



## **ASM PACIFIC TECHNOLOGY LIMITED**

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

**(Stock Code: 0522)**

### **ANNOUNCEMENT OF UNAUDITED 2008 FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

#### **ASM's Performance in Q1 2008**

- \* Group turnover of US\$169 million, a growth of 37.1% over same period last year and a sequential decline of 10.2% against Q4 2007**
- \* Profit of HK\$298 million and earnings per share of HK\$0.76, a growth of 55.4% over same period last year and sequential decline of 9.8% over the preceding quarter**
- \* Equipment turnover of US\$131 million, achieving 33.5% revenue growth over Q1 2007 and 10.6% decline against the preceding three months**
- \* Lead frame turnover of US\$38 million, achieving 51.2% revenue growth over Q1 2007 and 8.5% decline against the preceding three months**
- \* New order bookings of US\$176 million and a book-to-bill ratio of 1.04**
- \* Cash on hand of HK\$924 million at the end of March 2008**

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

### **RESULTS**

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a turnover amounting to HK\$1,318 million in the three months ended 31 March 2008, representing an increase of 37.1% as compared with HK\$962 million for the first quarter of 2007 and a sequential decline of 10.2% against the preceding quarter. The Group's consolidated profit after taxation for the first quarter of 2008 is HK\$298 million, which is 55.4% higher than the corresponding period in 2007 and 9.8% lower than the previous quarter. Basic earnings per share (EPS) for the first quarter of 2008 amounted to HK\$0.76 (first quarter of 2007: HK\$0.49, fourth quarter of 2007: HK\$0.84).

## FINANCIAL HIGHLIGHTS

	<i>Notes</i>	Three months ended 31 March	
		2008	2007
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
Turnover	1	1,318,030	961,632
Cost of sales		(755,701)	(569,698)
Gross profit		562,329	391,934
Other income		16,982	15,391
Selling expenses		(107,309)	(83,662)
General and administrative expenses		(43,639)	(39,534)
Research and development expenses		(83,388)	(67,869)
Finance costs		-	(48)
Profit before taxation		344,975	216,212
Income tax expense		(46,991)	(24,418)
Profit for the period		297,984	191,794
Earnings per share	2		
- Basic		HK\$0.76	HK\$0.49
- Diluted		HK\$0.76	HK\$0.49

### Notes:

#### 1. Turnover by business segments

	Three months ended 31 March	
	2008	2007
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Turnover		
Equipment	1,024,040	767,208
Lead frame	293,990	194,424
	1,318,030	961,632

## 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 March</b>	
	<b>2008</b>	<b>2007</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Earnings for the purposes of basic and diluted earnings per share	<b>297,984</b>	191,794
	<b>Number of shares (in thousand)</b>	
Weighted average number of shares for the purposes of basic earnings per share	<b>390,628</b>	388,839
Effect of dilutive potential shares from the Employee Share Incentive Scheme	<b>101</b>	37
Weighted average number of shares for the purposes of diluted earnings per share	<b>390,729</b>	388,876

## REVIEW

ASM achieved very good results in the first quarter of 2008 against the backdrop of seasonally lower demand, volatile stock markets, record high oil prices and general macroeconomic uncertainty. Traditionally, due to seasonal patterns, demand has tended to weaken in the first quarter of a new year following a seasonally strong fourth quarter of the preceding year. Thus, although the results in the first quarter of 2008 were expectedly lower than for the preceding quarter, the relatively small decline together with the considerable improvement as compared to the first quarter of 2007 has been quite remarkable. It is especially notable that our billings in the first quarter of 2008 are the highest first quarter billings that have been achieved by the Company in its history.

During the first quarter of 2008, equipment revenue increased by 33.5% to US\$131 million from the same period a year ago and decreased by 10.6% from the preceding quarter. Our lead frames revenue was US\$38 million for the first quarter of 2008. This represents a reduction of 8.5% sequentially over the preceding quarter and an improvement of 51.2% against the same quarter last year. Lead frames revenue contributed to 22.3% of the Group's turnover. While both the equipment and lead frame segments faced some decrease, the drop in lead frame revenue was smaller than the fall in equipment revenue. This reflects the more consistent nature of lead frame demand.

Our new order bookings for the first quarter of 2008 amounted to US\$176 million. It was higher than the corresponding period last year by 17.5%, although it represented a reduction of 15.6% compared to the preceding three-month period.

As of 31 March 2008, the order backlog amounted to US\$157 million, an increase of US\$7 million as compared to the preceding three-month period and an improvement of 20.3% over the first quarter of 2007. The book-to-bill ratio, representing net bookings over billings, was 1.04 for the first quarter of 2008.

We have been able to sustain our growth momentum over the past few years, attaining multiple quarter-on-quarter and year-on-year records. Recently, these have been achieved despite challenging market conditions, proving that we are resilient to fluctuations in the business environment. This can be attributed to the company's successful business strategy which allows us to offer a diverse portfolio of products to our customers at very competitive prices and a broad customer base.

Capital addition during the period amounted to HK\$47 million; funded by this quarter's depreciation of HK\$54 million.

## **PROSPECTS**

Judging from our company's performance, the industry fundamentals remain solid. Nevertheless, the path ahead is hazy due to the uncertain macroeconomic factors. It is not possible to predict with certainty at this time whether the macroeconomic conditions that might adversely affect demand for consumer electronics – a main driver of growth for the semiconductor industry – will be shallow and short-lived, or deep and prolonged. However, we believe that the longer-term prospects for the semiconductor industry continue to be bright.

With our strong financial resources and dedicated staff, and with the company's proven track record of surmounting its challenges, we expect to ride through the uncertain times and emerge stronger, just as we have done in the past. In particular, we are confident in our ability to move swiftly to capture new opportunities that are brought about by changes in market demand. Our current momentum allows us to be cautiously optimistic that we are poised for healthy growth in the current year if we are able to sustain our present momentum.

Operationally, our strategy is to continue to control our costs and expenses to maintain our productivity and competitiveness. On the other hand, we have not lost sight of the need to strengthen the areas of strategic importance which are crucial for our future growth. In this regard, 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 condensed consolidated financial statements for the three months ended 31 March 2008.

## **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. Arnold J.M. van der Ven as Non-executive Director 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, 5 May 2008