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ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF UNAUDITED 2009 THIRD QUARTER RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2009

ASMPt Continues Its Journey of Attaining New Records

Q3 2009

- ***Group turnover of US\$202 million, an increase of 3.3% over same period last year and a strong sequential increase of 60.9% over the previous quarter***
- ***Record profit of HK\$401 million and earnings per share of HK\$1.02, an increase of 50.1% over same period last year and sequential increase of 151.1% over the preceding quarter***
- ***Equipment turnover of US\$161 million, representing a 4.7% increase over Q3 2008 and a 77.6% growth over the preceding three months***
- ***Lead frame turnover of US\$41 million, achieving 18.0% revenue growth over the preceding three months and a 1.8% decline over Q3 2008***
- ***Record new orders booking of US\$233 million, a sequential increase of 23.9% from the preceding three months***
- ***With zero debt and record cash on hand of HK\$987 million at the end of September 2009***

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the third quarter for the three months ended 30 September 2009:

RESULTS

ASM Pacific Technology Limited and its subsidiaries (the “Group” or “ASM”) reported a turnover of HK\$1,566 million for the three months ended 30 September 2009, representing an improvement of 3.3% as compared with HK\$1,516 million for the third quarter of 2008 and 60.9% improvement when compared with the turnover of HK\$973 million for the preceding three months. The Group’s consolidated profit after taxation for the third quarter of 2009 is HK\$401 million which is 50.1% higher than the corresponding period in 2008 and 151.1% higher than the previous quarter. Basic earnings per share (EPS) for the third quarter of 2009 amounted to HK\$1.02 (third quarter of 2008: HK\$0.68, second quarter of 2009: HK\$0.41).

FINANCIAL HIGHLIGHTS

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<i>Notes</i>				
Turnover	1 1,566,087	1,515,856	2,975,227	4,443,078
Cost of sales	(863,899)	(931,485)	(1,817,466)	(2,595,182)
Gross profit	702,188	584,371	1,157,761	1,847,896
Other income	1,733	2,623	5,354	15,965
Selling expenses	(123,766)	(124,881)	(276,288)	(363,299)
General and administrative expenses	(42,420)	(55,049)	(121,825)	(149,249)
Research and development expenses	(84,820)	(97,381)	(219,059)	(271,360)
Finance costs	-	-	-	(1)
Profit before taxation	452,915	309,683	545,943	1,079,952
Income tax expense	(51,853)	(42,440)	(69,977)	(138,117)
Profit for the period	401,062	267,243	475,966	941,835
Earnings per share	2			
- Basic	HK\$1.02	HK\$0.68	HK\$1.21	HK\$2.41
- Diluted	HK\$1.02	HK\$0.68	HK\$1.21	HK\$2.40

Notes:

1. Turnover by business segments

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Turnover				
Equipment	1,245,061	1,189,008	2,242,686	3,495,048
Lead frame	321,026	326,848	732,541	948,030
	1,566,087	1,515,856	2,975,227	4,443,078

2. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Earnings for the purposes of basic and diluted earnings per share	401,062	267,243	475,966	941,835
Weighted average number of shares for the purposes of basic earnings per share	392,357	390,628	392,357	390,628
Effect of dilutive potential shares from the Employee Share Incentive Scheme	1,846	1,303	1,403	1,049
Weighted average number of shares for the purposes of diluted earnings per share	394,203	391,931	393,760	391,677

REVIEW

There are increasing signs of a broadening recovery in the world economy. The early signs of strengthening order in-flows which started during the second quarter have gathered further momentum as we entered the second half of the year. After a challenging start to the year wherein the bottom of the business cycle was reached during the first quarter of the year, it appears that we have bounced out of the recession much faster and to a larger extent than anyone may have expected. During the past three months, ASM has seen a spectacular surge in orders and a substantial leap in quarter-on-quarter growth. At least for ASM, it does appear that the recession is over and that market demand has finally recovered.

Our billings in the third quarter of 2009 achieved strong sequential growth of 60.9% over the preceding quarter to US\$202 million. It has even exceeded that of the third quarter of 2008 by 3.3%, and is only 2.7% below the last record quarterly high experienced during the second quarter of 2008.

During the third quarter of 2009, Equipment revenue increased by 4.7% to US\$161 million from the same period a year ago and increased by 77.6% from the preceding quarter. Lead frame revenue achieved an increase of 18.0% over the second quarter this year to US\$41 million and registered a small decline of 1.8% against same period last year. Taking into consideration the lower Lead frame price due to lower copper prices this year, our Lead frame shipment volume in the third quarter this year was actually higher than the year-ago period. Equipment revenue contributed to 79.5% of the Group's turnover.

For the first nine months this year, Group turnover was US\$384 million, representing a decrease of 33.0% over same period last year. Equipment revenue decreased by 35.8% to US\$289 million and revenue for our Lead frame business decreased by 22.7% to US\$95 million.

The vigorous expenditure on Equipment and Lead frame by our customers seems to be a result of a general improvement in business conditions, with the level of activity appearing to be back to the pre-recession levels of more than a year ago. The Equipment business in particular experienced strong growth, far exceeding our Lead frame growth. As a consequence, the Lead frame contribution to our total revenues has been reduced from 29.2% in the first half of the year to just above 20% in the third quarter in spite of strong growth also experienced in the Lead frame sector.

With the overall improvement in our performance, our gross margin during the quarter has exceeded the same quarter of last year by a wide margin and it is back to the level of between 40% to 50%. Improvement in gross margin was a direct result of higher production volume, lower metal prices and our cost reduction efforts. Net profits for the quarter attained a new record, exceeding the previous high by a small margin.

Although China was primarily leading the recovery in the first half of the year, other countries have clearly also benefited from the heightened economic activities and started to close the gap with China. Thus, the improvement in the third quarter is more broad-based on a geographical basis. The improvement is also broad-based across our diversified product portfolio. All our product groups reported strong quarter-on-quarter growth over the preceding three months. The robust surge in demand meant that our bookings have improved significantly over the usual three-month averages. The past quarter has been characterized by our customers' aggressive purchasing of equipment for capital expansion, led in particular by strong demand from IC subcontractors, LED manufacturers and, to a lesser extent, IDMs. The strong demand has contributed to record quarterly bookings in the third quarter.

Our new order bookings for the third quarter of 2009 amounted to US\$233 million, which is an improvement of 23.9% as compared to the preceding three months and surpassed the previous record by 12.1%. For the first nine months of 2009, new order bookings amounted to US\$485 million, a decrease of only 10.7% over same period last year. Once again, ASM has certainly outperformed the market.

As of 30 September 2009, the order backlog amounted to US\$153 million, an increase of 25.8% as compared to the preceding three months. The book-to-bill ratio, representing net bookings over billings, was 1.16 for the third quarter of 2009.

Moreover, our cash-on-hand remains healthy despite the last dividend pay-out in August 2009. Capital addition during the period amounted to HK\$12.3 million, which is fully funded by this quarter's depreciation of HK\$56.1 million. With our effort to further expand our production capacity and the setting up of our new R&D centre in Chengdu, China, we expect most of our capex budget this year will be either consumed or committed in the fourth quarter.

PROSPECTS

The management is pleased that the level of business activities has largely returned to its pre-recession level, although many economists have been forecasting a slower rate of recovery in demand in the semiconductor industry for the rest of this year. The strong bookings and backlog that we are now enjoying provide a solid foundation for healthy billings in the fourth quarter of 2009. However, we are unable to predict with certainty whether the strong bookings will continue since the end of the year is usually a seasonally low period.

Despite the vast improvement in quarterly results, the whole of 2009 is not likely to see an improvement over 2008, since it would be difficult to make up for the weak start to the year. Nonetheless, we expect the momentum we are experiencing now to assist in narrowing the gap with 2008 as we approach the end of the year.

Looking forward, we continue to believe that the longer-term prospects of the semiconductor industry are promising, although it will be influenced to a large extent by the pace of the global recovery. Although the trajectory of the global recovery is unknown and we may well see the occasional dip along the way, the world economy appears to have started on the path of returning to steady growth. On the other hand, it cannot be predicted with certainty how long it will take to return to normalcy. The stubbornly high unemployment rate in some major economies is one of the factors which may put a drag on growth. Many analysts are still optimistic about recovery in 2010, and if so, we should see further improvement next year. Unless there are significant changes in the economic conditions, it is likely that the semiconductor industry should continue on its growth track in the near future.

Operationally, we remain committed to executing the strategies for achieving long-term dynamism and cost-effectiveness which we announced earlier, as well as aggressively controlling our costs and expenses to maintain our productivity and competitiveness. Despite the difficult market conditions experienced early this year, we have proven once again that with our strong financial resources and dedicated staff, we retain the ability to navigate the challenges and to emerge stronger. Our long-term business approach enables ASM to look beyond the immediate market conditions in order to leverage on its R&D strengths and to deliver the best value propositions to its customers.

We have never expected such a fast and strong recovery. Neither did we expect to attain new record bookings, record profits and near-record billings during this early stage of the global recovery. The past twelve months was an amazing journey for ASM. The management and staff of ASM are now ready for the new challenge of pursuing long-term growth for the company.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2009.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Arthur H. del Prado (Chairman), Mr. Peter Lo Tsan Yin (Vice Chairman), Mr. Lee Wai Kwong, Mr. James Chow Chuen and Mr. Eric Tang Koon Hung as Executive Directors, and Miss Orasa Livasiri, Mr. Robert Lee Shiu Hung and Mr. John Lok Kam Chong as Independent Non-executive Directors.

On behalf of the Board
Lee Wai Kwong
Director

Hong Kong, 29 October 2009