

ASM ANNOUNCES 2011 INTERIM RESULTS

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ACHIEVES ALMOST US\$1 BILLION TURNOVER IN SIX MONTHS' TIME

Highlights

First Half of 2011

- Record Group turnover of US\$944.4 million, increasing 76.3% and 37.4% as compared to the first and second six-month periods of 2010, respectively
- Net profit of HK\$1.4 billion and earnings per share of HK\$3.55, increasing 22.5% and decreasing 16.9% as compared to the first and second six-month periods in 2010, respectively
- Assembly and packaging equipment turnover of US\$531.5 million, achieving growth of 20.9% over the first half year of 2010 and a decline of 7.9% against the preceding six months
- Lead frame turnover of US\$103.3 million, achieving growth of 7.6% over same period last year and a decline of 6.1% against the preceding six months
- SMT equipment turnover of US\$309.6 million, contributing to 32.8% of the Group's turnover
- New order bookings of US\$812.8 million, representing a book-to-bill ratio of 0.86
- Retained the world's No. 1 position in the assembly and packaging equipment industry held since 2002
- Cash on hand of HK\$2.0 billion at the end of June 2011
- Integration of the newly acquired SMT equipment business is well on track

2nd Quarter 2011

- Record Group turnover of US\$510.7 million, a surge of 66.5% over same period last year and a sequential growth of 17.6% against the preceding quarter
- Net profit of HK\$731.5 million and earnings per share of HK\$1.84, a growth of 7.3% over same period last year and a growth of 8.3% over the preceding quarter
- Assembly and packaging equipment turnover of US\$284.8 million, achieving growth of 11.3% over the second quarter of 2010 and a growth of 15.3% against the preceding quarter
- Lead frame turnover of US\$58.0 million, a growth of 27.9% against the preceding quarter and a growth of 13.9% over same period last year
- SMT equipment turnover of US\$167.9 million, a growth of 18.3% against the preceding quarter
- New order bookings of US\$368.4 million, a decline of 17.1% over the preceding quarter

(Hong Kong, July 28, 2011) — The world's No.1 semiconductor assembly and packaging equipment supplier **ASM Pacific Technology Limited** ("ASM" / the "Group") (Stock code: 522) today announced its interim results for the six months ended June 30, 2011. 2011 is a landmark year for ASM as the integration of the newly acquired Surface Mount Technology ("SMT") Equipment business into ASM's core activities is progressing well, and has helped to propel the Group's billings for the past six months as well as for the second quarter this year to new records.

During the period under review, the Group achieved remarkable turnover amounting to HK\$7.3 billion in the six months ended 30 June 2011, representing an increase of 76.3% as compared with HK\$4.2 billion for corresponding period last year. The Group's consolidated profit after taxation for the first six months of 2011 was HK\$1.4 billion as compared to a profit of HK\$1.1 billion in the corresponding period in 2010. Basic earnings per share (EPS) for the first six months of 2011 amounted to HK\$3.55 (first six months of 2010: HK\$2.91).

In view of the Company's continuing strong liquidity and rising equity base, the Board of Directors has resolved to pay an interim dividend of HK\$1.60 (2010: HK\$1.60) per share.

Mr. Lee Wai Kwong, Chief Executive Officer of ASM, said, "We are pleased to announce the satisfactory results achieved in the first half of 2011. Both billings and net profits (inclusive of the SMT Equipment business) during the first six months of 2011 alone have surpassed the full-year results of any of our previous years, except for 2010. Furthermore, all our major product segments during the second quarter achieved double-digit growth in revenue both as compared to the corresponding period last year and to the previous quarter. The new record results were achievable due to the strong backlog that we had accumulated during the robust preceding quarters and the contribution from the SMT Equipment business."

The contribution from the newly-acquired SMT Equipment business is immediate and significant. The business has boosted the revenue of the Group by 48.8%, and has also contributed positively to the Group's bottom line ever since its acquisition. During the first six months of 2011, SMT Equipment revenues were US\$309.6 million, equivalent to 32.8% of the Group's turnover. Net profits of the SMT Equipment business was HK\$132.1 million, with an EBIT margin of 11.3% and a gross margin of 27.2%.

During the first six months of 2011, Assembly and Packaging Equipment revenues were US\$531.5 million, representing 56.3% of the Group's turnover and an increase of 20.9% as compared to the corresponding period last year. Though the market appears to be taking a breather after experiencing many quarters of robust growth, the Group continues to believe that consumer demand for televisions, automobiles, smart phones, portable computers and tablet PCs are the drivers of growth for the global semiconductor industry.

Lead frame business achieved revenues of US\$103.3 million, representing 10.9% of the Group's turnover and an improvement of 7.6% as compared to the first half of 2010. However, high metal prices laid obstacle for the development of this business segment during the period under review. In order to rectify the imbalance between metal prices and Lead frame prices, ASM is implementing cost reduction measures, while at the same time working with customers to share the cost increases.

Looking ahead, **Mr. Lee** said, "The Group is now aggressively working on cost reduction and in-sourcing to fulfill the synergistic potential brought by the integration of the SMT Equipment. ASM's R&D team in Asia has started the designs of various components and modules for our SMT Equipment and the prototypes have shown promising results. We are working on a very advanced new bonder which will incorporate a module that is currently implemented in our SMT equipment. This new bonder is expected to be delivered to one of our leading customers by the end of this year for their state-of-the-art next generation chip packaging process."

“There are signs of sluggish market demand due to a slew of negative macroeconomic factors. Overall, we are still cautiously optimistic about 2011. Amongst other things, ASM is benefitting from the acquisition of the SMT Equipment business, and will achieve strong revenue growth this year. There are also long-term trends in the LED and SMT Equipment markets that ASM is well-placed to benefit from once the market returns to its former strength. The increasing popularity of consumer devices such as smartphones and tablet computers, and continuing growth of emerging markets will be key to the stimulation of demand.”
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 and surface mount technology, with operations being carried out in Hong Kong, China, Singapore, Malaysia and Germany.

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 and the Hang Seng Hong Kong 35 index.

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(N.B.: Enclosed please find the Condensed Consolidated Statement of Comprehensive Income and Condensed Consolidated Statement of Financial Position of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2011 | 2010 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Turnover | 7,348,618 | 4,167,155 |
| Cost of sales | (4,551,061) | (2,251,841) |
| | <hr/> | <hr/> |
| Gross profit | 2,797,557 | 1,915,314 |
| Other income | 14,948 | 14,390 |
| Selling and distribution expenses | (427,494) | (283,969) |
| General and administrative expenses | (203,768) | (128,791) |
| Research and development expenses | (413,283) | (203,586) |
| Other gains and losses | (31,084) | 15,663 |
| Finance costs | (1,901) | (1) |
| | <hr/> | <hr/> |
| Profit before taxation | 1,734,975 | 1,329,020 |
| Income tax expense | (328,013) | (180,655) |
| | <hr/> | <hr/> |
| Profit for the period | 1,406,962 | 1,148,365 |
| | | |
| Exchange differences on translation of foreign operations, representing other comprehensive income for the period | 139,657 | 15,923 |
| | <hr/> | <hr/> |
| Total comprehensive income for the period | 1,546,619 | 1,164,288 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Earnings per share | | |
| - Basic | HK\$3.55 | HK\$2.91 |
| | <hr/> <hr/> | <hr/> <hr/> |
| - Diluted | HK\$3.55 | HK\$2.91 |
| | <hr/> <hr/> | <hr/> <hr/> |

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | At 30 June 2011 (Unaudited) HK\$'000 | At 31 December 2010 (Audited) HK\$'000 |
|--|---|---|
| Non-current assets | | |
| Property, plant and equipment | 1,943,567 | 1,528,498 |
| Intangible assets | 13,417 | - |
| Prepaid lease payments | 28,897 | 28,782 |
| Pledged bank deposit | 224,950 | - |
| Deposits paid for acquisition of property, plant and equipment | 73,781 | 65,511 |
| Rental deposits paid | 8,397 | 10,261 |
| Deferred tax assets | 72,524 | 23,495 |
| Other non-current assets | 3,268 | - |
| | <hr/> | <hr/> |
| | 2,368,801 | 1,656,547 |
| | <hr/> | <hr/> |
| Current assets | | |
| Inventories | 3,186,402 | 1,624,182 |
| Trade and other receivables | 3,607,567 | 2,280,470 |
| Prepaid lease payments | 996 | 977 |
| Derivative financial instruments | 8,368 | - |
| Income tax recoverable | 8,549 | - |
| Bank deposits with original maturity of more than three months | - | 76,798 |
| Bank balances and cash | 1,985,417 | 1,978,182 |
| | <hr/> | <hr/> |
| | 8,797,299 | 5,960,609 |
| | <hr/> | <hr/> |
| Current liabilities | | |
| Trade and other payables | 3,221,824 | 1,993,404 |
| Derivative financial instruments | 1,859 | - |
| Provisions | 412,054 | - |
| Taxation | 676,276 | 482,992 |
| Bank borrowings | 166,715 | - |
| | <hr/> | <hr/> |
| | 4,478,728 | 2,476,396 |
| | <hr/> | <hr/> |
| Net current assets | 4,318,571 | 3,484,213 |
| | <hr/> | <hr/> |
| | 6,687,372 | 5,140,760 |
| | <hr/> | <hr/> |
| Capital and reserves | | |
| Share capital | 39,612 | 39,612 |
| Dividend reserve | 633,790 | 1,267,581 |
| Other reserves | 4,809,969 | 3,832,957 |
| | <hr/> | <hr/> |
| Equity attributable to owners of the Company | 5,483,371 | 5,140,150 |
| | <hr/> | <hr/> |
| Non-current liabilities | | |
| Pension plans and other commitments | 32,115 | - |
| Provisions | 82,254 | - |
| Deferred tax liabilities | 663 | 610 |
| Other liabilities and accruals | 1,088,969 | - |
| | <hr/> | <hr/> |
| | 1,204,001 | 610 |
| | <hr/> | <hr/> |
| | 6,687,372 | 5,140,760 |
| | <hr/> | <hr/> |