

ASMPT Announces 2018 Annual Results

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ASMPT Achieved Another Record Year in 2018**Highlights****2018**

- * Record Group revenue of US\$2.49 billion, representing an increase of 11.6% over the preceding year
- * Net profit of HK\$2.21 billion, representing a decrease of 20.9% over the preceding year and a decrease of 14.7% when the non-cash gain of HK\$202.1 million in 2017 was excluded
- * Earnings per share of HK\$5.47
- * Record Back-end equipment revenue of US\$1.18 billion, representing an increase of 7.3% over 2017
- * Record Materials revenue of US\$287.8 million, representing an increase of 5.2% over 2017
- * Record SMT solutions revenue of US\$1.03 billion, representing an increase of 19.1% over 2017
- * Record new order bookings of US\$2.57 billion, representing an increase of 10.0% over 2017
- * Book to bill ratio was 1.03
- * Cash and bank deposits of HK\$2.25 billion at the end of December 2018

Second Half of 2018

- * Record half-year Group revenue of US\$1.27 billion, representing increases of 6.4% and 3.3% over the second half of 2017 and the first half of 2018, respectively
- * Net profit of HK\$814.3 million and earnings per share of HK\$2.01, representing decreases of 38.1% and 41.7% over the second half of 2017 and the first half of 2018, respectively
- * Half-year Back-end equipment revenue of US\$536.2 million, representing decreases of 0.2% and 16.9% over the second half of 2017 and the first half of 2018, respectively
- * Half-year Materials revenue of US\$136.8 million, representing decreases of 1.5% and 9.3% over the second half of 2017 and first half of 2018, respectively
- * Record half-year SMT solutions revenue of US\$594.3 million, representing increases of 15.3% and 37.9% over the second half of 2017 and the first half of 2018, respectively
- * New order bookings of US\$1.09 billion, representing an increase of 2.1% as compared with the second half of 2017 and a decrease of 26.3% over the first half of 2018

Fourth Quarter of 2018

- * Group revenue of US\$608.9 million, representing an increase of 12.8% over the fourth quarter of 2017 and a decrease of 7.7% over the preceding quarter
- * Net profit of HK\$212.2 million and earnings per share of HK\$0.52, representing decreases of 53.2% and 64.8% over the fourth quarter of 2017 and the preceding quarter, respectively
- * Group bookings decreased by 4.5% and 23.3% as compared with the fourth quarter of 2017 and the preceding quarter respectively
- * Backlog amounted to US\$654.9 million as of end 2018, an increase of 21.6% compared with a year ago

(Hong Kong, 22 February 2019) — The world's No.1 semiconductor assembly and packaging solutions supplier **ASM Pacific Technology Limited** ("ASMPT" / the "Group") (Stock code: 0522) today announced its annual results for the year ended 31 December 2018. Building on the momentum and achievements of the past two years, 2018 was yet another solid year for the Group. Both Group booking and billing attained new records. Group revenue grew 11.6% year-on-year to US\$2.49 billion. Group revenue has in fact, consecutively set new records over the past three years.

ASMPT reported a revenue of HK\$19.55 billion in the year ended 31 December, 2018, representing an increase of 11.6% as compared with HK\$17.52 billion in the previous year. The Group's consolidated profit after taxation for the year was HK\$2.21 billion, which was 20.9% lower than the previous year. Basic earnings per share for the year amounted to HK\$5.47 (2017: HK\$6.90). Gross margin of the Group was 38.0%.

The Board of Directors recommends a final dividend of HK\$1.40 (2017: final dividend of HK\$1.30) per share. The total dividend payout for 2018 is HK\$2.70 (2017: HK\$2.50) per share, with a payout ratio of 49.4%.

Group bookings grew 10.0% year-on-year to US\$2.57 billion in 2018, setting a new record. Book-to-bill ratio was 1.03. Backlog as of end of the year was US\$654.9 million, which was a growth of 21.6% year-on-year. Booking of both the Back-end Equipment Segment and the SMT Solutions Segment achieved year-on-year double-digit growth rates with booking of the SMT Solutions Segment having attained a new record.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, "The strong performance of the Group was largely driven by the strong demand of IC/Discrete equipment, lead frames and SMT solutions. All the three business segments achieved new revenue records in both 2017 and 2018. Also, we are pleased to see good progress from businesses that it had acquired over the past few years as the SMT Solutions Segment and ALSI continued to deliver outstanding results. The SMT Solutions Segment saw its revenue exceeded US\$1 billion in 2018, with a record segment profit of HK\$1.27 billion. ALSI, the laser business that was acquired in 2014, achieved a new record in revenue in 2018 that was around fivefold that of 2014."

ASMPT's Back-end Equipment Segment attained consecutive new billing records in 2017 and 2018. In 2018, revenue of our Back-end equipment business grew 7.3% to US\$1.18 billion, contributing 47.4% of the Group's total revenue. The segment continued to retain the No. 1 position in the global market, a position it first attained in 2002. In fact, over the past 17 years, the Group had lost the No. 1 position only once - in 2012. It further widened the revenue gap with its closest rival.

The IC/discrete market led the growth of ASMPT's Back-end equipment business in the year. It was the largest market by revenue for the segment and delivered a year-on-year growth of over 24% in 2018. Automotive electronics, IoT (Internet of Things), power management, radio frequency (RF) filters and Advanced Packaging were the drivers of growth in this market segment.

Artificial intelligence (AI) is widely expected to experience fast growth and will boost the semiconductor industry and the world GDP, the Group's TCB (Thermo-Compression Bonding) solution is now widely adopted by many customers for their development and production of advanced logic chips. It is also working with customers to develop the next-generation production process for HBM (high bandwidth memory).

For Advanced Packaging, the acquisition of the ASM NEXX business in the fourth quarter further strengthened the Group's position in Advanced Packaging as evident in its significant contribution to the booking of our Back-end Equipment Segment in the last quarter of 2018. The Group is confident that its investment in Advanced Packaging over the past few years has put ASMPT well ahead of its peers and anticipates that contribution from Advanced Packaging will further increase in 2019, helping the Group to sail through industry low cycles like the one that has been expected for 2019 by many industry analysts and participants.

In summary, the Group believes that it has put in place a right product and technology portfolio to take advantage of the continuous technology transition and to capture the new growth opportunities for this segment.

In 2018, the SMT Solutions Segment did exceptionally well. The segment achieved new records in billing, booking and segment profit consecutively for the past two years. In 2018, its revenue grew 19.1% to US\$1.03 billion, contributing 41.1% to the Group's revenue.

During the second half of the year, revenue of ASMPT's SMT Solutions Segment amounted to US\$594.3 million, representing growths of 15.3% and 37.9% compared with the same period in 2017 and the preceding six months, respectively, which is a new record.

In the fourth quarter, the Segment set yet another new revenue record with an amount of US\$315.5 million, representing growths of 40.3% and 12.9% against the same period of the previous year and the preceding quarter, respectively. Booking of the SMT Solutions Segment grew 16.7% in 2018 to US\$1.07 billion, attaining yet another new record.

Tremendous demand for automotive electronics, industrial and IoT contributed to the strong growth of the Group's SMT Solutions business. The Group also expanded its market share in the supply chain for China branded smartphones and made a significant penetration into the India market. Industry 4.0 is yet another huge business growth opportunity for our SMT Solutions Segment as customers are looking for smart factory solutions.

ASMPT's Materials Segment continued to set new billing records in 2018. Both revenue for the year and revenue for the first half of the year attained new records. Revenue of the segment amounted to US\$287.8 million, representing a growth of 5.2% from the previous year.

"While the first three quarters of 2018 had been strong, the Group ended the year with some uncertainties ahead. Both indicators, booking of lead frames and Group booking in the fourth quarter, pointed to a possible slowdown of the market in 2019.

However, fundamental drivers for the long term growth of the global semiconductor industry remain unchanged. Many new technologies and applications such as AI, big data analysis, HPC, data centers, 5G communications, IoT, Industry 4.0, ADAS, VR and AR, to name a few, are driving demand for semiconductor devices. ASMPT is prepared to take advantage of all these new developments as it has created an unparalleled product and solution portfolio through internal development and acquisitions over the past few years. We believe ASMPT has entered into a high growth period." **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 in surface mount technology, equipment 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 and LED. Our continuous investment 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 Consolidated Statement of Profit or Loss, Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three months ended 31 Dec		Year ended 31 Dec	
	2018	2017	2018	2017
	(unaudited) HK\$'000	(unaudited) HK\$'000	(audited) HK\$'000	(audited) HK\$'000
Revenue	4,767,696	4,227,229	19,550,590	17,522,713
Cost of sales	(3,196,406)	(2,568,194)	(12,113,813)	(10,471,339)
Gross profit	1,571,290	1,659,035	7,436,777	7,051,374
Other income	11,648	16,754	96,126	88,410
Selling and distribution expenses	(478,461)	(432,485)	(1,660,893)	(1,497,944)
General and administrative expenses	(251,290)	(276,180)	(1,013,345)	(937,624)
Research and development expenses	(424,060)	(381,639)	(1,610,225)	(1,436,191)
Other gains and losses	(1,174)	(19,849)	(78,455)	(33,360)
Restructuring costs	(19,067)	-	(19,067)	-
Adjustment of liability component of convertible bonds	-	-	-	202,104
Finance costs	(51,065)	(36,913)	(177,762)	(162,489)
Profit before taxation	357,821	528,723	2,973,156	3,274,280
Income tax expense	(145,606)	(75,747)	(761,428)	(478,578)
Profit for the period	212,215	452,976	2,211,728	2,795,702
Profit (loss) for the period attributable to:				
Owners of the Company	211,161	457,941	2,216,062	2,815,473
Non-controlling interests	1,054	(4,965)	(4,334)	(19,771)
	212,215	452,976	2,211,728	2,795,702
Earnings per share				
- Basic	HK\$0.52	HK\$1.12	HK\$5.47	HK\$6.90
- Diluted	HK\$0.52	HK\$1.12	HK\$5.44	HK\$6.35

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 31 Dec		Year ended 31 Dec	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2018 (audited) HK\$'000	2017 (audited) HK\$'000
Profit for the period	<u>212,215</u>	<u>452,976</u>	<u>2,211,728</u>	<u>2,795,702</u>
Other comprehensive (expense) income				
- exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	(29,632)	104,846	(273,227)	575,484
- remeasurement of defined benefit retirement plans, net of tax, which will not be reclassified to profit or loss	<u>3,400</u>	<u>3,023</u>	<u>3,400</u>	<u>3,023</u>
Other comprehensive (expense) income for the period	<u>(26,232)</u>	<u>107,869</u>	<u>(269,827)</u>	<u>578,507</u>
Total comprehensive income for the period	<u><u>185,983</u></u>	<u><u>560,845</u></u>	<u><u>1,941,901</u></u>	<u><u>3,374,209</u></u>
Total comprehensive income (expense) for the period attributable to:				
Owners of the Company	186,904	565,813	1,948,645	3,393,984
Non-controlling interests	(921)	(4,968)	(6,744)	(19,775)
	<u><u>185,983</u></u>	<u><u>560,845</u></u>	<u><u>1,941,901</u></u>	<u><u>3,374,209</u></u>

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2018	2017
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	2,850,450	2,426,005
Investment property	56,206	60,340
Goodwill	1,057,816	408,696
Intangible assets	1,305,622	542,101
Prepaid lease payments	126,732	115,046
Other investments	56,355	18,502
Pledged bank deposits	-	2,153
Deposits paid for acquisition of property, plant and equipment	40,672	33,263
Rental deposits paid	42,033	36,120
Deferred tax assets	355,210	361,673
Other non-current assets	16,343	24,761
	5,907,439	4,028,660
Current assets		
Inventories	6,541,939	5,368,889
Trade and other receivables	6,324,901	6,058,686
Prepaid lease payments	3,863	3,849
Derivative financial instruments	1,852	13,289
Income tax recoverable	44,134	66,553
Pledged bank deposits	2,054	3,351
Bank deposits with original maturity of more than three months	9,198	691,018
Bank balances and cash	2,240,022	2,365,911
	15,167,963	14,571,546
Current liabilities		
Trade liabilities and other payables	3,165,478	3,378,260
Advance payments from customers	718,694	642,595
Derivative financial instruments	32,697	234
Obligations under finance leases	410	-
Provisions	330,933	295,825
Income tax payable	533,701	349,999
Convertible bonds	2,224,652	-
Bank borrowings	786,021	117,219
	7,792,586	4,784,132
Net current assets	7,375,377	9,787,414
	13,282,816	13,816,074

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	At 31 December	
	2018	2017
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	40,667	40,908
Dividend reserve	569,340	528,175
Other reserves	11,557,541	10,808,542
Equity attributable to owners of the Company	12,167,548	11,377,625
Non-controlling interests	(6,893)	(149)
Total equity	12,160,655	11,377,476
Non-current liabilities		
Convertible bonds	-	2,121,830
Obligations under finance leases	736	-
Retirement benefit obligations	171,515	183,277
Provisions	48,528	50,242
Bank borrowings	473,740	-
Deferred tax liabilities	250,783	39,996
Other liabilities and accruals	176,859	43,253
	1,122,161	2,438,598
	13,282,816	13,816,074