

FOR IMMEDIATE RELEASE**ASM PACIFIC TECHNOLOGY LIMITED ANNOUNCEMENT OF 1999 AUDITED RESULTS YEAR ENDED DECEMBER 21, 1999**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement.

Results

We are pleased to report that ASM Pacific Technology Group performed outstandingly in the financial year ended December 31, 1999. The consolidated turnover for the Group in 1999 increased by 42.7% and amounted to HK\$ 1,890,869,000, compared with HK\$ 1,325,341,000 for the previous year. Profit attributable to shareholders was HK\$ 330,150,000, almost threefold last year's net profit after tax of HK\$ 112,987,000. Basic earnings per share for the year amounted to 88.0 cents (1998: 30.2 cents).

Dividend

An interim dividend of 7.0 cents (1998: 7.0 cents) per share was paid in September 1999. The Board of Directors recommends a final dividend of 28.0 cents (1998: 19.5 cents) per share payable on May 25, 2000, making a total payment of 35.0 cents (1998: 26.5 cents) per share for the year ended December 31, 1999.

FINANCIAL HIGHLIGHTS

Audited

	Year ended December 31 st	
	1999	1998
	HK \$ 000	HK \$ 000
Turnover	1,890,869	1,325,341
Cost of Sales	(1,111,871)	(875,656)
Gross Profit	778,998	449,685
Selling, general and administrative costs	(269,533)	(193,624)
Research and development, net	(145,812)	(130,801)
Profit from operations	363,653	125,260
Investment income	3,665	8,513
Interest expenses, net	(12,830)	(15,266)
Exchange (losses) gains	(5,343)	3,241
Profit before taxation	349,145	121,748
Taxation	(18,995)	(8,761)
Profit for the year	330,150	112,987
Dividends	(131,809)	(99,305)
Profit for the year retained	198,341	13,682
Earnings per share		
- Basis	88.0 cents	30.2 cents
- Diluted	87.6 cents	30.1 cents

Driven by continued demands for PCs and servers, information appliances and telecommunication products, the semiconductor industry experienced a solid recovery last year after three years of consolidation. In particular, internet infrastructure, e-commerce and wired/wireless communications requirements boosted sales of various types of integrated circuits (ICs). With the overcapacity condition and "Asian crisis" that exacerbated the depth of the downturn effect in 1998 now over, most industry analysts estimated the growth rate to be 15% in 1999.

For the semiconductor equipment industry, monthly book-to-bill ratios have been consistently above one since the turn of the year. The assembly and packaging equipment sector was estimated to have grown 20% in 1999 to US\$ 1.8 billion (SEMI-SEAJ data and SEMI forecast).

Although ASM began the year with a low order backlog, bookings since the beginning of the second quarter have been very strong. Demands in general are up across all major product lines and territorial markets, with some significant orders from several major clients. Due to very strong demands for our AB 339 gold wire bonders and our

success in ramping up output in the 4th quarter we closed the year with record sales, a record order backlog exceeding US\$ 100 million, and turnover growth surpassing all previous years in our Company's history.

In parallel with the 51% growth in our equipment revenue, ASM has been capturing a significant number of new customers and gaining critical market share in the lucrative IC assembly equipment market. We are now one of the world's top three assembly equipment suppliers. The major equipment revenue jump has led to improved gross and net margins, resulting in a record profit for the Group and an unprecedented profit growth rate of 192.2%.

Largely due to our AB339 gold wire bonder's unique ultra fine pitch bonding capability, in 1999 we became the major wire bonder supplier to the world's largest IC assembler, located in Korea, who uses our machines to bond various state-of-the-art IC packages. With over two hundred machines shipped in the second half of the year, ASM achieved a much larger share of the Korean market, which contributed 9.5% of our total revenue.

With the excellent market acceptance of our IDEALine and major investments made by our Malaysian customers, both multinational and local, Malaysia became our largest territorial market in 1999, exceeding US\$60 million in business volume.

Such major recognition of our equipment products in the world market have proved crucial in raising ASM's profile on the international level, opening up new opportunities and winning new customers. With the market success of our AB 339 gold wire bonder, we have seen a growing customer acceptance across the full range of ASM products, ranging from our die bonders, the new IDEALmold and the IDEALine (that links several ASM equipment units to provide a factory automation solution) to the chip scale ball grid array (CSBGA) singulation system. To cope with the strong market demands and to provide our customers with excellent after-sales service, we have enlarged our field service team and expanded our production capacity. Apart from securing more floor space at the existing site of our China factory, we have launched two satellite factories to increase our output of fabricated parts. The first one has been operational since the 4th quarter of 1999, while the second one will commence operation in April 2000. Upon completion of this expansion, we will occupy at least 50% more floor space in our China operation than twelve months ago.

Capital investments in 1999 amounted to US\$ 22.5 million, including those for existing, new satellite and Malaysian plants.

Prospects

The semiconductor industry is at the beginning of an economic upcycle. Industry analysts continue to upgrade their year 2000 projections and growth rates for the next three years are forecasted to be 20-25% per year.

Due to under investment during the recent downturn, a strong three-year period is predicted for the semiconductor equipment industry, with the growth rates of approximately 25% per year between 2000 and 2002 (VLSI Research 2000: 27.4% for assembly equipment).

We are well prepared for this opportunity. In addition to further enhancing the performance of our renowned model AB339 gold wire bonder with 45 microns pad pitch and copper wire bonding processes, we have scheduled the launching of the next generation version – the Eagle – for May this year. The Eagle will be a high performance machine featuring 20 – 30% higher throughput, and delivers a better price/performance to our customers.

Driven by die shrinkage, integrated chip functions, new package trends and major capacity additions, demands for die and wire bonders in the next few years should be very strong. With our AD889 and AD829A die bonders addressing the standard IC and small die applications respectively, the higher throughput "Eagle" gold wire bonder and a series of new products from IDEALmold to CSP backend equipment, ASM is well-positioned to continue to outpace industry performance, gaining market share in our equipment product sector during 2000 and ensuing years.

Our prospects have been further brightened by other achievements last year, laying solid foundations for growth in the future. We shipped our first strip-testing module together with our trim form systems to a multinational customer, a new in-line testing approach that significantly boosts productivity and reduces product cost. We addressed chip scale packages demands by launching our first series of backend process equipment (including an epoxy dispensing system and a solder ball placement system). And having successfully developed a high precision laser diode bonder, we have committed R&D resources to address the flip chip bonding challenge, targeted for completion in year 2001. In addition, our packaging and process development team is tackling a new IC package – the QFN (a leadframe/metal substrate CSP), with the aim of providing customers with the total solution to assemble QFN based on ASM's equipment and etched leadframes.

Due to continued rising demands across all products, we still need to further equip our China and Malaysian factories to boost the output of fabricated parts. Capital investment for capacity expansion, for analytical equipment, hardware and software to support R&D and management information, is expected to grow to US\$ 25 million for year 2000.