

ASM ANNOUNCES 2010 ANNUAL RESULTS

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SET OVERALL NEW HEIGHTS IN 2010

Highlights

Q4 2010

- Group turnover of US\$340.1 million, a small decline of 2.5% over the previous quarter and a growth of 50.3% over the same period a year ago
- Net profits of HK\$844.9 million and earnings per share of HK\$2.14, a slight decline of 0.4% over the previous quarter and a surge of 83.9% over the same period a year ago
- Equipment turnover of US\$288.7 million, a slight decline of 0.5% over the preceding quarter and 60.4% growth over the same period of previous year
- Lead frame turnover of US\$51.5 million, a decline of 12.4% over the preceding quarter and 11.0% growth over the same period of previous year
- New order bookings of US\$179.3 million, a decline of 52.4% sequentially over the preceding quarter

Second Half 2010

- Record half yearly Group turnover of US\$688.1 million, a growth of 28.3% over the previous six months and 60.9% over same period a year ago
- Record half yearly net profits of HK\$1,693.7 million and earnings per share of HK\$4.29, a growth of 47.5% over the 1st half year and a surge of 96.8% over the same period a year ago
- Record half yearly equipment turnover of US\$577.9 million, achieving 31.3% growth over the preceding half year and 70.0% growth over the same period a year ago
- Record half yearly lead frame turnover of US\$110.1 million, achieving 14.5% growth over the preceding half year and 25.7% growth over the same period a year ago
- Half yearly new order bookings of US\$556 million, a decline of 38.8% sequentially over the preceding half year

Fiscal Year 2010

- Record Group turnover of US\$1,224.6 million, a surge of 101.1% over 2009
- Record Net Profits of HK\$2,842 million and earnings per share of HK\$7.20, a surge of 203.8% over the previous year
- Record Equipment turnover of US\$1,018.3 million, a surge of 117.4% year on year
- Record Lead frame turnover of US\$206.3 million, a growth of 46.7% year on year
- Record new order bookings of US\$1,463.9 million, a surge of 90.4% over 2009
- Retained the world's No. 1 position in the semiconductor assembly and packaging equipment industry held since 2002
- Record cash on hand of HK\$2,055 million at the end of December 2010, with zero debt

(Hong Kong, March 3, 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 annual results for the year ended December 31, 2010.

It has been a fantastic year for ASM that is characterized by many firsts. During the year, the Group made new records in all the major areas, including bookings, billings and net profits. Revenue for the Group surpassed US\$1 billion for the first time in ASM's history. In fact, equipment revenue alone has exceeded US\$1 billion, and this is unprecedented in the semiconductor assembly and packaging equipment industry. Meanwhile, lead frame revenue exceeded US\$200 million. The Group's consolidated profit for the year was HK\$2,842 million, 203.8% higher than the previous year's. Basic earnings per share for the year amounted to HK\$7.20 (2009: HK\$2.38).

In view of the Group's strong liquidity and equity base by continuously positive cash flow from operation, the Board of Directors recommended that a final dividend of HK\$2.10 (2009: HK\$1.20) and a special dividend of HK\$1.10 (2009: second special dividend of HK\$0.40) per share be paid. Together with the interim dividend of HK\$1.60 per share paid in August 2010, the total dividend payment for the year 2010 will be HK\$4.80 (2009: HK\$2.20) per share. This translates into a dividend payout ratio of 66.8% of the Group profit for the year.

Mr. Lee Wai Kwong, Chief Executive Officer of ASM, said, "The year 2010 will be remembered as a landmark year in ASM's history. It is destined to mark a new era of growth for the Group. ASM achieved excellent results because all products turned in higher sales compared with the previous year. Gross margin showed significant improvement due to our continual cost reduction efforts and volume effect as a result of the high sales turnover."

During the period under review, both equipment and lead frame businesses achieved remarkable results. Equipment revenue was US\$1,018.3 million, equivalent to 83.2% of the Group's turnover, an increase of 117.4 % when compared with the previous year. ASM was once again the top supplier in its industry, which is a position it has maintained since 2002. Lead frame revenue in 2010 was US\$206.3 million, growing by 46.7%. This solid performance again highlights the Group's strong market position in the lead frame business.

New order bookings for 2010 amounted to a new record of US\$1,463.9 million, which is an increase of 90.4% as compared to previous year. Book-to-bill ratio, representing net bookings over billings, was 1.20. Backlog at the end of 2010 was US\$450.2 million.

The Group continued to see strong momentum in the demand for its copper wire bonders and copper wire bonding conversion kits. Many of its gold wire bonders in the field have now been converted into copper wire bonders thus enhancing ASM's premier position in copper wire bonding technology. Furthermore, the Group has the largest product portfolio to address both the semiconductor market and the LED market, which allowed ASM to take advantage of the strong growth in demand in the LED market in 2010.

During the year, ASM entered the Surface Mount Technology ("SMT") business by acquiring the Siemens Electronics Assembly Systems ("SEAS") business from Siemens AG. The Group was pleased to observe that the SEAS business managed to achieve operational profits during the second half of 2010. Its revenue in 2010 achieved a strong growth of 116.3% against 2009. China has become the largest market for the SEAS business, which coincidentally is also the largest and most successful market for ASM. After the acquisition by ASM, the SEAS business has been renamed "ASM Assembly Systems". The integration activities to ensure that positive synergies between the two existing businesses are realized at

the earliest possible time are well on track.

Looking ahead, **Mr. Lee** said, “We expect the SMT business to become an additional growth engine for ASM which will contribute materially to ASM’s profitability in the future. We expect the newly acquired SMT business will have an immediate contribution to our bottom line starting from this year. We are confident that the acquisition will enable the Group to continue to deliver growth and returns to its shareholders that are in line with ASM’s historical performance.”

In the LED sector, it is likely that the LED market will proceed to grow again after the inventory adjustment. Besides LED Back-Lighting Units, LED general lighting will become an additional driver to propel growth. Upon the turnaround in the business cycle, the Group is in a prime position to add significant growth to its top and bottom lines as a result of our investment in capacity and the structural improvements to its operations.

“We had previously announced that a R&D centre has been set up in Chengdu, China, and that we are in the process of expanding its operations. The new building which is due to be completed in the third quarter of 2011 will allow ASM to significantly boost its R&D strength and resources. Moreover, the acquisition of the SEAS business has added a fourth R&D centre in Munich, Germany to the Group. We believe that with the aforesaid increase in R&D resources, ASM’s long-term strategic positioning as the leader of the assembly and packaging equipment business, as well as a leading supplier of SMT equipment, would be significantly strengthened,” **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 and the Hang Seng Hong Kong 35 index.

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

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2010	2009
	HK\$'000	HK\$'000
Turnover	9,515,089	4,732,174
Cost of sales	(5,006,965)	(2,776,579)
Gross profit	<u>4,508,124</u>	1,955,595
Other income	22,769	7,729
Selling and distribution expenses	(603,095)	(417,324)
General and administrative expenses	(275,559)	(166,509)
Research and development expenses	(433,987)	(307,467)
Other gains and losses	1,398	(6,254)
Finance costs	(3)	-
Profit before taxation	<u>3,219,647</u>	1,065,770
Income tax expense	(377,613)	(130,332)
Profit for the year	<u>2,842,034</u>	935,438
Exchange differences on translation of foreign operations, representing other comprehensive income for the year	<u>34,305</u>	2,338
Total comprehensive income for the year	<u><u>2,876,339</u></u>	<u><u>937,776</u></u>
Earnings per share		
- Basic	<u>HK\$7.20</u>	HK\$2.38
- Diluted	<u>HK\$7.18</u>	HK\$2.37

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2010	2009
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	1,528,498	890,456
Prepaid lease payments	28,782	7,901
Deposits paid for acquisition of property, plant and equipment	65,511	19,339
Rental deposits paid	10,261	-
Deferred tax assets	23,495	21,057
	1,656,547	938,753
Current assets		
Inventories	1,624,182	1,003,945
Trade and other receivables	2,280,470	1,572,752
Prepaid lease payments	977	494
Bank deposits with original maturity of more than three months	76,798	-
Bank balances and cash	1,978,182	1,253,872
	5,960,609	3,831,063
Current liabilities		
Trade and other payables	1,993,404	1,167,831
Taxation	482,992	191,354
	2,476,396	1,359,185
Net current assets	3,484,213	2,471,878
	5,140,760	3,410,631
Capital and reserves		
Share capital	39,612	39,439
Dividend reserve	1,267,581	631,027
Other reserves	3,832,957	2,739,610
Equity attributable to owners of the Company	5,140,150	3,410,076
Non-current liabilities		
Deferred tax liabilities	610	555
	5,140,760	3,410,631