ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 0522)

ANNOUNCEMENT OF UNAUDITED 2010 FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2010

ASM's New Order Bookings At An Unprecedented Level

- **Record Group turnover of US$229 million, a growth of 308.6% over same period last year and a sequential growth of 1.4% against Q4 2009**
- **Record profit of HK$466 million and earnings per share of HK$1.18, a sequential growth of 1.5% over the preceding quarter**
- **Record equipment turnover of US$184 million, achieving growth of 382.4% over Q1 2009 and 2.4% against the preceding three months**
- **Lead frame turnover of US$45 million, achieving 151.8% growth over Q1 2009 and 2.5% decline against the preceding three months**
- **Record new order bookings of US$384 million, a sequential growth of 35.1% over the preceding quarter**
- **Retained the world's No. 1 position in the assembly and packaging equipment industry held since 2002**
- **With zero debt and record cash on hand of HK$1,431 million at the end of March 2010**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the three months ended 31 March 2010:

RESULTS

ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a record turnover amounting to HK$1,781 million in the three months ended 31 March 2010, representing a huge increase of 308.6% as compared with HK$436 million for the first quarter of 2009 and an increase of 1.4% against the preceding quarter. The Group's consolidated profit after taxation for the first quarter of 2010 is HK$466 million as compared to a loss of HK$85 million in the corresponding period in 2009 and a profit of HK$459 million in the previous quarter. Basic earnings per share (EPS) for the first quarter of 2010 amounted to HK$1.18 (First quarter of 2009: HK$(0.22), fourth quarter of 2009: HK$1.17).

FINANCIAL HIGHLIGHTS

	Notes	Three months ended 31 March 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Turnover	1	**1,781,371**	435,937
Cost of sales		**(967,051)**	(344,374)
Gross profit		**814,320**	91,563
Other income		**1,311**	1,400
Selling and distribution expenses		**(132,797)**	(64,368)
General and administrative expenses		**(46,718)**	(33,237)
Research and development expenses		**(99,216)**	(66,091)
Other gains and losses		**4,360**	(11,812)
Finance costs		**(1)**	-
Profit/ (Loss) before taxation		**541,259**	(82,545)
Income tax expense		**(74,903)**	(2,289)
Proft/ (Loss) for the period		**466,356**	(84,834)
Exchange differences on translation of foreign operations, representing other comprehensive income (expense) for the period		**8,776**	(6,789)
Total comprehensive income (expense) for the period		**475,132**	(91,623)
Earnings/ (Loss) per share	2		
- Basic		**HK$1.18**	HK$(0.22)
- Diluted		**HK$1.18**	HK$(0.22)

Notes:

1. Turnover by business segments

	Three months ended 31 March 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Turnover		
Equipment	**1,430,351**	296,534
Lead frame	**351,020**	139,403
	1,781,371	435,937

2. Earnings/ (Loss) per share

The calculation of the basic and diluted earnings/ (loss) per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings/ (Loss) for the purposes of basic and diluted earnings/ (loss) per share (Profit / (Loss) for the period)	**466,356**	(84,834)
	Number of shares (in thousand)	
Weighted average number of ordinary shares for the purposes of basic earnings/ (loss) per share	**394,392**	392,357
Effect of dilutive potential shares from the Employee Share Incentive Scheme	**106**	214
Weighted average number of ordinary shares for the purposes of diluted earnings/ (loss) per share	**394,498**	392,571

REVIEW

The semiconductor industry has made a remarkable recovery. Our new order bookings for the first quarter of 2010 are at an unprecedented level, easily surpassing all previous records set by us. New order bookings amounted to US$384 million, representing an improvement of 35.1% over the preceding three-month period and were 84.3% above the previous historic high seen before the global financial crisis. While no one seems to have predicted that the recovery would take place at such a fast pace, we are totally astonished by the fact that the demand for our equipment has surged pass the peaks of the pre-crisis levels by such a large magnitude.

Improvements in bookings were seen across all our equipment types and across all applications. In particular, demand for equipment to assemble both integrated circuits and LEDs is very strong, from both sub-contractors and IDMs. Geographically, China, Malaysia, Taiwan and South Korea are still our largest markets. Overall, we notice that order levels in all the territories in which we operate are fundamentally strong.

It has been a challenge for us to ramp up production substantially within such a short time-frame. Nevertheless, this is admittedly a good “problem” to have as compared to the uncertainty during the downturn. Whilst this tremendous turnaround in the market inevitably put a strain on our resources, our financial strength and dedicated staff have enabled us to once again rise to the challenge.

Despite negative seasonal factors during the first quarter, such as the New Year and Chinese Lunar New Year holidays, our overall billings are still slightly above that of the fourth quarter of 2009, setting yet another new record in our history. The improvement in our productivity has offset the loss of production time due to the holidays. Our revenue for the first quarter of 2010 rose by 1.4% against the fourth quarter of last year, which also represents a huge jump of 308.6% from the same period last year.

During the first quarter of 2010, equipment revenue increased by 382.4% to US$184 million from the same period a year ago and increased by 2.4% from the preceding quarter. Our lead frame revenue was US$45 million for the first quarter of 2010. This represents a slight reduction of 2.5% sequentially over the preceding quarter but an improvement of 151.8% against the same quarter last year. Lead frame revenue contributed to 19.7% of the Group's turnover.

Due to the drastically increased bookings, our book-to-bill ratio, representing net bookings over billings, was at 1.67 for the first quarter of 2010. It is higher than the 1.12 achieved in the same period last year as well as higher than the 1.25 achieved for the preceding quarter. As of 31 March 2010, the order backlog amounted to US$365 million, an increase of 73.3% over the preceding three-month period and an increase of 519.0% as compared to the first quarter of 2009.

The robust demand for semiconductor assembly and packaging equipment is a reflection of aggressive increases in the capex budgets of IDMs and subcontractors, and may also be of a front-loaded nature. With the rapidly-improving consumer demand, the stage was set for strong growth against the weak comparables experienced during the financial crisis. In part, this strong growth was brought about by unsustainable low levels of inventory during the downturn and subsequent bullishness about end-user demand, particularly for personal computers, smartphones, LED backlit televisions and corporate spending. Industry reports indicate that factory utilization rates for assembly operations are at almost full capacity, thereby justifying the robust demand for additional capital equipment.

Capital addition during the period amounted to HK$89 million, a majority of which was funded by this quarter's depreciation of HK$54 million.

PROSPECTS

There is no doubt that the demand for semiconductor assembly and packaging equipment is experiencing robust growth. The question that is raised by many people is whether the unprecedented surge in demand is sustainable. Some analysts believe that the current spending might be front-loaded, in that a high proportion of budgeted capital expenditure is being spent by electronics manufacturers at the start of the recovery cycle. Thus, it would not be totally surprising if the present levels of demand were to moderate by the third quarter.

On the other hand, one can point to many positive factors. Indeed, assuming that the global economy continues to improve, continued replenishment of inventories by electronic manufacturers and chip distributors, and the normalization of electronic goods consumption and inventory are all positive factors that offer reasons for optimism. There are also various trends that are driving the growth of semiconductor consumption, such as the development of smart grids, growth of Internet traffic, adoption of solid state drives, deployment of 4G wireless equipment, and continued growth in smartphones and short range connectivity. Furthermore, the LED market is expected to continue its vigorous growth in the years to come due to the rapid adoption of LED backlit modules in flat-screen televisions and in displays for netbook and notebook computers. There is also a general belief that LED general lighting will be the next growth driver for the market.

In any event, the high bookings probably confirm that 2010 will be a good year for the industry. Whilst there may be voices expressing concern about a possible slowdown in the second half, similar concerns expressed throughout the past year have however not materialized.

The current high backlog level will require our maximum effort in order to meet the delivery expectations of our customers. To address such expectations, we are aggressively ramping up our production capacity internally by acquiring new factory space, installing new production machines, hiring more staff and improving our productivity. We are also outsourcing more of our production wherever appropriate and feasible in order to increase scalability in a short space of time.

Our diverse portfolio of products has put us in a strong position in the upturn. Our solid foundation laid over the years by the successful diversification of our products and application markets, efficient cost structure and successful introduction of technologically-advanced new products that meet customers' critical requirements have consistently given ASM a strong competitive advantage over its peers. In order to further leverage on our strengths, we have decided to set up a new manufacturing plant in Huizhou, China which is expected to be in production by the fourth quarter of this year. We are optimistic about the long term future of our industry. With the dramatic rise of the Asian economy, we believe that there will be strong demand for more consumer electronic products. ASM is well-positioned and determined to ride on this wave.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2010.

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 and Mr. James Chow Chuen as Executive Directors, Mr. Robert Arnold Ruijter 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, 28 April 2010