

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in ASM Pacific Technology Limited you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



ASM Pacific Technology Limited (Stock Code: 00522)

(Incorporated in the Cayman Islands with limited liability)

Directors:

Arthur H. del Prado (*Chairman*)

Lam See Pong, Patrick

Fung Shu Kan, Alan

Orasa Livasiri*

Paulus Cornelis van den Hoek*

** Independent non-executive directors*

Registered Office:

Caledonian House, George Town,

Grand Cayman, Cayman Islands

Principal Office:

12th Floor, Watson Centre

16-22 Kung Yip Street

Kwai Chung, New Territories

Hong Kong

30th March, 2004

To the shareholders

Dear Sir or Madam,

AMENDMENT OF ARTICLES OF ASSOCIATION AND GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

INTRODUCTION

The directors of ASM Pacific Technology Limited (the “Company”) propose to amend the Articles of Association of the Company and to grant to the directors of the Company general mandates to issue shares and to repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and to convene an extraordinary general meeting (the “EGM”) to consider and, if thought fit, approve the resolutions necessary for the proposals to be implemented. This circular also contains the explanatory statement in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares.

AMENDMENT OF ARTICLES OF ASSOCIATION

It is proposed to amend the Company's Articles of Association in order to comply with the requirements of Appendices 3 and 13 to the Listing Rules as follows :

- (a) a minimum seven-day period must be allowed for lodgement by shareholders of a notice to nominate a director and such period shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (b) directors shall abstain from voting at the board meeting on any matter in which he or any of his associates has a material interest and are not to be counted towards the quorum of the relevant board meeting;
- (c) where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted; and
- (d) a member who is a clearing house or its nominee is allowed to appoint multiple corporate representatives to attend and vote at a meeting of the Company as if each were an individual shareholder.

Shareholders should note that there is no Chinese version of the Articles of Association of the Company and the Chinese translation of resolution no. 1 as set out in the notice of the EGM in relation to the wording(s) and provision(s) of the Articles of Association of the Company is for reference only.

GENERAL MANDATE TO ISSUE SHARES

It is proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company in issue on the date of the resolution to provide flexibility to the Company to raise fund by issue of shares efficiently.

GENERAL MANDATE TO REPURCHASE SHARES

At the EGM, an ordinary resolution will be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company's authority is restricted to purchases made on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in accordance with the Listing Rules of the Stock Exchange. On 23rd March, 2004 (the "Latest Practicable Date"), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 385,018,000 shares of HK\$0.10 each in the Company ("Shares"). Exercise in full of the mandate, on the basis that no further Shares are issued prior to the date of the EGM, could accordingly result in up to 38,501,800 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31st December, 2003 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its memorandum and articles of association to purchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Cayman Islands law, the repurchased shares will remain part of the authorised but unissued share capital of the Company.

The directors intend to apply the capital paid up on the relevant Shares or the profits that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

UNDERTAKING OF THE DIRECTORS

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the “Code”) and could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Advanced Semiconductor Materials (Netherlands Antilles) N.V. (a wholly owned subsidiary of ASM International N.V.), who held 207,427,500 Shares (representing approximately 53.87 per cent. of the issued share capital of the Company), was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Advanced Semiconductor Materials (Netherlands Antilles) N.V. in the Company would be increased to approximately 59.86 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code and would not reduce the amount of Shares held by public to less than 25 per cent..

STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ approval

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

GENERAL

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:-

Month	Per Share	
	Highest HK\$	Lowest HK\$
2003		
March	20.15	17.80
April	19.60	17.40
May	20.30	18.60
June	24.60	19.90
July	26.80	21.80
August	26.40	23.30
September	28.70	24.95
October	29.60	25.80
November	32.60	28.50
December	34.40	30.00
2004		
January	39.80	34.00
February	39.00	34.00
March (up to the Latest Practicable Date)	36.30	31.50

EXTRAORDINARY GENERAL MEETING

You will find on pages 5 to 8 of this circular a notice of the EGM to be held at 3:35 p.m. on Friday, 23rd April, 2004 (or so soon thereafter as the annual general meeting of the Company convened for the same day at 3:30 p.m. shall have concluded or adjourned) at Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong.

Resolution no. 1 will be proposed as a special resolution to approve the proposed amendment of the Articles of Association of the Company.

Resolution no. 2 will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 3 will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4 will be proposed as an ordinary resolution to extend resolution no. 2 to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 3.

There is enclosed a pink form of proxy for use at the EGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

RECOMMENDATION

The directors consider that the proposed amendment of the Articles of Association and granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and so recommend you to vote in favour of all resolutions at the EGM. The directors will vote all their shareholdings in favour of all the resolutions.

Yours faithfully,
Lam See Pong, Patrick
Director



ASM Pacific Technology Limited

(Incorporated in the Cayman Islands with limited liability)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the abovementioned company (the “Company”) will be held at Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 23rd April, 2004 at 3:35 p.m. (or so soon thereafter as the annual general meeting of the Company convened for the same day at 3:30 p.m. shall have concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution no.1 will be proposed as a special resolution and resolution nos. 2, 3 and 4 will be proposed as ordinary resolutions :

SPECIAL RESOLUTION

1. “THAT :

- (a) the following definition be added before the definition of “the Board” in Article 1 of the Articles of Association of the Company :

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange;”

- (b) the following definition be added after the definition of “clear days” in Article 1 of the Articles of Association of the Company :

““clearing house” a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;”

- (c) the following definition be added before the definition of “the Directors” in Article 1 of the Articles of Association of the Company :

““Designated Stock Exchange” stock exchange which is an appointed stock exchange for the purposes of the Law in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;”

- (d) the last two sentences at the end of Article 70 of the Articles of Association of the Company be deleted and be replaced by the following :

“Where a member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”

- (e) a new Article 75A be added after the existing Article 75 of the Articles of Association of the Company as follows :
- “75A. Where any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”
- (f) the words “or any of his associate(s)” be added after the word “he” in Article 110.1 of the Articles of Association of the Company;
- (g) the words “or his associate(s)” be added after the word “director” in Article 110.2.1 of the Articles of Association of the Company;
- (h) the words “or any of his associate(s)” be added after the word “him” whenever that word appears in Article 110.2.1 of the Articles of Association of the Company;
- (i) the word “has” in Article 110.2.2 of the Articles of Association of the Company be deleted and be replaced by the words “or his associate(s) has/have himself/themselves”;
- (j) the words “is or is” in Article 110.2.3 of the Articles of Association of the Company be deleted and be replaced by the words “or his associate(s) is/are or is/are”;
- (k) the existing provisions of Article 110.2.4 of the Articles of Association of the Company be deleted and be replaced by the following :
- “110.2.4 any contract or arrangement concerning any other company in which the director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the director and/or his associate(s) is/are beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived);”
- (l) the words “, his associates” be added after the word “directors” in Article 110.2.5 of the Articles of Association of the Company, and the words “or his associate(s)” be added after the words “any director” in such Article;
- (m) the words “or his associate(s)” be added after the word “director” whenever it appears in Article 110.2.6 of the Articles of Association of the Company;
- (n) the definition of “Associate” in Article 110 of the Articles of Association of the Company be deleted;
- (o) the words “or his associate(s)” be added after the words “(other than the chairman of the meeting)” and “in respect of the chairman of the meeting” respectively in Article 111 of the Articles of Association of the Company and the words “or of his associate(s)” be added after the words “the director concerned” and “the interest of such chairman” respectively in such Article; and
- (p) the words “at least seven clear days” in Article 115 of the Articles of Association of the Company be deleted and the following be added before the full stop in such Article :
- “provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for giving such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting”.

ORDINARY RESOLUTIONS

2. "THAT :

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or a scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the employee share incentive scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution :

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of :

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory)."

3. "THAT :

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and

- (c) for the purposes of this resolution :

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of :

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

4. "THAT conditional upon resolution no. 3 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 3 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 2 above."

By Order of the Board
Lam See Pong, Patrick
Director

Hong Kong, 30th March, 2004

Principal office :

12th Floor, Watson Centre
16-22 Kung Yip Street
Kwai Chung
New Territories
Hong Kong

Notes :

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a pink form of proxy must be deposited at the Company's principal office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.