(Stock Code: 0522)

ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT
SIX MONTHS ENDED 30TH JUNE, 2006

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement of unaudited results for the six months ended 30th June, 2006.

RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a record turnover amounting to HK$2,273,105,000 for the six months ended 30th June, 2006, representing an increase of 56.0% as compared with HK$1,457,183,000 for the same period of the previous year and 9.3% gain when compared with the turnover of HK$2,079,672,000 for the preceding six-month period. The Group's consolidated profit after taxation for the six months is another record of HK$625,044,000 which is 93.2% higher than the corresponding period in 2005 and 18.6% larger than the previous six-month period. Record basic earnings per share (EPS) for the half-year period amounted to HK$1.61 (1st half of 2005: HK$0.84).

DIVIDEND

In view of the Company's continuing strong liquidity and rising equity base, the Board of Directors has resolved to pay an interim dividend of HK$0.70 (2005: HK$0.50) per share and a special dividend of HK$0.75 (2005: HK$0.20) per share. This is in line with our prudent policy, as stated in the past several financial result announcements, of returning current excessive cash holdings to our shareholders while continuing to operate the Group with the optimal shareholders' fund. Having well-established its leadership position in the microelectronics market over the years, ASM intends to further its organic growth path in the near term not only by enlarging market share with its high-performance, diversified products but also by moving into untapped market space that provides the opportunity for highly profitable growth. 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 past ten years.

The Register of Members will be closed from 17th August, 2006 to 24th August, 2006, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, not later than 4:00 p.m. on 16th August, 2006. The interim and special dividend will be paid on or about 29th August, 2006.

REVIEW

The continued buoyant world economy has resulted in fairly strong consumer spending, especially for devices like cell phones, digital cameras, MP3 players and digital television. Coupled with a healthy consumption by the computer and games market segments, proliferation of electronic goods in our daily lives, and the rising semiconductor content in electronics due to increased functions and capabilities, the worldwide market for semiconductors has continued to expand rapidly in the past months. Most pundits have revised their forecasts upward by roughly two percentage points as compared with their own numbers six months ago. According to the latest projections by industry analysts such as SIA, Dataquest, VLSI Research, WSTS and IC Insights, the global semiconductor industry is expected to increase by 8–10% in 2006.

As a result of the rising semiconductor market's need for capacity-related equipment, and the constant challenges of higher performance, diversified functionalities, lower cost, and miniaturized devices for capability-related solutions, the demands for semiconductor assembly and packaging equipment have been robust across all application markets. More and more integrated circuits (ICs) are designed with finer line width, chip scale (QFN) and chip size (flip chip) form factors, stacked die (SD), stacked package (PoP), and system-in-package (SiP), requiring the latest generation of assembly equipment. Book to bill ratios for the industry have been slightly above parity in the past months, indicating a healthy market — especially for diversified-product equipment suppliers like ourselves.

Consistent with our results in recent years, ASM once again outperformed its industry peers and gained market share, maintaining the number one position in the global assembly and packaging equipment market we have held since 2002. We achieved a record Group turnover of US$293 million and a record profit of HK$625 million during the past six months. Return on capital employed and on sales were 26.5% and 29.0% respectively for the six-month period. Even though we made record shipments in the 2nd quarter and in the past six months, due to strong order inflows during the same period our book to bill ratio for the first six months was 1.17, and our ending order backlog as of 30th June, 2006 was in excess of US$153 million (US$102 million as of 31st December, 2005).

This was an outstanding result even by ASM's standards, and 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 technologically-advanced new products. During the first half of 2006, sales attributable to our five largest customers combined were 23.8% of the total, with no customer exceeding 10%, clear proof of the continuing success of our diversified market strategy. We also enjoyed a good geographical spread mirroring the investment trends in the industry, with Mainland China sustaining its top (25.8%) position, followed by Taiwan (18.2%) and Malaysia (16.8%).

Recent years' financial performance has clearly reflected the growing acceptance of our products by a larger pool of customers. During the first six months of 2006, equipment revenues were US$232.8 million, equivalent to 79.4% of the Group's turnover and exceeding the heights achieved in year 2000. With improved market demands, gain in market share and the expanded production capacity in our China and Malaysian plants, our leadframe business achieved its fifth consecutive record quarterly billings. In fact, leadframe revenues of US$60.3 million, representing 20.6% of the Group's turnover during the first half of 2006, were 20% higher than that of the preceding six months. Clearly the strategic realignment of our leadframe operations has yielded dividends. When our new Malaysian plant walks through its learning curve this year, we should be able to further improve our cost-competitiveness and expand the output of our QFN etched frames.

Judging from our key rival's reported group revenues, ASM's continuous advances in the market place and our steadily rising turnover, management believes our die bonder sales have overtaken all our global competitors in the past twelve months. Known for their value innovation and unparalleled cost-of-ownership, our dual-head gold wire bonders have enabled ASM to broaden its customer base with products unmatched by our competitors. Leveraging on ASM's R&D strengths and low-cost manufacturing, our highly flexible Osprey molding system has attracted both new and existing customers, resulting in an excellent reception for this newly-launched product that is unique in the market. The Osprey molding system also received Semiconductor International magazine's 2006 Editors' Choice Best Product Award in recognition of its distinctive capabilities — built-in flexibility and tooling-investment protection — and differentiated value to customers. Similarly, our image sensor assembly line is another product exhibiting the Blue-Ocean-Strategy concept, creating uncontested new market space and leaving the competition irrelevant. Our total solution for this particle-sensitive application has enabled ASM to enjoy an enviable market position in that application segment.

Satisfying the diversity of today's package types and applications requires multiple platforms for almost any assembly process, such as our gold wire bonder, die bonder, aluminum wire bonder, flip chip bonder, LED die sorter, encapsulation system, package singulation system and test handler products. While we need to provide short delivery times to our customers for standard products, the combined effect of a wider range of products, higher production run-rates, multiple platforms and new product introductions led to higher work-in-process and raw materials inventories as compared with six months ago. With more pipeline materials to address customer orders, our ending inventory as of 30th June, 2006 slightly increased to HK$666.7 million (HK$609.3 million as of 31st December, 2005), with an annualized inventory turn of 7.13 times (2005: 6.08 times) that was positively impacted by higher revenues. Moreover, with our diligent collection efforts, days-sales-outstanding was 78.2 days (2005: 88.2 days). Our sound working capital management has resulted in a free cash flow of HK$564.3 million and a return on invested capital of 35.2% during the past six months.

After paying last year's final and second special dividend of total HK$503.2 million in April and funding capital investment of HK$68.6 million in the first half of 2006, due to strong positive cash flow during the six-month period, the cash on hand as of 30th June, 2006 was HK$874.4 million, which was HK$145.5 million higher than six months ago and a record for ASM at the end of a six-month period. Our current ratio stands at 3.07, with zero long-term debt or bank borrowing, and a debt-equity ratio of only 33.2%. 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

With the consumption of semiconductors for consumer applications higher than for corporate purposes, the health of the chip sector in future will be closely tied to the world's macroeconomic conditions and consumer spending. Based on market outlook, most industry analysts currently predict an 8–10% growth for 2006. Furthermore, SIA, WSTS and iSuppli also forecast that the semiconductor industry will continue to grow 11–12% in 2007. IC unit volume is projected to have a compound annual growth rate (CAGR) of 9.31% over the 2004–2009 period, according to the 2005 Electronic Trend Publication.

For the assembly equipment market, the widely divergent growth predictions of the various industry analysts ranging from 3.6 to 22.1% (VLSI Research 3.6%, SEMI 9.0%, Dataquest 22.1%) made six months ago have been replaced with more convergent views of double-digit growth with a smaller range of 11.7–19.0% (SEMI 11.7%, Dataquest 17.5%, VLSI Research 19.0%), reflecting some of the market strengths witnessed during the first six months of the year. The rate of change this year will depend on how far the market can sustain the strong momentum of the first two quarters.

After three decades of IC packaging format creations such as through-hole plastic dual-in-line (DIP), surface-mounted device (SMD), ball-grid array (BGA), flip chip (FC) and quad-flat pack with no lead (QFN), and constant evolution towards miniaturization, the semiconductor industry continues to press forward on its packaging journey in basically two directions: application-driven devices and high-density packaging integrating the known assembly processes. The former requires a host of customized packaging solutions for applications like smart cards, RFID, sensors (e.g. CMOS image sensors for camera modules), MEMS, high brightness LEDs, etc., while the latter demands a new generation of assembly systems based on the traditional assembly processes but stretching the technology envelope to address high-density packaging: stacked die (SD), stacked package (PoP), system-in-package (SiP) and multi-chip module (MCM).

While these different application niches and known processing technologies will coexist in the future, to sustain ASM's continued leadership and to build resilience in this dynamic industry management believes in addressing these challenges simultaneously. In addition to preparing a new generation of die, flip chip, gold and aluminum wire bonders to enhance our leading market position, we have also dedicated R&D resources to develop equipment for the growing multi-chip die bonding and chip-on-glass (COG) flip chip applications, aiming for marketable products in 2007. It is our firm belief that providing integrated packaging solutions is the most effective marketing tool; while organic growth through product adjacency — selling other ASM products to the same customers — and the introduction of Blue-Ocean-Strategy products is the appropriate business strategy for the next couple of years while we sail through the management succession.

Our current success brings with it a requirement to plan for future expansion. The growing customer acceptance as well as the market potential of our molding systems and test handler products necessitates making some strategic decisions. These products are ripe for major market assaults and must be supported by larger sales forces, shorter delivery lead time and more technical service personnel. Coupling this with the growing market share of ASM's diversified products, it is important that we prepare sufficient production capacity for our die and wire bonders and back end products (automold and post-encapsulation products) for the coming years. As such management has decided to rent additional 120,000 sq.ft. premises adjacent to our Fu Yong, Shenzhen, China factory, and transfer the entire parts fabrication and module assembly of our back end products (BEP) to this location. Besides providing room for expanding output of our emerging back end products, this move will also generate the much needed space to enlarge our bonder manufacturing in the Shaotaojiao, Shenzhen, China plant.

Over the years we have built a wealth of technologies and a vast pool of talent at ASM. Our track record of successfully executing ASM's customer-centric business strategy speaks for itself. The broad customer base coming from various application markets, the diversified product offerings and the industry's most efficient cost structure are ASM's sustainable competitive advantages. Furthermore, ignoring short-term sales fluctuation in favour of long-term growth, ASM has consistently committed 10% of our equipment sales — US$234.6 million in the past ten years — on R&D and made substantial capital investments — US$246.3 million in the last decade — to position ASM advantageously in the global market. The battle for market share is an arduous struggle, and in general the outcome will favour companies with richer resources. Given our strengths in these areas, it is management's belief that ASM will continue to outperform our industry peers and maintain our leading position in the foreseeable future.

On a personal note, having led ASM Pacific Technology Ltd. (ASMPT) for 31 years of profitable growth since its inception, it is now time for me to reorder my priorities in life. It is my plan to officially retire from ASMPT on 31st December, 2006. As agreed with the ASMPT's Board of Directors and its major shareholder, ASM International, I will stay on as ASMPT's Honorary Chairman for six months until 30th June, 2007, to ensure an orderly transition as I pass on the baton. The records achieved during my tenure are meant for my successor to break, and I am confident that the succeeding leadership team consisting of my comrades of the past 25 years will lead ASMPT to even higher ground.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

		Six months ended 30th June,	
		2006	2005
		(Unaudited)	*(Unaudited)*
	Notes	*HK$'000*	*HK$'000*
Turnover	3	2,273,105	1,457,183
Cost of sales		(1,207,854)	(802,860)
Gross profit		1,065,251	654,323
Other income		17,328	13,077
Selling expenses		(182,008)	(138,812)
General and administrative expenses		(86,786)	(64,848)
Research and development expenses		(138,097)	(119,015)
Finance costs		(27)	(3)
Profit before taxation		675,661	344,722
Income tax expense	5	(50,617)	(21,131)
Profit for the period		625,044	323,591
Dividend paid	6	503,177	404,532
Earnings per share	7		
— Basic		HK$1.61	HK$0.84
— Diluted		HK$1.61	HK$0.84

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH JUNE, 2006

	Notes	At 30th June, 2006 (Unaudited) HK$'000	At 31st December, 2005 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	8	799,697	808,030
Prepaid lease payments		8,987	8,951
Deferred tax assets		659	118
		809,343	817,099
Current assets			
Inventories		666,708	609,345
Trade and other receivables	9	1,047,626	892,255
Prepaid lease payments		461	448
Bank balances and cash		874,434	728,927
		2,589,229	2,230,975
Current liabilities			
Trade and other payables	10	742,764	585,020
Taxation		99,302	66,101
Notes payable to a bank	11	1,544	462
		843,610	651,583
Net current assets		1,745,619	1,579,392
		2,554,962	2,396,491
Capital and reserves			
Share capital	12	38,706	38,706
Dividend reserve		561,236	503,177
Other reserves		1,951,997	1,851,651
Equity attributable to equity holders of the Company		2,551,939	2,393,534
Non-current liabilities			
Deferred tax liabilities		3,023	2,957
		2,554,962	2,396,491

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

	Attributable to equity holders of the Company								
	Share capital *HK$'000*	Share premium *HK$'000*	Employee share-based compensation reserve *HK$'000*	Capital redemption reserve *HK$'000*	Capital reserve *HK$'000*	Translation reserve *HK$'000*	Retained profits *HK$'000*	Dividend reserve *HK$'000*	Total *HK$'000*
At 1st January, 2005	38,527	84,198	—	155	70,944	(63,985)	1,643,094	404,532	2,177,465
Exchange differences on translation of foreign operations recognised directly in equity	—	—	—	—	—	(17,150)	—	—	(17,150)
Profit for the year	—	—	—	—	—	—	850,485	—	850,485
Total recognised income and expense for the year	—	—	—	—	—	(17,150)	850,485	—	833,335
Sub-total	38,527	84,198	—	155	70,944	(81,135)	2,493,579	404,532	3,010,800
Recognition of equity-settled share based payments	—	—	56,954	—	—	—	—	—	56,954
Shares issued under the Employee Share Incentive Scheme	179	56,775	(56,954)	—	—	—	—	—	—
Interim dividend declared	—	—	—	—	—	—	(192,634)	192,634	—
First special dividend declared	—	—	—	—	—	—	(77,054)	77,054	—
Second special dividend proposed	—	—	—	—	—	—	(116,118)	116,118	—
Final dividend proposed	—	—	—	—	—	—	(387,059)	387,059	—
Dividends paid	—	—	—	—	—	—	—	(674,220)	(674,220)
At 31st December, 2005 and 1st January, 2006	38,706	140,973	—	155	70,944	(81,135)	1,720,714	503,177	2,393,534
Exchange differences on translation of foreign operations recognised directly in equity	—	—	—	—	—	5,062	—	—	5,062
Profit for the period	—	—	—	—	—	—	625,044	—	625,044
Total recognised income and expense for the period	—	—	—	—	—	5,062	625,044	—	630,106
Sub-total	38,706	140,973	—	155	70,944	(76,073)	2,345,758	503,177	3,023,640
Recognition of equity-settled share based payments	—	—	31,476	—	—	—	—	—	31,476
2005 final dividend paid	—	—	—	—	—	—	—	(503,177)	(503,177)
2006 interim dividend proposed	—	—	—	—	—	—	(270,942)	270,942	—
2006 special dividend proposed	—	—	—	—	—	—	(290,294)	290,294	—
At 30th June, 2006	38,706	140,973	31,476	155	70,944	(76,073)	1,784,522	561,236	2,551,939
At 1st January, 2005	38,527	84,198	—	155	70,944	(63,985)	1,643,094	404,532	2,177,465
Exchange differences on translation of foreign operations recognised directly in equity	—	—	—	—	—	(8,511)	—	—	(8,511)
Profit for the period	—	—	—	—	—	—	323,591	—	323,591
Total recognised income and expense for the period	—	—	—	—	—	(8,511)	323,591	—	315,080
Sub-total	38,527	84,198	—	155	70,944	(72,496)	1,966,685	404,532	2,492,545
Recognition of equity-settled share based payments	—	—	26,018	—	—	—	—	—	26,018
2004 final dividend paid	—	—	—	—	—	—	—	(404,532)	(404,532)
2005 interim dividend proposed	—	—	—	—	—	—	(192,634)	192,634	—
2005 special dividend proposed	—	—	—	—	—	—	(77,054)	77,054	—
At 30th June, 2005	38,527	84,198	26,018	155	70,944	(72,496)	1,696,997	269,688	2,114,031

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

	Six months ended 30th June, 2006 *(Unaudited)* *HK$'000*	Six months ended 30th June, 2005 *(Unaudited)* *HK$'000*
Net cash from operating activities	**698,984**	251,303
Net cash used in investing activities		
Purchase of property, plant and equipment	**(68,591)**	(95,771)
Other investing cash flows	**15,871**	7,934
	(52,720)	(87,837)
Net cash used in financing activities		
Dividend paid	**(503,177)**	(404,532)
Other financing cash flows	**1,077**	—
	(502,100)	(404,532)
Net increase (decrease) in cash and cash equivalents	**144,164**	(241,066)
Cash and cash equivalents at beginning of the period	**728,927**	763,359
Effect of foreign exchange rate changes	**1,343**	(1,762)
Cash and cash equivalents at end of the period	**874,434**	520,531

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

1. BASIS OF PREPARATION

The condensed financial statements 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 Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values at initial recognition.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2005 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (new "HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The application of these new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment is required.

The Group has not early applied the following new standard, amendment and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the results and financial positions of the Group.

HKAS 1 (Amendment)	Capital disclosures[1]
HKFRS 7	Financial instruments: Disclosures[1]
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies"[2]
HK(IFRIC) - INT 8	Scope of HKFRS 2[3]
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives[4]

[1] Effective for annual periods beginning on or after 1st January, 2007.
[2] Effective for annual periods beginning on or after 1st March, 2006.
[3] Effective for annual periods beginning on or after 1st May, 2006.
[4] Effective for annual periods beginning on or after 1st June, 2006.

3. SEGMENT INFORMATION

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

Business segments

	Six months ended 30th June,	
	2006	2005
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Turnover		
Equipment	**1,805,701**	1,173,650
Leadframe	**467,404**	283,533
	2,273,105	1,457,183
Result		
Equipment	**570,307**	301,406
Leadframe	**90,002**	35,644
	660,309	337,050
Interest income	**15,379**	7,675
Finance costs	**(27)**	(3)
Profit before taxation	**675,661**	344,722
Income tax expense	**(50,617)**	(21,131)
Profit for the period	**625,044**	323,591

3. SEGMENT INFORMATION (CONTINUED)

Geographical segments

	Turnover	
	Six months ended 30th June,	
	2006	2005
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Mainland China	**587,231**	335,226
Taiwan	**412,464**	265,313
Malaysia	**381,592**	188,441
Thailand	**202,050**	96,482
Hong Kong	**166,053**	118,974
Korea	**138,318**	122,187
Philippines	**102,773**	93,198
United States of America and Latin America	**78,994**	62,911
Singapore	**68,794**	69,357
Europe	**61,243**	75,151
Japan	**47,630**	17,985
Indonesia	**22,363**	9,683
Others	**3,600**	2,275
	2,273,105	1,457,183

4. DEPRECIATION

During the period, depreciation of HK$82.4 million (HK$74.4 million for the six months ended 30th June, 2005) was charged to profit or loss in respect of the Group's property, plant and equipment.

5. INCOME TAX EXPENSE

	Six months ended 30th June,	
	2006	2005
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax	**45,136**	15,254
Taxation in other jurisdictions	**5,952**	4,489
	51,088	19,743
Deferred taxation (credit) charge	**(471)**	1,388
	50,617	21,131

5. INCOME TAX EXPENSE (CONTINUED)

Hong Kong Profits Tax has been calculated at 17.5% (17.5% for the six months ended 30th June, 2005) of the estimated assessable profit for the period.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant 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 were exempted from the People's Republic of China Income Taxes for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

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

6. DIVIDEND PAID

	Six months ended 30th June,	
	2006	2005
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Second special dividend paid for 2005 of HK$0.30 (2004: Nil) per share on 387,059,500 shares	**116,118**	—
Final dividend paid for 2005 of HK$1.00 (2004: HK$1.05) per share on 387,059,500 (2004: 385,268,500) shares	**387,059**	404,532
	503,177	404,532
Proposed interim dividend of HK$0.70 (2005: HK$0.50) per share on 387,059,500 (2005: 385,268,500) shares	**270,942**	192,634
Proposed special dividend of HK$0.75 (2005: HK$0.20) per share on 387,059,500 (2005: 385,268,500) shares	**290,294**	77,054
	561,236	269,688

The dividends will be paid to the shareholders of the Company whose names appear in the Register of Members on 17th August, 2006.

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,	
	2006	2005
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**625,044**	323,591

	Number of shares (in thousand)	
Weighted average number of ordinary shares for the purposes of basic earnings per share	**387,060**	385,269
Effect of dilutive potential ordinary shares from the Employee Share Incentive Scheme	**608**	1,263
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**387,668**	386,532

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$68.6 million (HK$95.8 million for the six months ended 30th June, 2005) on the acquisition of property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

	As at 30th June, 2006 *(Unaudited)* *HK$'000*	As at 31st December, 2005 *(Audited)* *HK$'000*
Trade receivables	981,225	843,280
Other receivables, deposits and prepayments	66,141	46,810
Amounts due from ASM International N.V. ("ASM International") group companies — trade *(Note)*	260	2,165
	1,047,626	892,255

An aging analysis of trade receivables at the reporting date is as follows:

	As at 30th June, 2006 *(Unaudited)* *HK$'000*	As at 31st December, 2005 *(Audited)* *HK$'000*
Not yet due	667,517	595,643
Overdue within 30 days	173,268	151,619
Overdue within 31 to 60 days	76,561	64,098
Overdue within 61 to 90 days	37,812	24,221
Overdue over 90 days	26,067	7,699
	981,225	843,280

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 commonly extended to 3 to 4 months and very limited customers were offered with up to 360 days. Each customer has a pre-set maximum credit limit.

10. TRADE AND OTHER PAYABLES

	As at 30th June, 2006	As at 31st December, 2005
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Trade payables	**420,699**	315,032
Other payables and accrued charges	**321,696**	269,402
Amounts due to ASM International group companies — trade *(Note)*	**369**	586
	742,764	585,020

An aging analysis of trade payables at the reporting date is as follows:

	As at 30th June, 2006	As at 31st December, 2005
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Not yet due	**259,852**	191,659
Overdue within 30 days	**101,612**	82,442
Overdue within 31 to 60 days	**51,260**	39,330
Overdue within 61 to 90 days	**7,664**	1,384
Overdue over 90 days	**311**	217
	420,699	315,032

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

11. NOTES PAYABLE TO A BANK

The amount arises from discounted bills with recourse in which the Group retains the credit risk of the bills receivable.

12. SHARE CAPITAL

	Six months ended 30th June, 2006 *(Unaudited)* *HK$'000*	Year ended 31st December, 2005 *(Audited)* *HK$'000*
Issued and fully paid:		
Shares of HK$0.10 each		
At the beginning of the period	**38,706**	38,527
Shares issued under the Employee Share Incentive Scheme	**—**	179
At the end of the period	**38,706**	38,706

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

13. RELATED PARTY TRANSACTIONS

(a) During the period, the Group paid a management fee of HK$375,000 (HK$750,000 for the six months ended 30th June, 2005) to ASM International under a consultancy agreement between ASM International and the Company. Pursuant to the original 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 annual management fee was revised to HK$750,000 effective from 1st January, 2006. 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 10th August, 2005, the Company entered into a service agreement (the "Service Agreement") with ASM Front-End Manufacturing Singapore Pte. Ltd. ("FEMS"), a wholly owned subsidiary of ASM International. Pursuant to the Service Agreement, the Group provides computer software installation consultancy services to FEMS in its implementation of a particular enterprise resources planning software in its production facility in Singapore, at a quarterly fee of US$90,000. The Service Agreement was for a term of one year from 16th August, 2005 to 15th August, 2006. Details of the Service Agreement are set out in the announcement dated 15th August, 2005 made by the Company. Management service fees received during the six months ended 30th June, 2006 amounted to approximately HK$1,396,000.

(c) On 16th March, 2004, the Company entered into a management and production agreement (the "M & P Agreement") with ASM International. The M & P Agreement 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. Details of the M & P Agreement are set out in the announcement dated 18th March, 2004 made by the Company. The M & P Agreement was terminated effective from 1st January, 2006 while the production orders confirmed before 1st January, 2006 were remained enforceable.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the M & P Agreement, the Group provided 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 fees received during the period ended 30th June, 2005 amounted to HK$750,000.

In addition, the Group has also agreed to manufacture metal parts for ASM International at a cost-plus basis. The income from the manufacture of metal parts for ASM International during the period amounted to HK$1,378,000 (HK$3,088,000 for the six months ended 30th June, 2005). The income received during the period was being deliveries of orders confirmed before 1st January, 2006.

(d) Compensation of key management personnel

During the period, the emoluments of directors and other members of key management were HK$23,701,000 (HK$20,920,000 for the six months ended 30th June, 2005).

Certain shares of the Company were issued to the key management under the Employee Share Incentive Scheme (the "Scheme") which has a term of 10 years starting from December 1989, the Scheme was extended for a further term of 10 years up to 23rd March, 2010 pursuant to an extraordinary general meeting of the Company on 25th June, 1999. The estimated fair value of such shares was included in emoluments.

14. CONTINGENT LIABILITIES

	As at 30th June, 2006 ***(Unaudited)*** ***HK$'000***	As at 31st December, 2005 *(Audited)* *HK$'000*
Guarantees given to the Singapore government for working permits of foreign workers in Singapore	441	581

15. CAPITAL COMMITMENTS

	As at 30th June, 2006 ***(Unaudited)*** ***HK$'000***	As at 31st December, 2005 *(Audited)* *HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed financial statements	92,174	17,279
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	35,867	180,895
	128,041	198,174

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, 2006 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 ("**Shares**"):

Name of director	Capacity	Number of Shares held	Percentage of shareholding in the Company
Arthur H. del Prado *(Note 1)*	Beneficial Owner	207,427,500	53.59%
Lam See Pong , Patrick *(Note 2)*	Beneficial Owner	519,000	0.13%
Fung Shu Kan, Alan *(Note 3)*	Beneficial Owner	216,000	0.06%

(b) Share options of ASM International:

Name of director	Date of grant	Exercise period	Exercise price	At 1st January, 2006	Exercised during the period	At 30th June, 2006
Arthur H.del Prado	19th December, 2001	19th December, 2002– 19th December, 2006	US$19.32	250,000	—	250,000
Lam See Pong, Patrick	4th April, 2001	31st December, 2001– 4th April, 2006	US$15.44	100,000	100,000	—
Fung Shu Kan, Alan	4th April, 2001	31st December, 2001– 4th April, 2006	US$15.44	7,000	7,000	—
Arnold J.M. van der Ven	15th May, 2005	15th May, 2008– 15th May, 2013	EUR11.18	30,000	—	30,000

Notes:

1. As regards Mr. del Prado:

   (a) he himself, member of his immediate family and a foundation controlled by him together held about 21.47% of the issued share capital of ASM International, which is a controlling shareholder of the Company, holding as to approximately 53.59% of the entire issued share capital of the Company through its wholly-owned subsidiary, namely, Advanced Semiconductor Materials (Netherlands Antilles) N.V., which holds 207,427,500 Shares, and he is accordingly deemed to be so interested; and

   (b) 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.

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

(b) Share options of ASM International: (Continued)

Notes: (Continued)

2. As at 30th June, 2006, Mr. Lam beneficially owns 20,000 shares of ASM International. Pursuant to the Employee Share Incentive Scheme of the Company, the Company has allocated Share entitlements at par value to the management and employees of the Company in respect of their services for the vesting period from 21st February, 2006 until 15th December, 2006 (both days inclusive) ("Vesting period"). Mr. Lam's interest of 519,000 Shares includes an entitlement of 180,000 shares which the Company has allocated to him on 28th March, 2006 in respect of his services upon expiration of the Vesting Period. No subscription price is to be payable by him.

3. Mr. Fung's interest of 216,000 Shares includes an entitlement of 25,000 Shares which the Company has allocated to him on 28th March, 2006 in respect of his services upon expiration of the Vesting Period. No subscription price is to be payable by him.

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, 2006, none of the Directors or chief executives of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2006, 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:

		Number of shares held/Percentage of shareholding in the Company			
Name of shareholder	**Capacity**	**Long positions**	**%**	**Lending pool**	**%**
ASM International	Corporate	207,427,500	53.59	—	—
Advanced Semiconductor Materials (Netherlands Antilles) N.V.	Beneficial owner	207,427,500	53.59	—	—
Aberdeen Asset Management Plc and its associates on behalf of accounts managed by Aberdeen Asset Management Plc and its associates	Investment Manager	27,175,000	7.02	—	—
JPMorgan Chase & Co.	Beneficial owner, Interests of corporation controlled by it, Investment Manager and custodian corporation/approved lending agent	19,490,799	5.04	19,397,799	5.01
Emerging Markets Management, L.L.C.	Investment Manager	19,437,500	5.02	—	—

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Save as disclosed above, as at 30th June, 2006, 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 interests or short positions in the shares or underlying shares of the Company.

CORPORATE GOVERNANCE

In order to ensure full compliance of the Company's Articles of Association with the Code Provisions as set out in the Code on Corporate Governance Practices ("C.G. Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), a special resolution was passed at the 2006 annual general meeting of the Company held on 24th April, 2006 to amend the Company's Articles of Association so that all directors will be subject to retirement by rotation once every three years and any new director appointed to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

The Company has complied with all the Code Provisions set out in the C.G. Code during the six months ended 30th June, 2006.

The Company 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, 2006.

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, 2006 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 announcement, the Directors are Mr. Arthur H. del Prado (Chairman), Mr. Patrick Lam See Pong and Mr. Alan Fung Shu Kan as Executive Directors; Mr. Arnold J. M. van der Ven as Non-executive Director, Miss Orasa Livasiri, Mr. Eric Tang Koon Hung and Mr. Robert Lee Shiu Hung as Independent Non-executive Directors.

On behalf of the Board
Patrick Lam See Pong
Director

Hong Kong, 31st July, 2006

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