



ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF 2000 UNAUDITED INTERIM RESULTS SIX MONTHS ENDED 30TH JUNE, 2000

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement.

RESULTS

We are pleased to report that the ASM Pacific Technology Group achieved record turnover amounting to HK\$1,937,027,000 during the six months ended 30th June, 2000, representing approximately 2.8 fold increase as compared with HK\$688,308,000 for the same period of the previous year. The Group's consolidated profit after taxation for the six months is HK\$520,520,000, which is more than six times the corresponding period in 1999. Basic earnings per share for the six month period amounted to HK\$1.38 (1999: HK\$0.23).

DIVIDEND

The Board has resolved to pay an interim dividend of HK\$0.30 (1999: HK\$0.07) per share. The Register of Members will be closed from 17th August, 2000 to 23rd August, 2000 both days inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, not later than 4:00 p.m., on Wednesday, 16th August, 2000. The interim dividend will be paid on or about 24th August, 2000.

FINANCIAL HIGHLIGHTS

	Six Months ended 30th June,	
	2000	1999
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,937,027	688,308
Cost of sales	(1,086,570)	(409,490)
Gross profit	850,457	278,818
Selling, general and administrative costs	(223,191)	(119,229)
Research and development, net	(83,019)	(65,130)
Profit from operations	544,247	94,459
Investment income	1,486	2,042
Interest income (expenses), net	2,422	(7,532)
Exchange gains (losses)	12,968	(2,555)
Profit before taxation	561,123	86,414
Taxation	(40,603)	(1,874)
Profit for the period	520,520	84,540
Dividends	113,692	26,261
Earnings per share		
- Basic	HK\$1.38	HK\$0.23
- Diluted	HK\$1.37	HK\$0.23

NOTES:

1. Taxation charge comprises:

	Six Months ended 30th June,	
	2000	1999
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong:		
Profits Tax calculated at 16% (1999: 16%) of the estimated assessable profit for the period	37,657	1,000
Tax refund for a pervious year	0	(1,920)
	37,657	(920)
Taxation in other jurisdictions	2,946	2,794
	40,603	1,874

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions, including other parts of the People's Republic of China excluding Hong Kong and overseas. The Group's profit arising from the manufacture of semiconductor equipment and materials in Singapore is non-taxable under a tax incentive scheme granted by the Singapore tax authority. The tax exemption applies to profits arising for a period of 10 years from 1st January, 1992.

2. The calculation of basic and diluted earnings per share is based on the following data:

	Six Months ended 30th June,	
	2000	1999
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share	520,520	84,540
	Number of shares (in thousand)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	377,547	375,161
Effect of dilutive potential ordinary shares from Employee Share Incentive Scheme	1,441	1,213
Weighted average number of ordinary shares for the purpose of diluted earnings per share	378,988	376,374

REVIEW

- First six months turnover exceeds all that of 1999
- Record order backlog reaches US\$180 million
- Business with major IC assemblers and semiconductor companies increases
- Production capacity expanded; China plant extended to 600,000 sq.ft.
- New generation gold wire bonder and automold launched successfully

After a 42.7% growth in annual sales during 1999, the Group achieved a turnover of HK\$1,937 million during the first six months of year 2000 in a very strong industry environment. This record revenue is 61.1% higher than the preceding six months and 2.4% more than for the whole of 1999. Our assembly equipment business, which represented 85% of this period's turnover, amounted to HK\$1,647 million. It was also 11.1% higher than our 1999 equipment annual revenue. Such record sales and turnover growth rate led to significantly improved gross and net margins, achieving a return on equity of 67.9%. Net profit, HK\$521 million, was more than two times the preceding six months period.

We began the year with a substantial order backlog exceeding US\$100 million, and bookings have been very strong since then. Our production capacity is continually being expanded in order to serve our customers with a reasonable lead-time. Backlog as at 30th June, 2000 exceeded US\$180 million, which far surpassed previous years.

Our businesses with the world's largest IC assembler and two of the top ten semiconductor companies continue to increase, creating a healthy balance between packaging foundries and integrated devices manufacturers (IDMs), spreading over big, medium and smaller size companies, well distributed over a number of geographical markets. Malaysia (24.3%), Taiwan (17.6%), Philippines (13.4%), Korea (11.9%) and Thailand (9.5%) represent the five largest geographical markets during this six-month period.

To cope with strong demands across all products, our China plant, which supplies our Hong Kong and Singapore factories with the more labor intensive parts and subassemblies, has grown substantially in recent months and now occupies 600,000 sq.ft. This includes new 40,000 sq.ft. premises we began moving into during July.

In May, we officially launched our new generation gold wire bonder and automold, named as the AB339 Eagle and IDEALmold respectively. This AB339 Eagle gold wire bonder has been demonstrated to be capable of 35 microns linear pad pitch bonding. We also achieved favorable results from our selected customers' benchmarking exercises, registering 20 – 30% productivity gain, improved bond quality, enhanced impact force and loop profile control capabilities. Preparations are now underway for volume production to begin delivery starting the 4th quarter of this year. The IDEALmold, which we have been shipping to customers during the first half of this year, has enhanced our market position and gained new customers due to its superior performance and low cost-of-ownership.

PROSPECTS

- Assembly equipment market to grow nearly 50% this year
- Strong growth predicted through 2002, CAGR 35%
- ASM becomes No. 2 assembly equipment supplier in 2000
- Aggressive capital investment lifts ASM production capacity
- Strong demand for ASM products, next generation already creating waves
- Integrated assembly lines differentiate ASM from competitors

During recent months, many industry analysts have revised their forecasts for this year's growth rate of the semiconductor industry upwards to around 30%, with strong growth also predicted for the next two years. Led by a surge in the telecommunication market, worldwide semiconductor revenue is forecast to reach US\$222 billion in 2000, an increase of 31% over 1999 revenue, according to the latest semiconductor forecast by Dataquest Inc. VLSI Research has recently raised their forecast on this year's growth rate of semiconductor assembly equipment to slightly below 50%, further projecting a compound annual growth rate (CAGR) from 1999 to 2002 of around 35%.

Driven by strong market demands for our AB339 gold wire bonders and our success in ramping output to 300 sets per month, and improved market positions of our other equipment products, in particular our die bonders, ASM has been consistently gaining market share for the last 2½ years. Given our current production run rate and the shipments made during the first half, ASM should rank as the world’s number two assembly equipment supplier this year.

With our exciting new products, factory automation and packaging solutions e.g. QFN, providing added value services to customers, ASM is well positioned to outpace industry performance and continue to enlarge market share. Through aggressive capital investments, raised to US\$40 million for this year, we are also lifting our production capacity constraints. We are readying ourselves to meet the challenge of providing customers with state-of-the-art products and cost-effective solutions with short lead-times.

Apart from developing the new generation of existing products, we continue allocating substantial resources to prepare for the future by broadening our product portfolio. This includes inline strip testing, solder ball placement, a chip scale package (CSP) singulation system, an epoxy dispensing machine and a flip chip bonder. We have committed ourselves to offering integrated assembly lines for leaded, QFN and solder ball packages to differentiate ourselves from rival producers.

To sustain market leadership, we need to innovate faster than our competitors. Our results and our new products prove we are doing so.

DIRECTORS’ INTEREST IN SHARES

Details of the interests of Directors and Chief Executive in the shares in the Company as at 30th June, 2000 as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

	Personal Interest	Family Interest	Corporate Interest	Other Interest
Arthur H. del Prado	-	-	(Note)	-
Lam See Pong, Patrick	2,970,000	-	-	-
Fung Shu Kan, Alan	248,000	-	-	-
Orasa Livasiri	-	-	-	-
Paulus Cornelis van den Hoek	120,000	-	1,250,000	-
Rinse de Jong	-	-	-	-

Note: 207,427,500 shares were beneficially owned by ASM International N.V. (“ASM International”) and its wholly owned subsidiary. Advanced Semiconductor Materials (Netherlands Antilles) N.V. (“ASMNV”). Arthur H. del Prado, member of his immediate family and a foundation controlled by him together held about 23.5% interest in ASM International as at 30th June, 2000.

Other than certain nominee shareholdings in subsidiaries held by directors in trust for the Group, none of the directors or their associates had any interests in the share capital of the subsidiaries as at 30th June, 2000.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30th June, 2000 was the Company or its holding companies or any of its fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors of the Company or their associates to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2000, the register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance shows that, other than the interest disclosed above in respect of ASM International and ASMNV, the Company has not been notified of any other interest representing 10% or more of the Company's issued share capital.

PURCHASE, SALE OR REDEMPTION OF SHARES

There has been no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Group has complied with the Code of Best Practice set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited, which specifies the best practice to be followed by Directors and Non-executive Directors, for the period from 1st January, 2000 to 30th June, 2000.

On behalf of the Board
Patrick Lam See Pong
Director

Hong Kong, 24th July, 2000