



## **ASM PACIFIC TECHNOLOGY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0522)**

### **ANNOUNCEMENT OF UNAUDITED 2007 FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

- **Group turnover of US\$123.3 million, a decline of 7.8% over same period last year**
- **Group profit of HK\$191.8 million and basic earnings per share of HK\$0.49**
- **Group new order bookings of US\$149.6 million, an increase of 24.6% sequentially over the preceding quarter**
- **Book-to-bill ratio of 1.21, a strong improvement from 0.84 of the preceding quarter**
- **Cash on hand of HK\$987.5 million at end of first quarter 2007**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the three months ended 31 March 2007:

#### **RESULTS**

ASM Pacific Technology Limited and its subsidiaries (the “Group” or “ASM”) report a turnover of HK\$961,632,000 for the three months ended 31 March 2007, representing a decrease of 7.8% as compared with HK\$1,043,454,000 for first quarter of 2006 and 13.9% decrease when compared with the turnover of HK\$1,117,492,000 for the preceding three months period. The Group’s consolidated profit after taxation for the first quarter of 2007 is HK\$191,794,000 which is 32.0% lower than the corresponding period in 2006 and 19.1% lower than the previous quarter. Basic earnings per share (EPS) for the first quarter of 2007 amounted to HK\$0.49 (first quarter of 2006: HK\$0.73, fourth quarter of 2006: HK\$0.61).

## FINANCIAL HIGHLIGHTS

		<b>Three Months ended 31 Mar 2007 (Unaudited) HK\$'000</b>	Three Months ended 31 Mar 2006 (Unaudited) HK\$'000
	<i>Notes</i>		
Turnover	1	<b>961,632</b>	1,043,454
Cost of sales		<b>(569,698)</b>	(565,651)
Gross profit		<b>391,934</b>	477,803
Other income		<b>15,391</b>	9,089
Selling expenses		<b>(83,662)</b>	(85,667)
General and administrative expenses		<b>(39,534)</b>	(37,441)
Research and development expenses		<b>(67,869)</b>	(63,981)
Finance costs		<b>(48)</b>	(13)
Profit before taxation		<b>216,212</b>	299,790
Income tax expense		<b>(24,418)</b>	(17,634)
Profit for the period		<b>191,794</b>	282,156
Earnings per share	2		
- Basic		HK\$0.49	HK\$0.73
- Diluted		HK\$0.49	HK\$0.73

### Notes:

#### 1. Turnover by business segments

	<b>Three Months ended 31 Mar 2007 (Unaudited) HK\$'000</b>	Three Months ended 31 Mar 2006 (Unaudited) HK\$'000
Turnover		
Equipment	<b>767,208</b>	817,106
Leadframe	<b>194,424</b>	226,348
	<b>961,632</b>	1,043,454

## 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:

	<b>Three Months ended 31 Mar 2007 (Unaudited) HK\$'000</b>	Three Months ended 31 Mar 2006 (Unaudited) HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<b>191,794</b>	282,156
	<b>Number of shares (in thousand)</b>	
Weighted average number of shares for the purposes of basic earnings per share	<b>388,839</b>	387,059
Effect of dilutive potential shares from the Employee Share Incentive Scheme	<b>37</b>	155
Weighted average number of shares for the purposes of diluted earnings per share	<b>388,876</b>	387,214

## REVIEW

We started the year with a lower backlog because of softening in the general market commenced in second half of 2006. Coupled with the seasonal pattern that revenue in first quarter of a year is generally lower than the preceding quarter, we experienced a reduction in turnover during the first quarter of 2007. Coming off the unprecedented highs of 2006, the reduction in turnover was not unexpected. Thanks to improved bookings, our revenue in the first quarter of this year was actually better than what we had anticipated.

During the first quarter of 2007, Equipment revenue decreased slightly by 6.1% to US\$98.4 million from the same period a year ago and decreased by 10.9% from the preceding quarter. Our Leadframes revenue was US\$24.9 million for the first quarter of 2007. It represents a reduction of 24.2% sequentially over the preceding quarter and a reduction of 14.1% against the same quarter last year. This was the first quarter that we observed a reduction in revenue for our Leadframes business after many quarters of robust growth in the last two years. Leadframes revenue contributed to 20.2% of the Group's turnover.

Our new order bookings for the first quarter of 2007 amounted to US\$149.6 million. Although it was slightly lower than same period last year by 8.8%, it represented a significant rebound of 24.6% compared to the preceding three months period. We are pleased to note such a reversal of trend in order inflows. We are further encouraged by the fact that the improvement in order inflows has been broad-based, covering almost all of our products. This is an encouraging sign which spurs us to work towards sustained growth across our range of products for the rest of the year.

The improved order inflows led to strong rebound in our order backlog. As of 31 March 2007, the order backlog amounted to US\$130 million, an increase of 25.4% as compared to the preceding three

months period and same level of first quarter of 2006. The book-to-bill ratio, representing net bookings over billings, was 1.21 for the first quarter of 2007. It is slightly below the 1.22 achieved in first quarter last year and represents a significant improvement over 0.84 for the preceding quarter.

Our diverse portfolio of products has again put us in a strong position in a very competitive environment. Our solid foundation laid over the years through the diversification of products and application markets, efficient cost structure and successful introduction of technologically-advanced new products have consistently given ASM a strong competitive advantage over its peers.

Capital addition during the period amounted to HK\$53.3 million; a good portion was funded by this quarter's depreciation of HK\$45.4 million.

## **PROSPECTS**

The promising order inflows experienced by us during the first quarter of 2007 is encouraging as the slowing trend seen in the second half of last year is showing signs of reversing. The strong order backlog situation currently enjoyed by us is certainly a positive sign. Although it is still too early to conclude that the forecasted market recovery is already upon us, we are cautiously optimistic about the rest of the year if the trend remains positive.

Based upon our strong track record as the market leader for the supply of semiconductor assembly and packaging equipment, we are well-positioned to take advantage of any upswing in the market. We will continue to enhance our operating performance in order to meet any increase in demand, as and when it occurs. Historically, our customer-centric strategy and extensive marketing network have helped us to be responsive to the needs of the market and to capture market opportunities that are presented by strong demand. ASM remains focused on leveraging on its R&D strengths to deliver excellent value propositions to its customers.

## **REVIEW OF ACCOUNTS**

The Audit Committee has reviewed the Group's unaudited consolidated financial statements for the three months ended 31 March 2007.

## **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; Mr. Patrick Lam See Pong (Honorary Chairman) and Mr. Arnold J. M. van der Ven as Non-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, 2 May 2007

*Please also refer to the published version of this Announcement in **South China Morning Post**.*