



ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF 2002 UNAUDITED RESULTS SIX MONTHS ENDED 30TH JUNE, 2002

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

RESULTS

For the six months ended 30th June, 2002, the Group achieved a turnover of HK\$826,728,000, representing an improvement of 45.5% as compared with the HK\$568,209,000 of the preceding six months period, although a decrease of 16.7% when compared with HK\$992,018,000 for the same period of the previous year. The Group's consolidated profit after taxation for the six months is HK\$135,410,000, which is also 32.3% less than the corresponding period in 2001. Basic earnings per share for the half year period amounted to HK\$0.35 (2001: HK\$0.53).

DIVIDEND

The Board of Directors has resolved to pay an interim dividend of HK\$0.36 (2001: HK\$0.36) per share. This is in line with our prudent decision, as stated in the 2001 year end financial result announcement, to return current excessive cash holdings to our shareholders while continuing to operate the Group with the optimum shareholders' fund.

The Register of Members will be closed from 20th August, 2002 to 27th August, 2002, both days inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Secretaries Limited, at 5/F, Wing On Centre, 111 Connaught Road Central, Hong Kong, not later than 4:00 p.m. on 19th August, 2002. The interim dividend will be paid on or about 28th August, 2002.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Six months ended	
		30th June,	
		2002	2001
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	826,728	992,018
Cost of sales		<u>(487,028)</u>	<u>(583,430)</u>
Gross profit		339,700	408,588
Other revenue		3,380	26,167
Selling expenses		(78,215)	(72,758)
General and administrative expenses		(39,617)	(53,466)
Research and development expenses, net		<u>(81,345)</u>	<u>(85,221)</u>
Profit from operations	2	143,903	223,310
Finance costs		<u>(113)</u>	<u>(34)</u>
Profit before taxation		143,790	223,276
Taxation	4	<u>(8,380)</u>	<u>(23,115)</u>
Net profit for the period		<u><u>135,410</u></u>	<u><u>200,161</u></u>
Dividends	5	<u><u>137,364</u></u>	<u><u>136,723</u></u>
Earnings per share	6		
— Basic		<u><u>HK\$0.35</u></u>	<u><u>HK\$0.53</u></u>
— Diluted		<u><u>HK\$0.35</u></u>	<u><u>HK\$0.53</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

		At 30th June, 2002 <i>(Unaudited)</i> HK\$'000	At 31st December, 2001 <i>(Audited)</i> HK\$'000
Non-current assets			
Property, plant and equipment	7	<u>717,507</u>	<u>757,705</u>
Current assets			
Inventories		569,634	607,207
Trade and other receivables	8	405,720	321,789
Bank balances and cash		<u>395,630</u>	<u>478,487</u>
		<u>1,370,984</u>	<u>1,407,483</u>
Current liabilities			
Trade and other payables	9	306,973	266,398
Taxation		28,973	26,054
Short-term bank borrowings	10	<u>—</u>	<u>28,473</u>
		<u>335,946</u>	<u>320,925</u>
Net current assets		<u>1,035,038</u>	<u>1,086,558</u>
		<u>1,752,545</u>	<u>1,844,263</u>
Capital and reserves			
Share capital	11	38,157	38,157
Dividend reserve		137,364	244,203
Other reserves		<u>1,563,669</u>	<u>1,546,687</u>
		1,739,190	1,829,047
Non-current liabilities			
Deferred taxation		<u>13,355</u>	<u>15,216</u>
		<u>1,752,545</u>	<u>1,844,263</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated Retained profits HK\$'000	Dividend reserve HK\$'000	Total HK\$'000
Balance at 1st January, 2001	37,979	126,528	70,944	(66,537)	1,601,869	322,817	2,093,600
Shares issued under the Employee Share Incentive Scheme	178	—	—	—	—	—	178
Currency realignment on translation of financial statements of overseas operation	—	—	—	(36,437)	—	—	(36,437)
Net profit for the year	—	—	—	—	231,246	—	231,246
Dividends paid	—	—	—	—	—	(459,540)	(459,540)
2001 interim and final dividends	—	—	—	—	(380,926)	380,926	—
Balance at 1st January, 2002	38,157	126,528	70,944	(102,974)	1,452,189	244,203	1,829,047
Currency realignment on translation of financial statements of overseas operations	—	—	—	18,936	—	—	18,936
Net profit for the period	—	—	—	—	135,410	—	135,410
2001 final dividend paid	—	—	—	—	—	(244,203)	(244,203)
2002 interim dividend	—	—	—	—	(137,364)	137,364	—
Balance at 30th June, 2002	38,157	126,528	70,944	(84,038)	1,450,235	137,364	1,739,190
Balance at 1st January, 2001	37,979	126,528	70,944	(66,537)	1,601,869	322,817	2,093,600
Currency realignment on translation of financial statements of overseas operations	—	—	—	(34,032)	—	—	(34,032)
Net profit for the period	—	—	—	—	200,161	—	200,161
2000 final dividend paid	—	—	—	—	—	(322,817)	(322,817)
2001 interim dividend	—	—	—	—	(136,723)	136,723	—
Balance at 30th June, 2001	37,979	126,528	70,944	(100,569)	1,665,307	136,723	1,936,912

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30th June, 2002 (Unaudited) HK\$'000	Six months ended 30th June, 2001 (Unaudited) HK\$'000
Net cash inflow from operating activities	213,725	389,951
Net cash outflow from investing activities	(25,145)	(93,553)
Net cash outflow from financing activities	(272,671)	(322,817)
Decrease in cash and cash equivalents	(84,091)	(26,419)
Cash and cash equivalents at beginning of the period	478,482	648,774
Effect of foreign exchange rate changes	1,239	(9,114)
Cash and cash equivalents at end of period	395,630	613,241

REVIEW

With the excessive inventory in the electronics supply chain depleted by the suppression of production schedules during 2001, semiconductor industry output in 2002 again started to reflect true end product demand. Although still below their last peaks, semiconductor orders have picked up in the computer, communication and consumer market segments.

In parallel, the semiconductor assembly equipment industry passed its trough and began its recovery late in the first quarter of this year, with the North American assembly equipment industry book-to-bill ratio consistently above one since February. While customers remain extremely cautious in adding capacity, most equipment purchases for IC packaging are related to technological advancement such as fine pitch wire bonding and new package types like QFN.

Bolstered both by the diversification of our products serving different application and geographical markets and our ability to ramp up production rapidly, ASM achieved a Group turnover of US\$106 million for the past six months, delivering a moderate profit in what must be seen as a difficult business environment. Return on capital employed and on sales were 8.2% and 17.0% respectively for the half year ended 30th June, 2002. Ending order backlog was raised to US\$50 million (from US\$20 million as of 1st January, 2002). Sales attributable to our five largest customers combined amounted to 30% of our total, with no single customer exceeding 10%; evidence of our successful diversified market strategy.

Reflecting the earlier rise of the consumables business which mirrors IC packaging activities, our leadframe revenues went up slightly ahead of our equipment sales, resulting in a turnover split of 25:75 (leadframes:equipment) during the last six months. With continuous gain in market share, our assembly equipment revenue — which ranked 2nd in the world in year 2000 — has run neck and neck with the top competitor during the last few quarters.

As with the 1998 slowdown, the 2001 soft period presented another golden opportunity for ASM to broaden our customer base and cultivate existing customers with our new products. We successfully captured five major IC customers with our Eagle gold wire bonder, including some of the leading IC packaging companies who use our bonders for state-of-the-art 48-50 microns pad pitch bonding. In early May, we successfully launched our enhanced version of Eagle wire bonder — the Eagle 60. Featuring a 15-20% productivity gain and more robust operating window for 35 μm fine pitch bonding, the Eagle 60 is now undergoing customer qualifications and benchmarking to be ready for volume production in the coming quarter.

Exciting new products such as our high speed, innovative IC and discrete die bonders, our precision flip chip bonder, die sorter, matrix test handler and ball placement & reflow line launched in 2001 are now entering their volume production phase. These new products solidify our leadership position in the die and wire bonder markets, as well as widen our customer base by addressing new market segments we did not serve in the past. We were selected by Advanced Packaging magazine as the Winners of the 2002 Advanced Packaging Awards in both the Die Placement & Attach and Encapsulation categories, reflecting our innovations and technological leadership in these areas.

Although having to deal with product transitions and the increased work-in-progress of our new products, we still managed to further reduce our total inventory by 6.2% or HK\$37.6 million in the last six months. Days sales outstanding, although higher than in previous periods, was primarily due to higher sales during the last two months of the current period.

After paying last year's final dividend of HK\$244.2 million in April and funding capital investment of HK\$29.2 million during the first half, net cash on hand as of 30th June, 2002 only decreased slightly (17%) to HK\$395.6 million (HK\$478.5 million as of 31st December, 2001). Our current ratio stands at 4.08, with zero long-term debt and bank borrowing, and debt-equity ratio of only 20.1%. With no short-term funding needs and an on-going positive cash flow from organic growth operation, these figures permit ASM to sustain a high level of dividend and return excessive cash holdings to our shareholders.

PROSPECTS

Although it remains overshadowed by the weak world economy, SIA, Dataquest and other industry analysts currently predict a 3-7% recovery for the semiconductor industry in 2002, followed by strong double-digit growth in the succeeding two years. Integrated circuits (IC) output is expected to rise 10% according to Electronic Trend Publications. This year should also mark the take-off of QFN and other chip scale packages in wireless communication and hand held applications. For the assembly equipment market, VLSI Research currently forecasts a much stronger second half as compared with the first, but a total of 2% negative growth for year 2002.

Due to the capital-intensive nature of our customers' business, a dynamic, liquid capital market is important for their funding needs. As stock markets may still take time to regain investor confidence, this could well translate into a more gradual recovery for the capital equipment market. This would put a lot of strain on those of our competitors with narrow product offerings or weak balance sheets, forcing them to take short-term measures to stop their cash drain at the expense of long-term company development. In contrast, with the solid business foundations built over the years and our financial strengths, ASM can continue our market assaults with the new, high performance die bonders and Eagle 60 gold wire bonder, further enhancing our market position in the industry.

In addition, to widen our product offering in flip chip assembly to suit various processes, we are developing a bonder for gold and copper stud bumps. Concurrently, we are adapting our AD900 flip chip bonder to provide thermosonic bonding capability. Prototypes of these two machines are expected to be ready within 2002 and available for field testing early next year.

Apart from offering world class products to our customers, it is our strategy to provide value-added services in process enhancement, packaging development, factory automation and equipment management. As such, we can truly differentiate ASM from our competitors in providing total solutions to satisfy customers' needs, a tactic that no rival can easily imitate. We will continue to beef up our human resources in product and technology development, packaging development (especially in the flip chip area), sales & service and project management, with the aim of simultaneously achieving both product leadership and operational excellence.

Barring unforeseen circumstances and expecting a continuous, gradual industry recovery during the second half, we anticipate further improved business performance in the next six months.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th June, 2002

1. ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention.

The interim financial report has been prepared in accordance with the Statement of Standard Accounting Practice 25 "Interim financial reporting" ("SSAP 25") issued by the Hong Kong Society of Accountants ("HKSA").

In the current period, the Company has adopted, for the first time, the following new and revised Statements of Standard Accounting Practice issued by the HKSA:

SSAP 1 (Revised)	Presentation of financial statements
SSAP 11 (Revised)	Foreign currency translation
SSAP 15 (Revised)	Cash flow statements
SSAP 34	Employee benefits

The new and revised standards have introduced revised disclosure requirements which have been adopted in the condensed financial statements. Comparative amounts for prior period have been restated in order to achieve a consistent presentation. The adoption of the above standards has had no significant effect on the results for the current or prior accounting periods.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31st December, 2001.

2. SEGMENT INFORMATION

Business segments

	Six months ended 30th June,	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Equipment	623,651	824,618
Leadframe	<u>203,077</u>	<u>167,400</u>
	<u>826,728</u>	<u>992,018</u>
Result		
Equipment	109,763	206,465
Leadframe	<u>30,760</u>	<u>2,729</u>
	140,523	209,194
Unallocated corporate income	<u>3,380</u>	<u>14,116</u>
Profit from operations	143,903	223,310
Finance costs	<u>(113)</u>	<u>(34)</u>
Profit before taxation	143,790	223,276
Taxation	<u>(8,380)</u>	<u>(23,115)</u>
Net profit for the period	<u>135,410</u>	<u>200,161</u>

2. SEGMENT INFORMATION (CONTINUED)

Geographical segments

	Turnover	
	Six months ended 30th June,	
	2002	2001
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Taiwan	186,886	146,811
Mainland China	101,214	154,903
Malaysia	101,043	165,128
Korea	91,482	40,350
Singapore	68,298	93,739
Hong Kong	65,856	75,724
Thailand	48,825	64,263
Philippines	48,412	86,324
United States	42,009	36,362
Japan	26,444	66,856
Europe	22,919	46,941
Others	<u>23,340</u>	<u>14,617</u>
	<u><u>826,728</u></u>	<u><u>992,018</u></u>

Contribution to profit by geographical segments has not been presented as the contribution to profit from each segments is substantially in line with the overall Group ratio of profit to turnover.

3. DEPRECIATION

During the period, depreciation of HK\$77.7 million (2001: HK\$75.3 million) was charged in respect of the Group's property, plant and equipment.

4. TAXATION

	Six months ended 30th June,	
	2002	2001
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax	8,603	21,741
Taxation in other jurisdictions	<u>1,638</u>	<u>2,565</u>
	10,241	24,306
Deferred taxation credit	<u>(1,861)</u>	<u>(1,191)</u>
	<u><u>8,380</u></u>	<u><u>23,115</u></u>

4. TAXATION (CONTINUED)

Hong Kong Profits Tax has been provided at 16% of the estimated assessable profit for the period.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The deferred tax credit mainly relates to tax effect of timing difference attributable to difference of depreciation allowances for tax purposes and depreciation charged in the financial statements.

5. DIVIDENDS

The directors have determined that an interim dividend of HK\$0.36 (2001: HK\$0.36) per share would be paid to the shareholders of the Company whose names appear in the Register of members on 27th August, 2002.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30th June,	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<u>135,410</u>	<u>200,161</u>
	Number of shares (in thousand)	
Weighted average number of ordinary shares for the purposes of basic earnings per share	381,568	379,785
Effect of dilutive potential ordinary shares from Employee Share Incentive Scheme	<u>1,422</u>	<u>1,382</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>382,990</u>	<u>381,167</u>

7. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$29.2 million (2001: HK\$109.1 million) on acquisition of property, plant and equipment.

8. TRADE AND OTHER RECEIVABLES

	As at	
	30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Trade receivables	350,059	269,900
Other receivables, deposits and prepayments	39,015	43,406
Amounts due from ASM International N.V. ("ASM International") group companies — trade <i>(Note)</i>	<u>16,646</u>	<u>8,483</u>
	<u><u>405,720</u></u>	<u><u>321,789</u></u>

Note: Amounts due from ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.

Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable within 30 to 60 days of issuance, except for certain well established customers, where the terms are extended to 3 to 4 months.

The aged analysis of trade receivables at the reporting date is as follows:

	As at	
	30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Not yet due	176,335	149,971
Overdue within 30 days	106,057	62,789
Overdue within 31 to 60 days	42,994	25,095
Overdue within 61 to 90 days	12,690	19,518
Overdue over 90 days	<u>11,983</u>	<u>12,527</u>
	<u><u>350,059</u></u>	<u><u>269,900</u></u>

9. TRADE AND OTHER PAYABLES

	As at	
	30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Trade payable	165,284	96,816
Other payables and accrued charges	139,788	169,253
Amounts due to ASM International group companies		
— trade (<i>Note</i>)	<u>1,901</u>	<u>329</u>
	<u><u>306,973</u></u>	<u><u>266,398</u></u>

Note: Amounts due to ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.

The aged analysis of trade payable at the reporting date is as follows:

	As at	
	30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Not yet due	81,274	47,350
Overdue within 30 days	48,320	22,214
Overdue within 31 to 60 days	23,381	15,964
Overdue within 61 to 90 days	6,963	8,639
Overdue over 90 days	<u>5,346</u>	<u>2,649</u>
	<u><u>165,284</u></u>	<u><u>96,816</u></u>

10. SHORT-TERM BANK BORROWINGS

	As at	
	30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Bank loans	—	28,468
Bank overdrafts	<u>—</u>	<u>5</u>
	<u><u>—</u></u>	<u><u>28,473</u></u>

11. SHARE CAPITAL

	From 1st January to 30th June, 2002 <i>(Unaudited)</i> HK\$'000	From 1st January to 31st December, 2001 <i>(Audited)</i> HK\$'000
Issued and fully paid:		
Shares of HK\$0.10 each		
At the beginning of the period	38,157	37,979
Shares issued under the Employee Share Incentive Scheme	<u>—</u>	<u>178</u>
At the end of the period	<u><u>38,157</u></u>	<u><u>38,157</u></u>

The authorised share capital of the Company is HK\$50 million, comprising 500 million shares of HK\$0.10 each.

12. RELATED PARTY TRANSACTIONS

During the period, the Group paid management fee of HK\$750,000 (2001: HK\$750,000) to ASM International under a consultancy agreement between ASM International and the Company. Pursuant to the agreement, an annual management fee of HK\$1.5 million is payable to ASM International who acts as a consultant, introduces new business and provides assistance in business development, general management support and services, international expertise and market information to the Group. The agreement, which commenced on 5th December, 1988, was for an initial period of three years and is terminable thereafter by six months' notice in writing by either party.

The Group also trades with ASM International group of companies in its normal course of business and in the opinion of the Directors, the transactions were carried out at market price. Sales to ASM International group of companies during the period amounted to HK\$28,970,000 (2001: HK\$5,466,000)

13. CONTINGENT LIABILITIES

	At 30th June, 2002 <i>(Unaudited)</i> HK\$'000	31st December, 2001 <i>(Audited)</i> HK\$'000
Guarantees given	<u><u>1,173</u></u>	<u><u>1,180</u></u>

14. CAPITAL COMMITMENTS

	At	
	30th June, 2002 (Unaudited) HK\$'000	31st December, 2001 (Audited) HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	13,186	18,590
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for	<u>106,003</u>	<u>128,336</u>
	<u><u>119,189</u></u>	<u><u>146,926</u></u>

DIRECTORS' INTERESTS IN SHARES

Details of the beneficial interests of the Directors in the share capital of the Company and its associated corporations as at 30th June, 2002 as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") are as follows:

	Personal interests	Family interests	Corporate interests	Other interests
Arthur H. del Prado (<i>Note</i>)	—	—	—	—
Lam See Pong, Patrick	2,970,000	—	—	—
Fung Shu Kan, Alan	301,000	—	—	—
Orasa Livasiri	—	—	—	—
Paulus Cornelis van den Hoek	1,370,000	—	—	—

Note: As at 30th June, 2002, Arthur H. del Prado, member of his immediate family and a foundation controlled by him together held about 23.30% of the issued share capital of ASM International. A wholly owned subsidiary of ASM International, Advanced Semiconductor Materials (Netherlands Antilles) N.V. hold 207,427,500 shares of the Company as at 30th June, 2002.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company or its subsidiaries, none of the Directors or chief executives held any interests in the share capital of the Company or its associated corporations as defined in the SDI Ordinance at 30th June, 2002.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Employee Share Incentive Scheme, none of the Directors or chief executives or their spouses or children under the age of 18 had any right to subscribe for shares of the Company, or had exercised any such right during the six months ended 30th June, 2002; and at no time during the six months ended 30th June, 2002 was the Company or its holding companies or any of its fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors of the Company or their associates to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, other than the interest disclosed in “Directors’ interests in shares” above in respect of Arthur H. del Prado, the company has not been notified of any other interests representing 10% or more of the Company’s issued share capital.

PURCHASE, SALE OR REDEMPTION OF SHARES

There has been no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control, and financial reporting matters including the review of the unaudited interim financial statements.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Group was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2002.

On behalf of the Board

Patrick Lam See Pong

Director

Hong Kong, 29th July, 2002