ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT
SIX MONTHS ENDED 30TH JUNE, 2005

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the six months ended 30th June, 2005.

RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a turnover amounting to HK$1,457,183,000 for the six months ended 30th June, 2005, representing a decrease of 36.1% as compared with HK$2,280,710,000 for the same period of the previous year and 5.9% reduction when compared with the turnover of HK$1,548,220,000 for the preceding six-month period. The Group's consolidated profit after taxation for the six months is HK$323,591,000, which is 47.2% lower than the corresponding period in 2004 and 16.9% smaller than the previous six-month period. Basic earnings per share (EPS) for the half year period amounted to HK$0.84 (2004: HK$1.59).

DIVIDEND

In view of the Company's strong liquidity and rising equity base, the Board of Directors has resolved to pay an interim dividend of HK$0.50 (2004: HK$0.45) per share and a special dividend of HK$0.20 (2004: HK$0.55) per share. This is in line with our prudent policy, as stated in the past several financial result announcements, to return current excessive cash holdings to our shareholders while continuing to operate the Group with the optimal shareholders' funds. Having established a solid foundation in the microelectronics market over the years, ASM intends to further its organic growth path in the near term by enlarging market share with its diversified, high performance products. There is no short term need for major cash outlay and the Group has consistently managed to generate significant positive cash flow from operations in the recent five years.

The Register of Members will be closed from 17th August, 2005 to 24th August, 2005, both days inclusive. In order to qualify for the interim and special dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 16th August, 2005. The interim and special dividend will be paid on or about 29th August, 2005.

REVIEW

After a strong market environment in the first half of 2004 and ASM achieving its record six-month turnover and profit as mentioned in our 2004 year-end announcement, the inflection point for assembly equipment demands appeared in the middle of the third quarter. The semiconductor assembly equipment market turned from across-the-board boom to selected purchases addressing specific capability and package requirements. During the fourth quarter, every company was anxiously waiting for Spring to come.

The few rush orders for capacity-related equipment highlighted in the Prospects section of our last announcement in February 2005 turned out to be the correct indicator. The assembly and packaging equipment industry has regained strength since March 2005, and ASM has experienced much stronger inflows of orders in the past few months. With billings reaching the low point (as compared with the recent eight quarters) in the first quarter of 2005, the industry recovery thus far has been in-line with most analysts' expectations.

In fact, there have been no major shift in economic indicators, consumer spending and political stability during the past two cycles. Demands for electronic goods such as personal computers, cell phones, digital cameras and multi-media products have been robust and rising in 2005. Consequently, the Semiconductor Industry Association (SIA) upgraded 2005 semiconductor revenue growth from a two percent drop to six percent increase in their spring forecast. Inventory adjustments by the end-product companies to normalize supply and demand at the front portion of the electronics food chain have unfortunately caused much bigger swings for equipment suppliers at the tail end of the bull whip. Being the largest supplier in its industry, ASM is not immune to such fluctuations even though our diversified products serving broad application markets have buffered some of the shocks.

Consistent with our results in recent years, ASM once again out-performed its industry peers and gained market share, maintaining its number one position in the global assembly and packaging equipment market and further widening the gap with the industry's number two player on a rolling twelve-month basis. We achieved a Group turnover of US$187.0 million and net profit of HK$323.6 million during the past six months. Return on capital employed and on sales were 16.3% and 23.1% respectively for the six-month period. With outputs catching up on demands during the second quarter, book to bill ratio for the first six months was 1.11 and our ending order backlog as of 30th June, 2005 was in excess of US$80 million (US$63 million as of 31st December, 2004).

This outstanding result was largely due to the solid foundation laid over the years by the diversification of our products and application markets, efficient cost structure and successful introduction of new, technologically advanced products. During the first half of 2005, sales attributable to our five largest customers combined were 27.9% of the total, with no customer exceeding 10%, clear evidence of the success of our diversified market strategy. We continued to enjoy a good geographical spread mirroring the investment climate of the industry, with Mainland China overtaking other countries to become our largest (23.0%) market, followed by Taiwan (18.2%).

Improved market demands coupled with capacity expansion and operational improvements in our China, Singapore and Malaysia leadframe factories resulted in record leadframe billings during the 2nd quarter. With steady progress in stamped and QFN etched frames, leadframe business represented 19.5% of the Group's turnover during the first six months of 2005 — in a period when capital investments by our customers were not so strong. The strategic realignment of our leadframe operation continued as planned, with our Malaysian plant in Johor Bahru, Malaysia now handling the complete etched frames post-plating operation and our newly installed plating lines undergoing customer qualification. When the transfer of all plating activities is completed by end of this year, the enlarged operation should enhance ASM's cost-competitiveness and etched frames output.

While still maintaining a healthy balance among all equipment products, the market recovery in the recent months translated into a higher demand for wire bonders. Our Twin Eagle — doubling the output of a single-head wire bonder and known for its unparalleled cost-of-ownership — and Eagle 60 AP — the first bonder in the world capable of 30 μm linear pad pitch — both migrated to volume production and have been well-received by our customers. During the past few months, stacking of thin die and 300 mm. wafer requirements also opened up new opportunities for us to enlarge our die bonder customer base. We launched our highly flexible, low cost (for both the system and tooling) encapsulation system — Osprey — for today's high density frames. Combining our die bonder, dual-head wire bonder and this Osprey encapsulation system enable ASM to offer a flexible manufacturing system (FMS) for front-of-line assembly, something we demonstrated in the recent Semicon Singapore exhibition in May where we received favorable feedback from customers. Although lower in throughput than today's typical automolding system, the smaller mold in the Osprey system results in shorter order lead time and lower tooling cost, ideal for packaging development, pilot line and small-lot production. This unique FMS will thus complement ASM's IDEALine — a popular factory automation solution for CMOS image sensor assembly in the past two years — in serving high-volume production requirements. In recognition of ASM's technological leadership and product innovation, we were once again selected by Advanced Packaging magazine as the Winners of the 2005 Advanced Packaging Awards in the Wire Bonding, Encapsulation and Substrate Mounting categories.

To further enhance our market position in a competitive business environment, ASM's strategy has been to deliver the best value propositions to our customers. Satisfying the diversity of today's package types and applications requires multiple platforms for almost any assembly process, such as our Twin Eagle and Eagle 60 AP gold wire bonders optimizing cost-of-ownership and ultra fine pitch technology respectively. Similarly, we also offer multiple platforms in our die bonder, flip chip bonder, encapsulation system and test handler products. While we need to provide short delivery time to our customers for standard products, the combined effect of rising demands in the recent quarter and multiple platforms led to higher work-in-process and raw materials inventories as compared with six months ago when the market was weak. With more pipeline materials to address customer orders, our ending inventory as of 30th June, 2005 increased to HK$670.0 million, with an annualized inventory turn of 4.76 (2004: 7.06). The upward business trend in the past six months affected not only the inventory-turn ratio, but also the days-sales-outstanding which amounted to 96.4 days despite our regular collection efforts. Combining the increase in operating capital with earnings from operation, we still generated free cash flow of HK$126.3 million and a return on invested capital of 20.8% during the past six months.

After paying last year's final dividend of HK$404.5 million in April and funding capital investment of HK$95.8 million in the first half of 2005, due to strong positive cash flow during the six-month period, net cash on hand as of 30th June, 2005 was HK$520.5 million. Our current ratio stands at 2.8, with zero long-term debt or bank borrowing, and a debt-equity ratio of only 34.0%. With no short-term needs and an on-going positive cash flow from organic growth operation, these figures permit ASM's management to recommend a sustained high level of dividend to return the excessive cash holdings to our shareholders.

PROSPECTS

The Semiconductor Industry Association (SIA) reported that sales of semiconductors for consumer applications in 2004 were for the first time greater than sales for corporate purposes. In future, the health of the chip sector will be more closely tied to macroeconomic conditions and consumer spending. Semiconductor content has been consistently rising as electronics end products continue to demand more functions and capabilities. Based on current market outlook, most industry analysts (SIA, WSTS, Dataquest, iSuppli, VLSI Research) project a moderate single-digit (5–6%) growth for the semiconductor industry in 2005, to be followed by higher growth rate close to 10% in 2006. IC unit volume is forecasted to have a compound annual growth rate (CAGR) of 9.31% over the 2004-2009 period, according to the 2005 Electronic Trend Publications.

To meet the constant challenges of higher performance, diversified functionalities, cost reduction and product miniaturization, especially for feature-rich hand-held products, more and more IC packages are being designed with finer line width, chip scale (QFN) and chip size (flip chip) form factors, stacked die, stacked package and system-in-package (SIP), necessitating the latest generation of assembly equipment. With last February as the assembly-equipment industry's turning point and the moderate rate of recovery shown in past months, most pundits (SEMI, Dataquest) expect the market to gain momentum with time and a negative growth for 2005 ranging from 16.5–26.4% to be followed by double-digit (15–30%) positive growth in the next two years.

Although it is more challenging to manage and develop multiple products serving diversified market segments, we have continued with this business strategy over the years to build a thriving company more resilient to industry fluctuation than our competitors. The lengthy battle for market leadership in a dynamic market environment naturally favours the one who possesses richer resources and a greater abundance of world-class products. In addition to having the highest revenue in the assembly and packaging equipment industry since 2002, we have persisted in our policy of spending 10% of our equipment turnover on research and development (R&D) and ignored short-term sales fluctuation. Our R&D spending has consistently risen over the last three years, reflecting our enlarged R&D talent pool (600 staff today) and new product commitments. As a result, ASM's 2004 R&D expenditure was the 2nd highest in the industry and 58% larger than our outlay in 2001. In contrast, R&D expenses of our leading competitors based on their local reporting currencies have consistently dwindled during the same three-year period, with their 2004 R&D expenditure shrinking to 42–81% of their own 2001 spending.

Management believes that our aggressive and consistent investments for the future in facilities, R&D and manpower developments will give us an important competitive advantage and yield a corresponding profitable return. The HK$200 million capital investment budgeted for 2005 will proceed as planned to further strengthen our R&D analytical equipment and information technology infrastructure, the rapid prototyping of parts to support our product development and equipping our new Malaysian plant with tooling and plating capabilities.

Leveraging on our technology in motion control and linear motors, we will be launching new models of aluminum wire bonder and discrete die bonder in the near future. To sustain ASM's two-decade leadership in the chip-on-board application market, our new generation aluminum wire bonder, scheduled for volume shipments in mid-2005, is designed to offer unrivalled cost-of-ownership and 20–30% higher throughput than its predecessor. Similarly, our next generation discrete die bonder, equipped with linear motors for its bondhead and capable of attaching 20,000 small die per hour, will be ready for field testing during the 2nd half year. In conjunction with the highly flexible Osprey encapsulation system (mentioned in our Review section), we have been consistently rejuvenating our product offerings and widened their scope to cultivate new openings in the IC packaging market.

The key to reinforcing our strategic partnerships with customers lies in our ability to provide them with integrated business solutions built on our world-class products. As our customers address new challenges such as bonding on low k dielectric and on top of active circuits, copper wire bonding and thin wafers, they appreciate ASM's continued process enhancements to answer their needs. Supporting our clients with factory automation and packaging development using ASM equipment and leadframes, such as image sensor assembly, QFN packaging, power LED, RFID, smart card, stacked package (package-on-package PoP), etc., we are offering them unparalleled value propositions. Our new equipment management software assists customers to control their precious assets more efficiently, providing recipe downloading, tracking machine performance and progress monitoring at remote sites. This innovative solution-selling strategy markedly differentiates ASM from all our competitors, increasing market penetration and enabling us to further expand our business.

With a wealth of technologies and managerial talents accumulated over the years, a track record of successful execution of our customer-centered business strategy, our industry's most efficient cost structure and its broadest range of product offerings, ASM is well-positioned to compete in the market place. It is Management's belief that, amidst an improving market, ASM will continue to out-perform our industry peers and sustain our premier position in 2005.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30th June,	
		2005	2004
		(Unaudited)	*(Unaudited)*
	Notes	***HK$'000***	*HK$'000*
Turnover	3	**1,457,183**	2,280,710
Cost of sales		**(802,860)**	(1,264,496)
Gross profit		**654,323**	1,016,214
Other operating income		**13,077**	8,481
Selling expenses		**(138,812)**	(156,605)
General and administrative expenses		**(64,848)**	(66,211)
Research and development expenses, net		**(119,015)**	(142,447)
Profit from operations		**344,725**	659,432
Finance costs		**(3)**	(5)
Profit before taxation		**344,722**	659,427
Taxation	5	**(21,131)**	(46,194)
Profit for the period		**323,591**	613,233
Dividends	6	**269,688**	383,470
Earnings per share	7		
— Basic		**HK$0.84**	HK$1.59
— Diluted		**HK$0.84**	HK$1.59

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	At 30th June, 2005 (Unaudited) HK$'000	At 31st December, 2004 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	8	793,088	772,006
Prepaid lease payments		9,143	9,370
Deferred tax assets		1,788	1,999
		804,019	783,375
Current assets			
Inventories		670,043	554,830
Trade and other receivables	9	836,730	642,223
Prepaid lease payments		446	446
Bank balances and cash		520,531	763,359
		2,027,750	1,960,858
Current liabilities			
Trade and other payables	10	601,853	461,284
Taxation		112,329	103,099
		714,182	564,383
Net current assets		1,313,568	1,396,475
		2,117,587	2,179,850
Capital and reserve			
Share capital	11	38,527	38,527
Dividend reserve		269,688	404,532
Other reserves		1,805,816	1,734,406
Shareholders' funds		2,114,031	2,177,465
Non-current liabilities			
Deferred tax liabilities		3,556	2,385
		2,117,587	2,179,850

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

	Share Capital *HK$'000*	Share Premium *HK$'000*	Employee share-based compensation reserve *HK$'000*	Capital redemption reserve *HK$'000*	Capital reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated profits *HK$'000*	Dividend reserve *HK$'000*	Total *HK$'000*
Balance at 1st January, 2004	38,502	126,528	—	—	70,944	(72,543)	1,428,656	323,415	1,915,502
Shares issued under the Employee Share Incentive Scheme	180	—	—	—	—	—	—	—	180
Repurchase of shares	(155)	—	—	155	—	—	(155)	—	(155)
Premium paid on repurchase of shares	—	(42,330)	—	—	—	—	—	—	(42,330)
Exchange differences on translation of financial statements of foreign operations and gains not recognised in the consolidated income statement	—	—	—	—	—	8,558	—	—	8,558
Profit for the period	—	—	—	—	—	—	1,002,595	—	1,002,595
Interim dividend declared	—	—	—	—	—	—	(172,561)	172,561	—
Special dividend declared	—	—	—	—	—	—	(210,909)	210,909	—
Final dividend proposed	—	—	—	—	—	—	(404,532)	404,532	—
Dividends paid	—	—	—	—	—	—	—	(706,885)	(706,885)
Balance at 31st December, 2004 and 1st January, 2005	38,527	84,198	—	155	70,944	(63,985)	1,643,094	404,532	2,177,465
Recognition of share-based payment under the Employee Share Incentive Scheme	—	—	26,018	—	—	—	—	—	26,018
Exchange differences on translation of foreign operations and losses not recognised in the consolidated income statement	—	—	—	—	—	(8,511)	—	—	(8,511)
Profit for the period	—	—	—	—	—	—	323,591	—	323,591
2004 final dividend paid	—	—	—	—	—	—	—	(404,532)	(404,532)
2005 interim dividend declared	—	—	—	—	—	—	(192,634)	192,634	—
2005 special dividend declared	—	—	—	—	—	—	(77,054)	77,054	—
Balance at 30th June, 2005	38,527	84,198	26,018	155	70,944	(72,496)	1,696,997	269,688	2,114,031
Balance at 1st January, 2004	38,502	126,528	—	—	70,944	(72,543)	1,428,656	323,415	1,915,502
Repurchase of shares	(155)	—	—	155	—	—	(155)	—	(155)
Premium paid on repurchase of shares	—	(42,330)	—	—	—	—	—	—	(42,330)
Exchange differences on translation of foreign operations and losses not recognised in the consolidated income statement	—	—	—	—	—	(3,363)	—	—	(3,363)
Profit for the period	—	—	—	—	—	—	613,233	—	613,233
2003 final dividend paid	—	—	—	—	—	—	—	(323,415)	(323,415)
2004 interim dividend declared	—	—	—	—	—	—	(172,561)	172,561	—
2004 special dividend declared	—	—	—	—	—	—	(210,909)	210,909	—
Balance at 30th June, 2004	38,347	84,198	—	155	70,944	(75,906)	1,658,264	383,470	2,159,472

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30th June, 2005 *(Unaudited)* *HK$'000*	Six months ended 30th June, 2004 *(Unaudited)* *HK$'000*
Net cash from operating activities	251,303	751,477
Net cash used in investing activities	(87,837)	(131,971)
Net cash used in financing activities	(404,532)	(365,900)
Net (decrease) increase in cash and cash equivalents	(241,066)	253,606
Cash and cash equivalents at beginning of the period	763,359	513,078
Effect of foreign exchange rate changes	(1,762)	(146)
Cash and cash equivalents at end of the period	520,531	766,538

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2004 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKAS and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1st January, 2005. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

Share-based Payment

In the current period, the Group has applied HKFRS 2 "*Share-based Payment*" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the directors' and employees' share of the Company granted under the Employee Share Incentive Scheme (the "Scheme"). Prior to the application of HKFRS 2, the costs on the Scheme are recognised as expenses in the period in which the relevant directors' and employees' services are rendered and are calculated with reference to the nominal value of shares expected to be issued under the Scheme.

Following the adoption of HKFRS 2, the costs on the Scheme are calculated with reference to the fair value of shares at the date of grant, adjusted to take into account the terms and conditions upon which the shares are granted, and are amortised over the relevant vesting periods to the income statement.

The Group has applied HKFRS 2 to shares granted on or after 1st January, 2005. In relation to shares granted before 1st January, 2005, the Group has not applied HKFRS 2 to shares granted on or before 7th November, 2002 and shares granted after 7th November, 2002 and had vested before 1st January, 2005 in accordance with the relevant transitional provisions. The Group had no share granted after 7th November, 2002 and had not yet vested on 1st January, 2005, and accordingly, no retrospective restatement is required.

However, the adoption of HKFRS 2 has a significant impact on the results of the Group for accounting periods beginning on 1st January, 2005. An amount of HK$26,018,000 (nil for the six months ended 30th June, 2004) representing the estimated fair value of shares granted in February 2005 under the Scheme was charged to the income statement during the period, with an corresponding credit to the equity.

2. **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

Owner-occupied Leasehold Interest in Land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "*Leases*". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. The unamortised prepaid lease payment for land has been separately shown in the condensed consolidated balance sheet.

3. **SEGMENT INFORMATION**

The Group's primary format for reporting segment information is business segments.

Business segments

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Turnover		
Equipment	**1,173,650**	1,990,955
Leadframe	**283,533**	289,755
	1,457,183	2,280,710
Result		
Equipment	**301,406**	642,801
Leadframe	**35,644**	13,944
	337,050	656,745
Interest income	**7,675**	2,687
Profit from operations	**344,725**	659,432
Finance costs	**(3)**	(5)
Profit before taxation	**344,722**	659,427
Taxation	**(21,131)**	(46,194)
Profit for the period	**323,591**	613,233

3. **SEGMENT INFORMATION (CONTINUED)**

Geographical segments

	Turnover	
	Six months ended 30th June,	
	2005	2004
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Mainland China	**335,226**	432,003
Taiwan	**265,313**	527,954
Malaysia	**188,441**	290,538
Korea	**122,187**	162,509
Hong Kong	**118,974**	154,006
Thailand	**96,482**	148,724
Philippines	**93,198**	262,885
Europe	**75,151**	31,214
Singapore	**69,357**	112,358
United States	**62,911**	100,671
Japan	**17,985**	21,302
Indonesia	**9,683**	28,994
Others	**2,275**	7,552
	1,457,183	2,280,710

4. **DEPRECIATION**

During the period, depreciation of HK$74.4 million (HK$117.3 million for the six months ended 30th June, 2004) was charged in respect of the Group's property, plant and equipment.

5. **TAXATION**

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax	**15,254**	44,687
Taxation in other jurisdictions	**4,489**	4,612
	19,743	49,299
Deferred taxation charge (credit)	**1,388**	(3,105)
	21,131	46,194

5. **TAXATION (CONTINUED)**

Hong Kong Profits Tax has been calculated at 17.5% (17.5% for the six months ended 30th June, 2004) of the estimated assessable profit for the period.

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

The Group's profit arising from the manufacture of semiconductor equipment and materials in Singapore is non-taxable under a tax incentive covering certain new products under the Manufacturing Headquarters status granted by the Singapore tax authority. The tax exemption applies to profits arising for a period of 10 years from 1st January, 2001, subject to the fulfilment of certain criteria during the period.

Certain subsidiaries of the Group operating in the People's Republic of China ("PRC") are eligible for certain tax holidays and concessions and were exempted from PRC Income Taxes during both periods.

The deferred taxation charge (credit) mainly related to the tax effect of temporary difference attributable to difference of depreciation allowances for tax purposes and depreciation charged in the financial statements.

6. **DIVIDENDS**

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Interim dividend of HK$0.50 per share (HK$0.45 per share for the six months ended 30th June, 2004)	**192,634**	172,561
Special dividend of HK$0.20 per share (HK$0.55 per share for the six months ended 30th June, 2004)	**77,054**	210,909
	269,688	383,470

The dividends would be paid to the shareholders of the Company whose names appear in the Register of Members on 24th August, 2005.

7. EARNINGS PER SHARE

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

	Six months ended 30th June,	
	2005	2004
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**323,591**	613,233

	Number of shares (in thousand)	
Weighted average number of ordinary shares for the purposes of basic earnings per share	**385,269**	384,998
Effect of dilutive potential ordinary shares from the Employee Share Incentive Scheme	**1,263**	1,266
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**386,532**	386,264

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$95.8 million (HK$136.1 million for the six months ended 30th June, 2004) on acquisition of property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

	As at 30th June, 2005	As at 31st December, 2004
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Trade receivables	**775,506**	597,164
Other receivables, deposits and prepayments	**60,421**	44,466
Amounts due from ASM International N.V. ("ASM International") group companies — trade *(Note)*	**803**	593
	836,730	642,223

Note: Amounts due from ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms. ASM International is the ultimate holding company of the Company.

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. Each customer has a maximum credit limit.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	As at 30th June, 2005 ***(Unaudited)*** ***HK$'000***	As at 31st December, 2004 *(Audited)* *HK$'000*
Not yet due	**529,016**	380,045
Overdue within 30 days	**156,636**	132,935
Overdue within 31 to 60 days	**50,633**	56,985
Overdue within 61 to 90 days	**27,644**	19,331
Overdue over 90 days	**11,577**	7,868
	775,506	597,164

The directors consider that carrying amount of trade and other receivables approximates their fair value.

10. TRADE AND OTHER PAYABLES

	As at 30th June, 2005 ***(Unaudited)*** ***HK$'000***	As at 31st December, 2004 *(Audited)* *HK$'000*
Trade payables	**347,965**	193,448
Other payables and accrued charges	**253,723**	267,428
Amounts due to ASM International group companies — trade *(Note)*	**165**	408
	601,853	461,284

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 payables at the reporting date is as follows:

	As at 30th June, 2005 ***(Unaudited)*** ***HK$'000***	As at 31st December, 2004 *(Audited)* *HK$'000*
Not yet due	**212,532**	93,201
Overdue within 30 days	**93,899**	55,543
Overdue within 31 to 60 days	**38,910**	39,275
Overdue within 61 to 90 days	**2,056**	5,334
Overdue over 90 days	**568**	95
	347,965	193,448

The directors consider that carrying amount of trade and other payables approximates their fair value.

11. SHARE CAPITAL

	As at 30th June, 2005 (Unaudited) HK$'000	As at 31st December, 2004 (Audited) HK$'000
Issued and fully paid:		
Shares of HK$0.10 each		
At the beginning of the period	**38,527**	38,502
Shares repurchased and cancelled	**—**	(155)
Shares issued under the Employee Share Incentive Scheme	**—**	180
At the end of the period	**38,527**	38,527

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

12. ACQUISITION OF SUBSIDIARY

During the six months ended 30th June, 2004, the Group acquired 100% of the issued share capital of a subsidiary for cash consideration of HK$466,000. This transaction was accounted for using the purchase method of accounting.

The effect of the acquisition was summarised as follows:

	Six months ended 30th June, 2005 (Unaudited) HK$'000	Six months ended 30th June, 2004 (Unaudited) HK$'000
Net assets acquired	**—**	466
Cash consideration	**—**	466
Net cash inflow arising on acquisition		
Cash consideration	**—**	(466)
Bank balances and cash acquired	**—**	2,196
	—	1,730

The subsidiary acquired had no significant contribution to the results of the Group during the six months ended 30th June, 2004.

13. RELATED PARTY TRANSACTIONS

(a) During the period, the Group paid management fee of HK$750,000 (HK$750,000 for the six months ended 30th June, 2004) to ASM International under a consultancy agreement between ASM International and the Company. Pursuant to the consultancy agreement, an annual management fee of HK$1.5 million is payable to ASM International which 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 consultancy 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.

(b) On 16th March, 2004, the Company entered into a management and production agreement (the "Agreement") with ASM International. The Agreement was commenced from the date of the Agreement for a term of one year and is terminable by three months' notice in writing by either party.

Pursuant to the Agreement, the Group provides management services (including services for administration and financial matters and provision of supporting personnel) to ASM International group companies in respect of the production facility of ASM International established in the Republic of Singapore, at a quarterly fee of HK$375,000. Management service fee received during the period amounted to HK$750,000 (HK$438,000 for the six months ended 30th June, 2004).

In addition, the Group also agrees to manufacture metal parts for ASM International at a cost-plus basis. The manufacture of metal parts for ASM International during the period amounted to HK$3,088,000 (HK$264,000 for the six months ended 30th June, 2004). Details of the Agreement are set out in the announcement dated 18th March, 2004 made by the Company.

(c) During the six months ended 30th June, 2004, the Group acquired the entire interest of a subsidiary from ASM International at a consideration of HK$466,000.

14. CONTINGENT LIABILITIES

	As at 30th June, 2005	As at 31st December, 2004
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Guarantees given	668	715

15. CAPITAL COMMITMENTS

	As at 30th June, 2005 *(Unaudited)* *HK$'000*	As at 31st December, 2004 *(Audited)* *HK$'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	**60,054**	37,311
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for	**41,867**	156,671
	101,921	193,982

DIRECTORS' INTERESTS IN SHARES

Details of the interests of the Directors and chief executives of the Company and their associates in the share capital of the Company and its associated corporations as at 30th June, 2005 as recorded in the register by the Company pursuant to Section 352 of the Securities and Future Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long positions

(a) Shares of HK$0.10 each of the Company:

Name of director	Capacity	Number of shares held	Percentage of shareholding in the Company
Arthur H. del Prado	*(Note 1)*	207,427,500	53.84%
Lam See Pong, Patrick *(Note 2)*	Beneficial owner	2,970,000	0.77%
Fung Shu Kan, Alan	Beneficial owner	316,000	0.08%
Tang Koon Hung, Eric	Beneficial owner	8,000	0.002%

(b) Share options of ASM International:

	Date of grant	Exercise period	Exercise price	At 1st January, 2005 and 30th June, 2005
Arthur H. del Prado	19th December, 2001	19th December, 2002– 19th December, 2006	US$19.32	250,000
Lam See Pong, Patrick	4th April, 2001	31st December, 2001– 4th April, 2006	US$15.44	100,000
Fung Shu Kan, Alan	4th April, 2001	31st December, 2001– 4th April, 2006	US$15.44	7,000

Notes:

1. As at 30th June, 2005, Arthur H. del Prado, member of his immediate family and a foundation controlled by him together held about 21.80% of the issued share capital of ASM International. A wholly-owned subsidiary of ASM International, Advanced Semiconductor Materials (Netherlands Antilles) N.V. holds 207,427,500 shares of the Company as at 30th June, 2005. Arthur H. del Prado is deemed or taken to be interested in the 207,427,500 shares. ASM International also holds the fixed-rate participating shares of ASM Assembly Automation Limited, ASM Assembly Materials Limited and ASM Asia Limited which are wholly-owned subsidiaries of the Company. These shares carry no voting rights, no rights to participate in a distribution of profits, and very limited rights on a return of capital.

2. As at 30th June, 2005, Lam See Pong, Patrick beneficially owns 395,300 shares of ASM International.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company or its subsidiaries, as at 30th June, 2005, none of the Directors or chief executives of the Company nor their associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2005, the following persons (other than a Director or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares held	Percentage of shareholding in the Company
ASM International	Corporate	207,427,500	53.84%
Advanced Semiconductor Materials (Netherlands Antilles) N.V.	Beneficial owner	207,427,500	53.84%

Save as disclosed above, as at 30th June, 2005, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

CORPORATE GOVERNANCE

The Group has adopted all of the Code Provisions in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") except the following deviations:

1. The Board of Directors of the Company is in the process of defining the composition and terms of reference of the Remuneration Committee. It is expected that such process will be completed around early September 2005 where a board meeting is scheduled.

2. The Group recently released a memorandum to all of its employees to provide guidelines and procedures in respect of their dealings in the shares of the Company.

3. The Board of Directors recently completed the schedule of matters specially reserved to the Board for its decision.

4. All of the Independent Non-executive Directors are not appointed for specific term but are subject to retirement and rotation and re-election at the Company's AGM.

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code during the six months ended 30th June, 2005.

AUDIT COMMITTEE

The audit committee is comprised of three independent non-executive directors who together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30th June, 2005 in conjunction with the Company's external auditors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

BOARD OF DIRECTORS

As at the date of this report, the Board of Directors of the Company comprises 3 Independent Non-executive Directors, namely Miss Orasa Livasiri, Mr Eric Tang Koon Hung, Mr Robert Lee Shiu Hung, and 3 Executive Directors, Mr Arthur H. del Prado (Chairman), Mr Patrick Lam See Pong and Mr Alan Fung Shu Kan.

On behalf of the Board
Patrick Lam See Pong
Director

Hong Kong, 26th July, 2005

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