



ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF 1999 UNAUDITED INTERIM RESULTS SIX MONTHS ENDED 30TH JUNE, 1999

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

RESULTS

For the six months ended 30th June, 1999, the Group has achieved turnover amounting to HK\$688,308,000, representing a growth of 0.8% as compared with HK\$682,824,000 for the same period of the previous year. The Group's consolidated profit after taxation for the six months is HK\$84,540,000 equivalent to a 2.3% increase over the corresponding period in 1998. Earnings per share for the six-month period amounted to 22.5 cents (1998: 22.1 cents).

DIVIDEND

The Board has resolved to pay an interim dividend of 7.0 cents (1998: 7.0 cents) per share. The Register of Members will be closed from 25th August, 1999 to 31st August, 1999 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, Secretaries Limited at 5/F., Wing On Centre, 111 Connaught Road, Central, Hong Kong, not later than 4:00 p.m., on Tuesday, 24th August, 1999. The interim dividend will be paid on or about 1st September, 1999.

FINANCIAL HIGHLIGHTS

	Six Months ended 30th June,	
	1999	1998
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Turnover	<u>688,308</u>	<u>682,824</u>
Profit from ordinary activities before taxation	86,414	83,594
Taxation	<u>1,874</u>	<u>930</u>
Profit after taxation	<u>84,540</u>	<u>82,664</u>
Interim dividend	<u>26,261</u>	<u>26,149</u>
Earnings per share – Basic	<u>22.5 cents</u>	<u>22.1 cents</u>
– Diluted	<u>22.5 cents</u>	<u>22.1 cents</u>
Interim dividend per share	<u>7.0 cents</u>	<u>7.0 cents</u>

Notes:

1. Taxation charge comprises:

	Six Months ended 30th June,	
	1999	1998
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong:		
Profits Tax calculated at 16% (1998: 16%) of the estimated assessable profit for the period	1,000	2,407
Tax refund for a previous year	(1,920)	0
Over-provision in prior years	0	(2,104)
	<u>(920)</u>	<u>303</u>
Taxation in other jurisdictions	2,794	627
	<u>1,874</u>	<u>930</u>

Taxation in other jurisdictions, including Mainland China and overseas, is calculated at the rates prevailing in the respective jurisdictions. The Group's profit arising from the manufacturing 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 profit 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,	
	1999	1998
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share	<u>84,540</u>	<u>82,664</u>
	<i>Number of shares (in thousand)</i>	
Weighted average number of ordinary shares for the purpose of basic earnings per share	375,161	373,551
Effect of dilutive potential ordinary shares from employee share incentive scheme	<u>1,213</u>	<u>1,203</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>376,374</u>	<u>374,754</u>

REVIEW

Driven by continued PC demands, information appliances and telecommunication products, both the semiconductor and the semiconductor equipment industries are experiencing solid recovery after three years of consolidation. Since the turn of the year, book-to-bill ratios for the first six months have been consistently above one, and optimism now clearly prevails in the industry.

Although we began the year with a low order backlog, bookings since the beginning of the second quarter have been very strong. Demands in general are across all product lines and territorial markets, with some significant orders from several major clients. The outstanding performances of our AB339 gold wire bonder as demonstrated in its

various field evaluations during the past twelve months resulted in ASM capturing a significant number of new customers, gaining market share in the lucrative IC gold wire bonder segment. This also enables us to establish our position as a world class gold wire bonder supplier in the Korean market, and we expect to achieve record turnover in Korea this year with substantial gain in revenue.

To cope with the strong market demands and to provide excellent service to our customers, we have been enlarging our field service team and busy expanding our production capacity. On top of the 13,000 sq.ft premise that came on stream in our China factory during the first half of this year, another 35,000 sq.ft facility at a different location in Shenzhen will be ready in the third quarter. We have also commenced the preparations of our Malaysian factory, which targets to start its first phase production within 1999 and to support the increased demands of fabricated parts of our Singapore operation. Consequently, we now expect our capital investment to grow to US\$25 million for 1999.

PROSPECTS

Based on the current market and its momentum, industry analysts have scaled up their 1999 growth projections for the semiconductor and semiconductor equipment industries to low double digits. Driven by die shrinkage, new package trends and gradual capacity addition, demands for assembly equipment in the next few years should be strong, with VLSI Research forecasting a CAGR of 22% for the 1998-2003 period.

With cutting edge products ready to meet customers' needs today and in the future, an extensive marketing network, a trained and committed workforce, talented and experienced R&D teams, and well-equipped, low cost manufacturing bases, ASM is well-positioned to continue to outpace industry performance and gain market share in our equipment product sector during 1999 and ensuing years. In view of our healthy order backlog, contributions coming from our revenue growth would more than offset rising costs, leading to improved profitability.

To sustain market leadership, we must innovate faster than our competitors. Our R&D teams have been developing the next generation die and wire bonders, as well as enhancing the process capabilities of the current models, such as 45 microns pad pitch and copper wire bonding processes for our well-received AB339 gold wire bonder. We have also extended our IDEALine to more advanced packages, and plan to deliver about 20 IDEALines in different configurations this year to fulfil orders coming from existing and new customers. The first series of CSP equipment will also be available for market launches within 1999.

DIRECTORS' INTEREST IN SHARES

Details of the interests of the Directors and Chief Executive in the shares in the Company as at 30th June, 1999 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 (<i>see note</i>)	-	-	188,530,000	-
Lam See Pong, Patrick	2,942,000	-	-	-
Fung Shu Kan, Alan	192,000	-	-	-
Orasa Livasiri	-	-	-	-
Paulus Cornelis van den Hoek	120,000	-	1,250,000	-
Rinse de Jong	-	-	-	-

Note: These shares are held through Advanced Semiconductor Materials (Netherlands Antilles) N.V., a wholly-owned subsidiary of ASM International N.V. ("ASM International"). A foundation controlled by Mr Arthur H. del Prado holds 10,205,541 shares in ASM International.

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, 1999.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30th June, 1999 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, 1999, 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 the Directors and Chief Executive, the Company has not been notified of any other interest representing 10% or more of the Company's issued share capital.

YEAR 2000 COMPLIANCE

Our project for Year 2000 Compliance is actively underway and approaching to complete implementation, as we have planned from the start of the project in December 1997. It is expected that the Group will achieve Year 2000 Compliance by the end of third quarter of 1999.

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, 1999 to 30th June, 1999.

On behalf of the Board
Patrick Lam See Pong
Director

Hong Kong, 2nd August, 1999