

[For Immediate Release]

ASMPT Announces 2017 Interim Results

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ASMPT CONTINUES SETTING NEW RECORDS**Highlights****First Half of 2017**

- Group revenue of US\$1.05 billion, representing increases of 25.3% and 6.1% over the first six-month period of last year and over the second six-month period of last year, respectively
- Net profit of HK\$1.48 billion, representing surges of 206.8% and 54.8% as compared with the first and second six-month period of last year, respectively
- Excluding the non-cash gain related to the adjustment of liability component of convertible bonds amounted to HK\$202.1 million, the Group's net profit amounted to HK\$1.28 billion, improved by 164.9% and 33.7% as compared with the first and second six-month period of last year, respectively
- Earnings per share of HK\$3.66 for the first half of 2017
- Back-end equipment revenue of US\$568.7 million, representing increases of 35.6% and 11.6% over the first and second six-month period of last year, respectively
- Record Materials revenue of US\$135.9 million, representing increases of 16.3% and 9.4% over the first and second six-month period of last year, respectively
- SMT Solutions revenue of US\$348.8 million, representing an increase of 14.7% over the first six-month period of last year but a contraction of 3.0% against the second six-month period of last year
- Record new order bookings of US\$1.27 billion, representing increases of 30.8% and 40.0% over the first and second six-month period of last year, respectively
- Record order backlog of US\$650.6 million as of 30 June 2017

Second Quarter of 2017

- Group revenue of US\$568.6 million, representing increases of 17.6% and 20.6% over the preceding quarter and the same period last year, respectively
- Net profit of HK\$750.8 million, representing an increase of 3.0% over the preceding quarter and a surge of 111.9% over the same period last year
- Excluding the non-cash gain related to the adjustment of liability component of convertible bonds amounted to HK\$202.1 million in the preceding quarter, the Group's net profit improved by 42.4% over the preceding quarter
- Earnings per share of HK\$1.85 for the second quarter 2017
- Record Back-end equipment revenue of US\$311.1 million, representing increases of 21.1% and 22.3% over the preceding quarter and the same period last year, respectively
- Record Materials revenue of US\$71.7 million, representing increases of 12.2% and 16.4% over the preceding quarter and the same period last year, respectively
- SMT Solutions revenue of US\$185.8 million, representing increases of 14.3% and 19.5% over the preceding quarter and the same period last year, respectively
- Record new order bookings of US\$661.0 million, representing increases of 8.6% and 17.8% over the preceding quarter and the same period last year, respectively
- Cash and bank deposits of HK\$2.97 billion as of 30 June 2017

(Hong Kong, 26 July 2017) — The world's No.1 semiconductor assembly and packaging equipment supplier **ASM Pacific Technology Limited** (“ASMPT” / the “Group”) (Stock code: 0522) today announced its interim results for the six months ended 30 June 2017. During the period, the Group achieved solid performance and attained numerous new records primarily due to strong orders for CMOS Imaging Sensors (CIS), IC/Discrete, Advanced Packaging and SMT Equipment.

ASMPT reported revenue of HK\$8.19 billion for the six months ended 30 June 2017, which was 25.3% higher than the revenue of HK\$6.53 billion for the first six months of 2016. Meanwhile, the Group's profitability has continued to improve. The Group achieved gross margin of 41.0% and 40.5% for the second quarter and the first half of this year, respectively.

Group bookings for the first six months attained a new six months record of US\$1.27 billion, representing a surge of 30.8% year-on-year. The book-to-bill ratio of the Group for the first six months was 1.21. Group backlog as of the end of June this year was US\$650.6 million, an increase of 18.0% from the end of the first quarter of 2017.

The Group has decided to adopt a sustainable and gradually increasing dividend policy. After considering the near to mid-term cash flow need of the Group, the Board recommends interim dividend of HK\$1.20 per share.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, “The Group started to implement a number of strategic changes over the past few years. We are pleased that these changes are bearing fruit. All three of our core business segments are making solid progresses and have broken new records during the first half of this year. We expect some of them to continue breaking new records during the second half. Our multiple product growth drivers are firmly in place now. They will not only enable the Group to achieve multiple new records in 2017 but to continuously bring the Group to new heights going forward.”

ASMPT's Back-end Equipment Segment attained a new quarterly billing record during the second quarter this year. Billings of the segment was US\$568.7 million during the first six months of this year, representing improvements of 35.6% against the same period a year ago. The Back-end Equipment Segment achieved gross margin of 48.0% and 47.4% during the second quarter and first half this year, respectively. This represents year-on-year improvement of 388bps and 492bps. The strong improvement in gross margin was mainly due to product mix and volume effect.

During the first half of this year, the Group experienced strong demand for CIS, IC/Discrete and Advanced Packaging Equipment while demand for Opto Equipment experienced a small contraction as compared with the same period of 2016. New order bookings for Back-end Equipment Segment during the first six months rose 32.2% when compared with the same period a year ago.

ASMPT's investment in developing a product portfolio for the Advanced Packaging market has continued to bear fruit. The Group has successfully developed an extensive product portfolio, which has expanded ASMPT's Served Available Market and helped the Group to strategically position itself to capture the future growth opportunities.

New booking records were achieved for the SMT Solutions Segment in both Q2 and the first half of this year. For the six-month period, the SMT Solutions Segment billings were US\$348.8 million, representing expansion of 14.7% as compared with the first half of 2016. Benefited from the new investment cycle of production of new generation smartphones, the SMT Solutions Segment had won a major order from one of its customers. Most of the billings for this order will be reflected in the results of the second half of this year.

New order bookings for SMT Solutions Segment during the second quarter of this year improved by 24.1% as compared with the same period of 2016. SMT Solutions Segment achieved gross margin of 40.1% and 39.8% during the second quarter and the first half of this year, respectively.

The Group's Materials Segment made new billing records in quarter two as well as new billing and booking records during the first half of this year.

Billings of the Materials Segment in the first six-month period of 2017 were US\$135.9 million, representing improvement of 16.3% against the same period a year ago. For the first six months, Materials Segment booking increased by 31.8% as compared with the same period last year.

Despite the slight quarter-on-quarter contraction in bookings of the Materials Segment due to the extraordinary strong booking experienced in Q1 this year, the Group is satisfied with the strong year-on-year growth in bookings of the segment for the second quarter as well as the first six months this year. The Materials Segment achieved gross margin of 12.9% and 13.6% during the second quarter and the first half this year, respectively.

“The market has been developing on track with our expectation, assuming that macro-economic condition is not going to have a sudden negative impact on ASMPT's business during the second half of this year, we believe we stand a very good chance to attain new records in full year billings and bookings in 2017. The Group is particularly encouraged by the current strong booking momentum of leadframes, which have been serving as a leading indicator of the market condition. After two quarters of strong bookings, we expect bookings for the Back-end Equipment and Materials Segments to start to slow down from the third quarter of the year in line with seasonality. However, we believe SMT Solutions Segment bookings in Q3 could improve by up to a low double digit percentage over Q2 subject to the timing of smartphone orders for SMT equipment. Based on the current strong backlog level, we expect Group billings in Q3 this year will either be at a similar level as Q2 or to grow by a single digit percentage quarter-on-quarter. Billings for the SMT Solutions Segment are anticipated to show strong growth quarter-on-quarter, while billings for the Back-end Equipment and the Materials Segments may stay flat or contract slightly as compared with Q2 this year. Gross margin of the Group is expected to be at a similar level of Q2.” **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 employed 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, Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income and Condensed Consolidated Statement of Financial Position of ASM Pacific Technology Limited.)

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	2017	2016
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue	4,424,164	3,669,208	8,185,401	6,531,282
Cost of sales	(2,609,614)	(2,234,829)	(4,869,583)	(4,150,799)
Gross profit	1,814,550	1,434,379	3,315,818	2,380,483
Other income	14,716	9,163	30,747	14,434
Selling and distribution expenses	(356,283)	(320,350)	(689,345)	(606,210)
General and administrative expenses	(232,716)	(199,697)	(413,585)	(371,697)
Research and development expenses	(355,040)	(310,565)	(672,747)	(576,851)
Adjustment of liability component of convertible bonds	-	-	202,104	-
Other gains and losses	5,996	(26,401)	(5,989)	(31,324)
Restructuring costs	-	(78,863)	-	(80,257)
Finance costs	(43,769)	(42,174)	(83,701)	(91,663)
Profit before taxation	847,454	465,492	1,683,302	636,915
Income tax expense	(96,660)	(111,107)	(203,329)	(154,599)
Profit for the period	750,794	354,385	1,479,973	482,316
Profit for the period attributable to:				
Owners of the Company	756,228	359,323	1,492,252	493,115
Non-controlling interests	(5,434)	(4,938)	(12,279)	(10,799)
	750,794	354,385	1,479,973	482,316
Earnings per share				
- Basic	HK\$1.85	HK\$0.89	HK\$3.66	HK\$1.22
- Diluted	HK\$1.83	HK\$0.89	HK\$3.15	HK\$1.22

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 30 June		Six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Profit for the period	750,794	354,385	1,479,973	482,316
Other comprehensive income (expense)				
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	247,858	(107,443)	318,612	30,426
Total comprehensive income for the period	998,652	246,942	1,798,585	512,742
Total comprehensive income for the period attributable to:				
Owners of the Company	1,004,091	251,866	1,810,872	523,462
Non-controlling interests	(5,439)	(4,924)	(12,287)	(10,720)
	998,652	246,942	1,798,585	512,742

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2017 (Unaudited) HK\$'000	At 31 December 2016 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	2,183,884	2,157,965
Investment property	58,802	57,718
Goodwill	430,768	428,052
Intangible assets	564,290	571,528
Prepaid lease payments	20,754	20,461
Deposits paid for acquisition of property, plant and equipment	42,436	32,198
Rental deposits paid	42,873	44,506
Deferred tax assets	350,131	307,015
Other non-current assets	115,853	101,633
	3,809,791	3,721,076
Current assets		
Inventories	5,306,444	4,254,541
Trade and other receivables	5,335,529	4,421,318
Prepaid lease payments	812	780
Derivative financial instruments	33,770	1,113
Income tax recoverable	39,720	29,830
Bank deposits with original maturity of more than three months	572,606	1,071,408
Bank balances and cash	2,398,051	2,138,886
	13,686,932	11,917,876
Current liabilities		
Trade and other payables	3,833,703	3,265,973
Derivative financial instruments	-	24,664
Provisions	229,792	272,513
Income tax payable	399,240	332,734
Convertible bonds	-	2,224,895
Bank borrowings	182,112	116,334
	4,644,847	6,237,113
Net current assets	9,042,085	5,680,763
	12,851,876	9,401,839

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
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	At 30 June 2017 (Unaudited) HK\$'000	At 31 December 2016 (Audited) HK\$'000
Capital and reserves		
Share capital	40,824	40,824
Dividend reserve	489,892	449,068
Other reserves	9,921,649	8,532,315
Equity attributable to owners of the Company	<u>10,452,365</u>	9,022,207
Non-controlling interests	7,339	4,056
Total equity	<u>10,459,704</u>	9,026,263
Non-current liabilities		
Convertible bonds	2,072,576	-
Retirement benefit obligations	163,745	161,249
Provisions	41,031	46,349
Bank borrowings	26,016	77,556
Deferred tax liabilities	52,679	55,725
Other liabilities and accruals	36,125	34,697
	<u>2,392,172</u>	375,576
	<u>12,851,876</u>	9,401,839