

[For Immediate Release]

ASMPT Announces 2018 First Quarter Results

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Record Quarterly Bookings

Highlights

- Group revenue of US\$555.7 million increased by 15.5% and 2.8% over the same period of last year and the preceding three months, respectively
- Net profit of HK\$615.6 million, representing increases of 16.8% and 35.9% over the same period of last year (excluding a non-cash gain of HK\$202.1 million arising from the adjustment of the liability component of convertible bonds last year) and the preceding three months, respectively
- Earnings per share was HK\$1.52, representing increases of HK\$0.21 and HK\$0.40 over the same period of last year (excluding a non-cash gain arising from the adjustment of the liability component of convertible bonds last year) and the preceding three months, respectively
- Back-end Equipment revenue was US\$282.6 million, representing increases of 10.5% and 12.9% over the same period of last year and the preceding three months, respectively
- Record Materials revenue was US\$74.8 million, representing increases of 17.7% and 15.1% over the same period of last year and the preceding three months, respectively
- SMT Solutions revenue was US\$198.3 million, representing an increase of 22.6% against the same period of last year but a contraction of 11.9% over the preceding three months
- Record Group quarterly bookings of US\$754.2 million, increased by 24.0% and 51.9% over the same period of last year and the preceding three months, respectively
- Cash and bank deposits was HK\$3.28 billion at the end of March 2018, as compared with HK\$3.06 billion at the end of 2017
- Book to bill ratio was 1.36

(Hong Kong, 20 April 2018) — The world's No.1 semiconductor assembly and packaging equipment supplier **ASM Pacific Technology Limited** ("ASMPT" / the "Group") (Stock code: 0522) today announced its quarterly results for the three months ended 31 March 2018. During the period, ASMPT received record bookings of US\$754.2 million. Group bookings in Q1 surged 51.9% quarter-on-quarter and grew 24.0% year-on-year, respectively. Book to bill ratio for the Group was 1.36. The backlog as of the end of the first quarter this year increased to a record level of US\$749.3 million, representing an increase of 39.1% from the end of last year.

Starting from Q1 this year, the Group adopted the new accounting standard in revenue recognition. As a result, Group revenue increased by an additional US\$4.7 million in Q1 this year, mainly relating to shipment made in the prior year.

Had there been no change to the accounting standard, Group billing in Q1 this year would amount to US\$551.0 million, representing improvements of 14.6% and 1.9% against the same period last year and the preceding quarter, respectively. It is the highest Q1 billing that the Group has ever achieved. In fact, all three business segments of the Group achieved highest Q1 billing in their history.

Group net profit for Q1 this year amounted to HK\$615.6 million. Basic earnings per share for the quarter under review amounted to HK\$1.52 (2017 Q1: HK\$1.80). The adoption of the new accounting standard in revenue recognition led to additional Group net profit of HK\$20.9 million. Excluding the non-cash gain arising from the adjustment of liability component of convertible bonds that amounted to HK\$202.1 million for the three months ended 31 March 2017, Group net profit in Q1 this year improved by 16.8% year-on-year.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, “We are excited to report that the Group received record bookings of US\$754.2 million during Q1 this year - bookings that were much stronger than what we had anticipated at the beginning of the year. In particular, booking of the Back-end Equipment Segment surged 25.3% year-on-year to a level that exceeded US\$400 million. Booking of the SMT Solutions Segment, which attained a new record in Q1, was unexpectedly high in spite of the absence of a big order relating to the smart phone upgrade cycle. The strong booking of the SMT Solutions Segment was driven by the industrial electronics and automotive market. We also notice that customers have started to order SMT equipment for the infrastructure build-up of the 5G mobile network. Our strong booking momentum in Q1 this year reaffirmed our belief that the semiconductor industry has entered into a different phase. For the past ten years, the industry was mainly driven by the development of smartphones. Now the industry is driven by multiple growth drivers, such as IoT, industry automation, robotics, smart factory, power management applications, automotive, smart city, cloud computing, data center, artificial intelligence, big data analysis and smartphone. Together with 5G mobile network, these diversified applications will spur up demand for semiconductor devices and our products.”

Billing of the Back-end Equipment Segment grew 12.9% quarter-on-quarter and 10.5% year-on-year, respectively to US\$282.6 million. It is the highest Q1 billing that the Segment has ever achieved. During the first quarter of 2018, gross margin of the Back-end Equipment Segment declined by 228bps year-on-year and 459bps quarter-on-quarter, mainly due to product mix. Segment profit improved by 1.7% year-on-year and 18.8% quarter-on-quarter, respectively.

All three pillars of the Back-end Equipment Segment, namely the IC/Discrete, Optoelectronics, and CIS registered a strong booking rebound quarter-on-quarter. Booking for active alignment equipment continued to be strong. It reaffirms the Group’s belief that customers will continue to add new capacities for the active alignment of dual cameras and 3D sensing for smart phones despite the slowdown in smart phone shipment growth.

Billing of the SMT Solutions Segment attained a new high for the first quarter of the year. Billing of the SMT Solutions Segment amounted to US\$198.3 million, representing a growth of 22.6% year-on-year. During the first quarter, gross margin of SMT Solutions Segment declined by 224bps year-on-year but improved by 89bps quarter-on-quarter. Segment profits improved by 17.7% year-on-year and by 11.3% quarter-on-quarter, respectively.

Billing of the Materials Segment grew 15.1% quarter-on-quarter and 17.7% year-on-year, respectively to a new quarterly record amount of US\$74.8 million. During the first quarter, gross margin of the Materials Segment declined by 116bps year-on-year but improved by 85bps quarter-on-quarter.

“With the strong backlog on hand, we expect Group billing in Q2 to be in the range of US\$650 million to US\$710 million. For Q2, we expect Group booking to achieve a single digit percentage year-on-year growth, following a very strong booking in Q1 this year. Supported by this high turnover, we expect gross margin of the Group to improve over Q1 this year.” **Mr. Lee** concluded.

About ASM Pacific Technology Limited

As a global technology and market leader, ASMPT (HKEX stock code: 0522), develops and provides leading edge solutions and materials for the semiconductor assembly and packaging industries. Its surface mount technology solutions are deployed in a wide range of end-user markets including electronics, mobile communications, automotive, industrial, LED and alternative energy. Our continuous investments in research and development help to provide our customers with innovative and cost-efficient solutions and systems that enable them to achieve higher productivity, greater reliability and enhanced quality.

Listed on the Hong Kong Stock Exchange since 1989, ASMPT is currently one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under Hang Seng Composite Industry Indexes, the Hang Seng Hong Kong 35 Index and the Hang Seng Global Composite Index. To learn more about ASMPT, please visit our website at www.asmpacific.com.

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(N.B.: Enclosed please find the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three months ended		
	31 March 2018 (unaudited) HK\$'000	31 December 2017 (unaudited) HK\$'000	31 March 2017 (unaudited) HK\$'000
Revenue	4,345,900	4,227,229	3,761,237
Cost of sales	(2,712,984)	(2,568,194)	(2,259,969)
Gross profit	1,632,916	1,659,035	1,501,268
Other income	20,493	16,754	16,031
Selling and distribution expenses	(351,836)	(432,485)	(333,062)
General and administrative expenses	(232,896)	(276,180)	(180,869)
Research and development expenses	(354,658)	(381,639)	(317,707)
Other gains and losses	30,948	(19,849)	(11,985)
Adjustment of liability component of convertible bonds	-	-	202,104
Finance costs	(36,680)	(36,913)	(39,932)
Profit before taxation	708,287	528,723	835,848
Income tax expense	(92,663)	(75,747)	(106,669)
Profit for the period	615,624	452,976	729,179
Profit for the period attributable to:			
Owners of the Company	617,780	457,941	736,024
Non-controlling interests	(2,156)	(4,965)	(6,845)
	615,624	452,976	729,179
Earnings per share			
- Basic	HK\$1.52	HK\$1.12	HK\$1.80
- Diluted	HK\$1.52	HK\$1.12	HK\$1.32

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended		
	31 March 2018 (unaudited) HK\$'000	31 December 2017 (unaudited) HK\$'000	31 March 2017 (unaudited) HK\$'000
Profit for the period	615,624	452,976	729,179
Other comprehensive income			
- exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	230,536	104,846	70,754
- remeasurement of defined benefit retirement plans, net of tax, which will not be reclassified to profit or loss	-	3,023	-
Other comprehensive income for the period	230,536	107,869	70,754
Total comprehensive income for the period	846,160	560,845	799,933
Total comprehensive income for the period attributable to:			
Owners of the Company	848,324	565,813	806,781
Non-controlling interests	(2,164)	(4,968)	(6,848)
	846,160	560,845	799,933