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common Shares

2,165,024,111


11. Indicate the item numbers reported herein: Item 9. Other Events

Please find the attached press release entitled, PSPC Spends PHP199 Million on CAPEX in First Half of 2015 - Launches Blister Packing Line.

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed this 3rd day of July, 2015 on its behalf by the undersigned hereunto duly authorized.

PHOENIX SEMICONDUCTOR PHILIPPINES CORP.

Issuer


ATTY. ANNA GAYLE TAN BARIN
Corporate Lawyer/ Assistant Corporate Secretary

PSPC Spends PHP199 Million on CAPEX in First Half of 2015

Launches Blister Packing Line

Phoenix Semiconductor Philippines Corp. ("PSPC") reported that it has spent around PHP199 million for its capital expenditure program (CAPEX) in the first semester of 2015.

The listed semiconductor company had allocated a total CAPEX budget for its Phase 1 (i.e. the existing main factory) at PHP423 million in 2015. For this, PSPC utilized approximately PHP44.13 million from the proceeds of its initial public offering (IPO) in the first quarter of the year. The balance was sourced from internally generated funds from operations.

"The capital program is a key element to securing the growth momentum of PSPC in 2015 and onwards," Dongjoo Kim, PSPC Vice President and Chief Finance Officer declared.

Mr. Kim bared that of the PHP199 million CAPEX, the Company spent a total of PHP153.45 million for the acquisition of production machinery for branded memory cards and for dual in-line memory modules (DIMM) which increases the output capacity for both product categories. He explained that aside from the more familiar flash memory cards used for mobile phones, gadgets and digital cameras, PSPC produces memory modules for desktop and server computers.

PSPC has also recently completed the installation of a semi-automatic blister pack production line in its existing Clark Freeport plant which is a packaging line for its complete array of secured digital (SD) flash memory products for Samsung. The semi-automated process has provided a forward value-added service for the branded SD memory products, as the Company used to just ship loose flash cards without packaging. This new line should be fully operational this July.

Mr. Kim shared that this extension line is a testament to the continued trust and confidence of Samsung in PSPC's electronics manufacturing capability and efficiency. Samsung, its exclusive customer, also provides memory cards for branded consumer technology companies such as HP and Apple through PSPC as its OSAT memory products solutions provider.

"When the CAPEX program is completed in the existing facility during the year, production capacity will increase to about 90 million units and should drive the growth in revenues and earnings in the years to come," Mr. Kim said.

The Phase 1 CAPEX is separate from the PHP7.74 billion budget for the construction of the new Phase 2 facility which has been earmarked to put in place manufacturing capacity to cater to non-Samsung global customers. Negotiations with a number of customers are currently ongoing.

The existing Phase 1 facility is dedicated for Samsung, its sole customer as an outsourced semiconductor assembly and test (OSAT) service, which provided majority of the machine and equipment as its supply chain partner.

PSPC raised the funds for Phase 1 and Phase 2 CAPEX program from its sale of primary shares amounting to PHP467.67 million IPO. Construction of the Phase 2 facility is expected to commence in the latter part of 2015.

The Company registered gross revenues and net earnings of USD59.8 million and USD5.30 million, respectively, in the first quarter of 2015. This is 15% and 26% respectively above that in the same period last year.

PSPC Launches Blister Packing Production Line for Brand Memory Cards



PSPC has completed the installation of a new semi-automatic blister packing line for Samsung brand flash memory cards that will enable it to service a forward process in Samsung's production chain for memory products. The new production line will become fully operational and commence shipments to Samsung's deployment centers this July 2015. It is part of the new machinery that has been put in place in PSPC's manufacturing facility in Clark Freeport as part of its P199 million capital expenditure program in the first semester of 2015.