

[For Immediate Release]

ASM ACHIEVES MULTIPLE NEW RECORDS IN 2006

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TURNOVER UP 28.8% TO HK\$4,556 MILLION
PROFIT ROSE 35.2% TO HK\$1,149 MILLION

Highlights

- Record Group turnover of HK\$4,556 million, a growth of 28.8% against the previous year
- Record profit of HK\$1,149 million and earnings per share of HK\$2.97
- Record turnovers achieved by equipment and leadframe businesses, 25.1% and 44.8% growth in sales to US\$461 million and US\$126 million respectively
- Record cash on hand of HK\$915 million at the end of 2006
- The Board of Directors has resolved to proposed a final dividend of HK\$1.00 per share and a second special dividend of HK\$0.20 per share

(Hong Kong, 8th March, 2007) — The world's No.1 semiconductor assembly equipment supplier **ASM Pacific Technology Limited** ("ASM" / the "Group") (Stock code: 522) today announced its annual results for the year ended 31st December, 2006, boasting achievement of multiple new records and a widened lead market share.

During the year under review, ASM achieved record high turnover amounting to HK\$4,555,953,000, representing an increase of 28.8% as compared to HK\$3,536,855,000 in the previous year. The Group's consolidated profit for the year was HK\$1,149,477,000, 35.2% higher than the previous year's HK\$850,485,000. Basic earnings per share were HK\$2.97 (2005: HK\$2.21).

The Board of Directors recommended the payment of a final dividend of HK\$1.00 (2005: HK\$1.00) and a second special dividend of HK\$0.20 (2005: HK\$0.30) per share. Together with the interim dividend of HK\$0.70 per share and the first special dividend of HK\$0.75 per share paid in August 2006, the total dividend payment for the year ended 31st December, 2006 are HK\$2.65 (2005: HK\$2.00) per share. This translates into a dividend payout ratio of 89.4% of the Group profit for the year. .

Mr. Lee Wai Kwong, Chief Executive Officer of ASM, said, "ASM had an exceptional year in 2006 during which the global semiconductor industry had solid growth. Riding on the booming industry, ASM made multiple new records in its business performance. Our strategy of serving broad application markets with diversified products was a huge success. With equipment revenue at US\$461 million, equivalent to 78.6% of our total turnover, ASM continued to be the top player in the industry, a position our Group has held since 2002. What's more is we also managed a wider lead, US\$179 million or 63.4%, with our closest rival. Our leadframe revenue also grew 44.8%, largely as a result of our bigger market share at our dedicated efforts to enhance the market position of the business."

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In 2006, driven by the growing popularity of consumer electronics such as flat-panel displays, MP3 players and digital cameras, the global semiconductor industry experienced overall solid growth. The market slightly softened towards the end of the year, but ASM was still able to report slightly better performance in the second half year when compared with first half of the year. Reporting an increase of 25.1% in revenue, the Group's assembly and packaging equipment business outperformed its peers in the industry which grew only at the estimated rate of between 13-19% in 2006. Return on capital employed and on sales were 49.9% and 27.4% respectively. Overall book-to-bill ratio was 1.0 as of 31st December, 2006. Ending order backlog as of 31st December, 2006 was US\$103.9 million.

The Group maintained a healthy financial position during the review period. Exercising good control on working capital and enjoying strong positive cash flow from operation, the Group's cash on hand as at 31st December, 2006 was HK\$914,681,000. Current ratio and debt-equity ratio were 2.84 and 36.1% respectively.

Apart from continuing to lead in the die bonders market and copper wire bonding technology, the Group secured markedly greater market acceptance and shares for its CSP equipment, dual head gold wire bonder, flip chip bonder, encapsulation equipment and CMOS Image Sensor (CIS) assembly lines and equipment. ASM is now a recognized market leader in "package-on-package" (PoP) molding solutions. Adopting a "total solution" approach in marketing its products, the Group has also gained greater market acceptance for its total solution offerings for the micro-SD cards application.

Looking ahead, the growth forecast for the semiconductor industry in 2007 is 9-11% and the same in 2008. As for the global assembly and packaging equipment industry, after the strong growth it experienced in 2006, a sector consolidation is expected with at best single digit growth or possibly a single digit contraction in 2007. For 2008, some industry analysts have projected strong growth of the segment at 14-26%. This is a reflection of shortening industry cycles and reduced fluctuations of the market, and an overall positive trend leading to a steady growth of the industry up to and including 2009.

To keep up ASM's leadership and ensure its resilience in a dynamic industry, the Group emphasizes higher performance and lower cost of manufacturing in its new generation of products, while continuing to rejuvenate current generation equipment for significant performance gains. In 2007, various exciting new products will be launched, which include new generations of die, flip chip and gold wire bonders, new Multi-Chip Module (MCM) and Chip-on-Glass (COG) bonders, and a new single-strip molding system that complements the Group's popular sectional molding system. With innovative features, unprecedented user-friendliness and a faster bonding speed, the new state-of-the-art gold wire bonder will place the Group at the forefront of wire bonding technology.

"ASM has very sturdy supporting pillars that brace our business success. We are committed to offering customers innovative products that promise good value. Moreover, we provide our customers with value-added, total packaging solutions to meet their increasingly stringent new product requirements. This proven business approach has allowed us to gain market shares, penetrate new markets and effectively promote new products. ASM is poised to seize every opportunity in the market and has the strengths to achieve strong growth in the future," 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, with operations being carried out in Hong Kong, China, Singapore and Malaysia.

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.

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(N.B.: Enclosed please find the Consolidated Income Statement and Consolidated Balance Sheet of ASM Pacific Technology Limited.)

ASM Pacific Technology Limited

CONSOLIDATED INCOME STATEMENT

	Year ended 31st December	
	2006	2005
	HK\$'000	HK\$'000
Turnover	4,555,953	3,536,855
Cost of sales	(2,476,568)	(1,926,077)
Gross profit	2,079,385	1,610,778
Other income	34,327	21,283
Selling expenses	(375,802)	(316,950)
General and administrative expenses	(172,002)	(143,534)
Research and development expenses	(286,935)	(267,638)
Finance costs	(199)	(15)
Profit before taxation	1,278,774	903,924
Income tax expense	(129,297)	(53,439)
Profit for the year	1,149,477	850,485
Dividend paid	1,064,413	674,220
Dividend proposed	466,607	503,177
Earnings per share		
- Basic	HK\$2.97	HK\$2.21
- Diluted	HK\$2.96	HK\$2.20

ASM Pacific Technology Limited

CONSOLIDATED BALANCE SHEET

	At 31st December	
	2006	2005
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	858,989	808,030
Prepaid lease payments	9,128	8,951
Deferred tax assets	878	118
	<u>868,995</u>	<u>817,099</u>
Current assets		
Inventories	740,161	609,345
Trade and other receivables	962,414	892,255
Prepaid lease payments	480	448
Bank balances and cash	914,681	728,927
	<u>2,617,736</u>	<u>2,230,975</u>
Current liabilities		
Trade and other payables	765,817	585,020
Taxation	149,529	66,101
Notes payable to a bank	7,244	462
	<u>922,590</u>	<u>651,583</u>
Net current assets	<u>1,695,146</u>	<u>1,579,392</u>
	<u>2,564,141</u>	<u>2,396,491</u>
Capital and reserves		
Share capital	38,884	38,706
Dividend reserve	466,607	503,177
Other reserves	2,056,583	1,851,651
Equity attributable to equity holders of the Company	<u>2,562,074</u>	<u>2,393,534</u>
Non-current liabilities		
Deferred tax liabilities	2,067	2,957
	<u>2,564,141</u>	<u>2,396,491</u>