

[For Immediate Release]

## ASM ANNOUNCES 2008 ANNUAL RESULTS

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### PROPOSED FINAL DIVIDEND OF HK\$0.50 ENLARGED MARKET SHARE DESPITE MARKET DOWNTURN

#### Highlights

- Group turnover was US\$675 million, a reduction of 2.5% over the previous year
- Profit of HK\$974 million and earnings per share of HK\$2.49, a reduction of 23.3% over the previous year
- Equipment turnover of US\$527 million, a decline of 4.7% year on year
- Record lead frame turnover, achieving 6.5% revenue growth and US\$148 million sales
- Retained the world's No. 1 position in the assembly and packaging equipment industry held since 2002
- With zero debt and cash on hand of HK\$846 million at the end of December 2008

(Hong Kong, February 25, 2009) — The world's No.1 semiconductor assembly and packaging equipment supplier **ASM Pacific Technology Limited** ("ASM" / the "Group") (Stock code: 522) today announced its annual results for the year ended December 31, 2008. Despite the looming global financial crisis, ASM managed to widen its leadership from its closest rival in the equipment industry by US\$303 million in turnover, versus US\$187 million last year.

During the year under review, ASM achieved a turnover amounting to HK\$5,258 million, representing a decrease of 2.5 %, as compared with 2007, in which exceptionally high turnover and profits were attained. The Group's consolidated profit for the year was HK\$974 million, 23.3% lower than the previous year's. Basic earnings per share for the year were HK\$2.49 (2007: HK\$3.26).

Seeing potential challenges ahead and balancing the need to retain financial resources for business developing and rewarding shareholders, the Board of Directors recommended that a final dividend of HK\$0.50 (2007: final dividend of HK\$1.10 and second special dividend of HK\$0.40) per share be paid. Together with the interim dividend of HK\$0.90 and first special dividend of HK\$0.50 per share paid in August 2008, the total dividend payment for the year 2008 will be HK\$1.90 (2007: HK\$2.80) per share. This translates into a dividend payout ratio of 76.3% of the Group profit for the year.

**Mr. Lee Wai Kwong, Chief Executive Officer of ASM,** said, “Despite the warning signs of an emerging downturn appearing on the horizon last year, ASM was successful in grasping the opportunities which were then available. Return on capital employed and on sales were 38.5% and 20.8% respectively in 2008, which continued to reflect ASM’s industry leadership and the consistently growing acceptance of its products and services among customers. Strong demand was seen from IDMs and the smaller subcontractors, accounting for far more orders as compared to the world’s largest subcontractors. Marked progress was also made in product and geographical market diversification with China, Taiwan and Malaysia remaining the greatest contributors to the Group’s sales.”

During the period under review, equipment revenue was US\$527 million, equivalent to 78.1% of the Group’s turnover, a decline of 4.7 % when compared with the previous year. Lead frames revenue in 2008 made a new record at US\$148 million, a 6.5% growth, largely the result of a strong gain in market share.

New order bookings for 2008 amounted to US\$578 million, 21.7% down as compared with the previous year. Book-to-bill ratio, representing net bookings over billings, was 0.86. As a result of the general drop in demand amid the global economic crisis, order backlog which was at US\$150 million at the beginning of the year shrank to US\$53 million as at 31 December 2008.

The Group maintained a healthy financial position during the review period. Exercising aggressive working capital management through reduction of inventory and aggressive collection efforts, the Group’s cash on hand as at December 31, 2008 was HK\$846 million (2007: HK\$778 million). The Group has consistently managed to generate significant positive cash flows from operations and there is no short term need for major cash outlay. Current ratio and debt-equity ratio were 2.99 and 32.2% respectively.

**Mr. Lee** said, “Notwithstanding the strong overall results for the year, we felt the effects of the worsening industry downturn towards the end of the year. This brings to the foreground the success of our cost reduction effort in helping us defend profitability in the fourth quarter during which market conditions deteriorated. Relative to the third quarter, cost was down by more than 10% at the end of 2008. To effectively weather the downturn, ASM will continue to implement measures to improve liquidity, enhance long-term cost competitiveness and attain a lower permanent cost structure.”

Looking ahead, the global economic slowdown is expected to cause a major change in consumer spending patterns. When the economy starts to stabilize, consumer demand is expected to shift towards products of lower price. It points to the possible need to either install or convert the semiconductor production capacity to meet this shift. ASM’s R&D strategy will also be re-aligned accordingly. In the next 12 months, more R&D resources and effort will be devoted to introducing new generation more cost-competitive products.

“We continue to invest in R&D, and our new R&D centre in Chengdu, Sichuan, China is progressing at the projected pace. After the downturn and when the robust growth of emerging economies like China, India and other Asian countries continues unabated, we are confident that the future demand for semiconductor devices will again grow at a healthy pace,” 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 Balanced Sheet of ASM Pacific Technology Limited.)*

## ASM PACIFIC TECHNOLOGY LIMITED

### CONSOLIDATED INCOME STATEMENT

|                                     | Year ended 31 December |             |
|-------------------------------------|------------------------|-------------|
|                                     | 2008                   | 2007        |
|                                     | HK\$'000               | HK\$'000    |
| Turnover                            | 5,258,413              | 5,392,661   |
| Cost of sales                       | (3,163,227)            | (3,039,251) |
| Gross profit                        | 2,095,186              | 2,353,410   |
| Other income                        | 28,374                 | 36,316      |
| Selling expenses                    | (465,509)              | (440,043)   |
| General and administrative expenses | (195,751)              | (180,961)   |
| Research and development expenses   | (358,734)              | (318,525)   |
| Finance costs                       | (2)                    | (72)        |
| Profit before taxation              | 1,103,564              | 1,450,125   |
| Income tax expense                  | (129,891)              | (180,628)   |
| Profit for the year                 | 973,673                | 1,269,497   |
| Dividend paid                       | 1,132,821              | 972,098     |
| Dividend proposed                   | 196,178                | 585,942     |
| Earnings per share                  |                        |             |
| - Basic                             | HK\$2.49               | HK\$3.26    |
| - Diluted                           | HK\$2.48               | HK\$3.25    |

## ASM PACIFIC TECHNOLOGY LIMITED

### CONSOLIDATED BALANCE SHEET

|   | At 31 December   |                  |
|---|------------------|------------------|
|   | 2008             | 2007             |
|   | HK\$'000         | HK\$'000         |
| <b>Non-current assets</b>   |                  |                  |
| Property, plant and equipment                                     | 1,004,105        | 995,963          |
| Prepaid lease payments  | 8,321            | 9,255            |
| Deposits paid for acquisition of property,<br>plant and equipment | 12,434           | 31,401           |
| Deferred tax assets   | 9,993            | 4,140            |
|   | <u>1,034,853</u> | <u>1,040,759</u> |
| <b>Current assets</b>   |                  |                  |
| Inventories   | 900,958          | 912,347          |
| Trade and other receivables                                       | 1,003,243        | 1,328,748        |
| Prepaid lease payments  | 489              | 514              |
| Bank balances and cash  | 845,521          | 778,183          |
|   | <u>2,750,211</u> | <u>3,019,792</u> |
| <b>Current liabilities</b>  |                  |                  |
| Trade and other payables  | 647,940          | 921,580          |
| Taxation  | 271,112          | 187,324          |
|   | <u>919,052</u>   | <u>1,108,904</u> |
| <b>Net current assets</b>   | <u>1,831,159</u> | <u>1,910,888</u> |
|   | <u>2,866,012</u> | <u>2,951,647</u> |
| <b>Capital and reserves</b>                                       |                  |                  |
| Share capital   | 39,236           | 39,063           |
| Dividend reserve  | 196,178          | 585,942          |
| Other reserves  | 2,628,686        | 2,325,114        |
| <b>Equity attributable to equity holders of the Company</b>       | <u>2,864,100</u> | <u>2,950,119</u> |
| <b>Non-current liabilities</b>                                    |                  |                  |
| Deferred tax liabilities  | 1,912            | 1,528            |
|   | <u>2,866,012</u> | <u>2,951,647</u> |