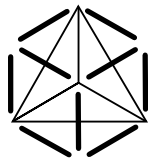


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ASM PACIFIC TECHNOLOGY LIMITED (Stock Code: 00522)

(Incorporated in the Cayman Islands with limited liability)

(the “Company”)

Connected transactions

The Company and ASMI entered into an agreement on 16th March, 2004 for the provision of management and manufacturing services to the production facility of the ASMI Group in Singapore for a total annual amount of not more than HK\$30 million.

ASMI is the ultimate holding company of the Company with about 53.87% interest in the Company as at the date of this announcement.

The transactions under the Agreement constitute connected transactions of the Company under the Listing Rules and are required to be disclosed by way of press announcement pursuant to Rule 14.25(1) of the Listing Rules.

An application has been made to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under the Listing Rules in respect of the continuing transactions under the Agreement for each of the three years ending 31st December, 2006 during the subsistence of the Agreement.

Management and production agreement dated 16th March, 2004

On 16th March, 2004, the Company and ASM International N.V. (“ASMI”) entered into an agreement (the “Agreement”) on the following principal terms:

- (a) the Company and its subsidiaries (the “Group”) will provide management services (including services for administration and financial matters and provision of supporting personnel) to ASMI and its subsidiaries (except the Group) (the “ASMI Group”) in respect of the production facility of the ASMI Group recently established in Singapore with registered address at 5 Shenton Way, #19-00 UIC Building, Singapore 068808 (the “Production Facility”) at a quarterly fee of HK\$375,000 (HK\$1.5 million per annum);
- (b) the Group will manufacture metal parts of wafer fabrication equipment (the “Products”) required by the Production Facility at a price of 115% of the aggregate of (i) the costs of all materials (including wasted materials) used in the production of the Products; and (ii) the overhead costs of the machine and equipment and labour incurred in the manufacturing work for such Products. The total price of the Products for each 12 month period shall be less than HK\$28.5 million; and

(c) the Agreement shall be for a term of one year from the date of the Agreement, and thereafter shall continue until either of the parties shall serve three months' written notice of termination on the other party.

ASMI is the ultimate holding company of the Company with about 53.87% interest in the Company as at the date of this announcement.

The Company and its various subsidiaries provide management services to other companies in the Group similar to those under the Agreement. The amount of the management fee was determined with reference to the estimated amount of manpower involved.

The Group manufactures metal parts for machines used in the integrated circuit assembly of the semiconductor industry in the ordinary and usual course of its business. The price of the metal parts to be manufactured for the ASMI Group under the Agreement is on normal commercial terms comparable to that provided by the Group to independent third parties, after deducting the relevant portion for research and development, and marketing.

Reasons for the Agreement

The Group is principally engaged in the design, manufacture and marketing of machines, tools and materials used in the integrated circuit assembly of the semiconductor industry.

The principal business activities of the ASMI Group are the design, manufacture and sale of equipment and solutions used to produce wafer for semiconductor devices, or integrated circuits. The ASMI Group has recently set up the Production Facility in Singapore.

As the Group has experience in setting up production facilities in Singapore and the manufacturing capability to manufacture the Products, ASMI requested the Group to provide management and manufacturing services to the Production Facility. To more fully utilize the management and production capacity of the Group, the Company agreed to enter into the Agreement with ASMI.

The terms of the Agreement were arrived at after arm's length negotiations. The Company's directors, including the independent non-executive directors, are of the opinion that the terms of the Agreement are on normal commercial terms and are fair and reasonable as far as the Company and the independent shareholders of the Company are concerned and that the transaction in relation to the manufacturing of the metal parts under the Agreement are conducted in the ordinary and usual course of business of the Group.

Listing Rules requirements

The transactions under the Agreement constitute connected transactions of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As the total annual amount of the management fees and prices of the Products is less than HK\$30 million (which is less than 3% of the latest audited consolidated net tangible asset value of the Company as at 31st December, 2003), the Agreement is only required to be disclosed by way of press announcement pursuant to Rule 14.25(1) of the Listing Rules.

Waiver application on continuing transactions

The continuing transactions under the Agreement (the "Transactions") require annual disclosure by way of press announcement under the Listing Rules. As the requirement is burdensome, the Company has applied to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for a

waiver from strict compliance with the disclosure requirements under Rule 14.25(1) of the Listing Rules for each of the three years ending 31st December, 2006 during the subsistence of the Agreement on the following conditions:

- (a) (i) the transaction in relation to the manufacturing of the metal parts under the Agreement shall be conducted (aa) either on normal commercial terms or if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to independent third parties; (bb) in the ordinary and usual course of business of the Group; and (cc) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (ii) the transaction in relation to the provision of the management services under the Agreement shall be conducted either (aa) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or (bb) where there is no available comparison, on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole;
- (b) (i) the aggregate amount of the management fees payable by ASMI shall not exceed HK\$1.5 million; and (ii) the aggregate amount of the prices of the Products shall not exceed HK\$28.5 million or the equivalent amounts in other currencies, for each of the three years ending 31st December, 2006 (the “Caps”);
- (c) the independent non-executive directors of the Company shall review the Transactions annually and confirm in the Company’s next and each successive annual report that the Transactions have been entered into in the manner as stated in paragraphs (a) and (b) above;
- (d) the Company’s auditors shall review the Transactions annually and confirm in a letter (the “Letter”) to the directors (a copy of which shall be provided to the Listing Division of the Stock Exchange) stating whether:
 - (i) the Transactions have been approved by the board of directors of the Company;
 - (ii) the Transactions have been entered into in accordance with the terms and conditions of the relevant agreement; and
 - (iii) the Caps have not been exceeded,and if, for whatever reason, the auditors decline to accept the engagement or are unable to provide the Letter, the directors shall contact the Listing Division of the Stock Exchange immediately; and
- (e) details of the Transactions in each financial year shall be disclosed as required under Rule 14.25(1)(A) to (D) of the Listing Rules in the Company’s next and each successive annual report together with a statement of the opinion of the independent non-executive directors of the Company and the auditors of the Company referred to in paragraphs (c) and (d) above.

By Order of the Board
Fung Shu Kan
Director

Hong Kong, 18th March, 2004

Please also refer to the published version of this announcement in the (Standard)