

[For Immediate Release]

ASMPT Announces 2018 Interim Results

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Record Booking of US\$1.48 Billion Received

Highlights

First Half of 2018

- Record Group revenue of US\$1.23 billion, representing increases of 17.5% and 3.0% over the first and second six-month periods of last year, respectively
- Net profit of HK\$1.40 billion, representing increases of 9.4% and 6.2% as compared with the first six-month periods of the 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 second six-month periods of the last year, respectively
- Earnings per share of HK\$3.46 for the first half of 2018
- Record Back-end equipment revenue of US\$645.3 million, representing increases of 14.4% and 20.1% over the first and second six-month periods of last year, respectively
- Record Materials revenue of US\$151.0 million, representing increases of 12.1% and 8.7% over the first and second six-month periods of last year, respectively
- SMT Solutions revenue of US\$431.0 million, representing an increase of 24.6% over the first six-month period of last year but a contraction of 16.4% over the second six-month periods of last year
- Record new order bookings of US\$1.48 billion, representing increases of 16.7% and 38.4% over the first and second six-month periods of last year, respectively
- Record order backlog of US\$808.9 million as of 30 June 2018

Second Quarter of 2018

- Record Group revenue of US\$671.5 million, representing increases of 21.3% and 19.1% over the preceding quarter and the same period last year, respectively
- Net profit of HK\$781.8 million, representing increases of 27.0% and 4.1% over the preceding quarter and the same period last year, respectively
- Earnings per share of HK\$1.94 for the second quarter 2018
- Record Group operating profits of HK\$1.18 billion, representing increases of 70.1% and 35.5% over the preceding quarter and the same period last year, respectively
- Record Back-end equipment revenue of US\$362.7 million, representing increases of 28.8% and 17.6% over the preceding quarter and the same period last year, respectively
- Record Materials revenue of US\$76.1 million, representing increases of 2.1% and 7.1% over the preceding quarter and the same period last year, respectively
- SMT Solutions revenue of US\$232.7 million, representing increases of 17.8% and 26.3% over the preceding quarter and the same period last year, respectively
- New order bookings of US\$727.7 million, representing an increase of 10.1% over the same period last year and a slight contraction of 3.5% over the preceding quarter
- Cash and bank deposits of HK\$2.95 billion as of 30 June 2018

(Hong Kong, 25 July 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 interim results for the six months ended 30 June 2018. During the period, ASMPT has set many records and achieved improved profitability. With current market conditions, the Group expects 2018 to be a year of growth, and Group revenue is expected to set another new record.

During the period under review, ASMPT achieved revenue of HK\$9.62 billion, representing an increase of 17.5% as compared with HK\$8.19 billion for the first six months of 2017. The Group's consolidated profit after taxation for the first six months of 2018 was HK\$1.40 billion as compared with a profit of HK\$1.48 billion in the corresponding period in 2017. Excluding a non-cash gain of HK\$202.1 million arising from the adjustment of liability component of convertible bonds last year, Group net profits for the first six months this year grew 9.4% year-on-year. Basic earnings per share (EPS) for the first six months of 2018 amounted to HK\$3.46 (first six months of 2017: HK\$3.66, second six months of 2017: HK\$3.24). With its sustainable and gradually increasing dividend policy, after considering the near to mid-term cash flow needs of the Group, the Board has recommended an interim dividend of HK\$1.30 per share.

In the first half of 2018, Group bookings amounted to a new record of US\$1.48 billion, representing an increase of 16.7% year-on-year. The book-to-bill ratio for the first six months of this year was 1.21. The Group's backlog as of the end of the second quarter of this year increased to a new record of US\$808.9 million, which was a gain of 8.0% from the previous quarter.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, "We are very pleased to see that ASMPT continued to set new records during the second quarter and the first half of 2018. In particular, Group revenue and bookings for the last twelve months reached record levels, amounting to US\$2.42 billion and US\$2.55 billion, respectively. At the Group level, both billings and bookings for the first half of this year hit new six-month records while first quarter bookings and second quarter billings set new quarterly records. The Group also set a new quarterly record in respect of operating profits during the second quarter of this year. At a segment level, the Backend Equipment Segment and the Materials Segment set new billing records while the SMT Solutions Segment set new booking records both in the second quarter and in the first half of this year."

The Backend Equipment Segment achieved new billing records both for the second quarter and for the first half of this year. Billings of the Backend Equipment Segment for the first six months of this year was US\$645.3 million, representing improvements of 14.4% and 20.1% against the same period a year ago and the preceding six months, respectively. During the second quarter, the Back-end Equipment Segment achieved a gross margin of 50.8%, which represents year-on-year improvement of 278bps. Segment profit was HK\$861.9 million in the second quarter, a new high since 2011.

Due to strong orders from the IC/discrete market, reflecting robust demand for semiconductor devices from diversified application markets, bookings of the Backend Equipment Segment surged 60.9% against the preceding six months to US\$760.9 million in the first half of 2018. Internet-of-things ("IoT"), automotive and industrial electronics are among the key growth drivers. With its diversified product portfolio, customers have recognized ASMPT as the leader in the Advanced Packaging market, and the Group is involved in most of the Advanced Packaging development programs of its customers.

Moreover, ASMPT has been moving ahead of its peers and has invested in building up a comprehensive technology and product portfolio to serve the exacting needs of the semiconductor industry. After completing its acquisition of the Germany-based leader in Silicon Photonics equipment, AMICRA Microelectronics GmbH, as well as entering into a definitive agreement to acquire TEL NEXX Inc., ASMPT has further expanded its product portfolio and strengthened its technology leadership in the Backend Equipment market.

The Materials Segment set new billing records in both the second quarter and the first half of this year. Billings of its Materials Segment for the first half of 2018 amounted to US\$151.0 million, representing improvements of 12.1% against the same period a year ago. During the second quarter, the Materials Segment achieved gross margin of 13.3%, representing improvement of 14bps over the first quarter of this year.

The SMT Solutions Segment achieved new booking records for both the second quarter and the first half of this year. During the first half, the billings of SMT Solutions Segment were US\$431.0 million, representing an improvement of 24.6% against the first half of last year. New order bookings for the SMT Solutions Segment for the first six-month period of this year amounted to US\$570.1 million, which represented improvements of 25.3% as compared with the corresponding period of last year.

Strong demand from the Automotive and Industrial Electronics markets lifted the bookings of the SMT Solutions Segment to a new high. Whilst the European market has been strong, the Group is also successfully gaining market share in the smart phone supply chain in China. With India's plan to leapfrog to global technology leadership by 2030, the Group also sees promising growth opportunities for our SMT Solutions Segment in India.

“With the strong backlog that we have on hand, we anticipate Group billings in the third quarter of this year to be in the range of US\$650 million to US\$700 million, a level similar to the second quarter preceding it. The billings of our SMT Solutions Segment are expected to achieve quarter-on-quarter improvement, whereas the billings of our Backend Equipment Segment may experience a small decline from the peak that was achieved in the second quarter of this year. The billings of our Materials Segment are expected to be flat as compared with the second quarter of this year. On a longer-term basis, we believe that we are entering an exciting era and a likely high-growth period for ASMPT, driven by diversified growth drivers such as IoT, automotive, industrial electronics, smart phones, 5G communications, hyper-scale data centres, data analytics, artificial intelligence, augmented/virtual and mixed reality, smart cities and smart factories, just to name a few. With the acquisitions that we have made and our continuous investment in research and development, we believe that ASMPT is currently in an unparalleled position to capture the upcoming market opportunities.” 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 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 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	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	5,270,477	4,424,164	9,616,377	8,185,401
Cost of sales	(2,991,270)	(2,609,614)	(5,704,254)	(4,869,583)
Gross profit	2,279,207	1,814,550	3,912,123	3,315,818
Other income	14,841	14,716	35,334	30,747
Selling and distribution expenses	(417,579)	(356,283)	(769,415)	(689,345)
General and administrative expenses	(273,114)	(232,716)	(506,010)	(413,585)
Research and development expenses	(409,037)	(355,040)	(763,695)	(672,747)
Adjustment of liability component of convertible bonds	-	-	-	202,104
Other gains and losses	(23,499)	5,996	7,449	(5,989)
Finance costs	(44,322)	(43,769)	(81,002)	(83,701)
Profit before taxation	1,126,497	847,454	1,834,784	1,683,302
Income tax expense	(344,673)	(96,660)	(437,336)	(203,329)
Profit for the period	781,824	750,794	1,397,448	1,479,973
Profit for the period, attributable to:				
Owners of the Company	783,758	756,228	1,401,538	1,492,252
Non-controlling interests	(1,934)	(5,434)	(4,090)	(12,279)
	781,824	750,794	1,397,448	1,479,973
Earnings per share				
- Basic	HK\$1.94	HK\$1.85	HK\$3.46	HK\$3.66
- Diluted	HK\$1.91	HK\$1.83	HK\$3.42	HK\$3.15

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	
	2018	2017	2018	2017
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Profit for the period	781,824	750,794	1,397,448	1,479,973
Other comprehensive (expense) income				
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	(341,425)	247,858	(110,889)	318,612
Total comprehensive income for the period	<u>440,399</u>	<u>998,652</u>	<u>1,286,559</u>	<u>1,798,585</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	442,332	1,004,091	1,290,656	1,810,872
Non-controlling interests	(1,933)	(5,439)	(4,097)	(12,287)
	<u>440,399</u>	<u>998,652</u>	<u>1,286,559</u>	<u>1,798,585</u>

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2018 (Unaudited) HK\$'000	At 31 December 2017 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	2,646,665	2,426,005
Investment property	59,119	60,340
Goodwill	636,301	408,696
Intangible assets	773,949	542,101
Prepaid lease payments	130,006	115,046
Other investment	18,502	18,502
Pledged bank deposits	2,135	2,153
Deposits paid for acquisition of property, plant and equipment	43,756	33,263
Rental deposits paid	38,564	36,120
Deferred tax assets	394,268	361,673
Other non-current assets	15,427	24,761
	4,758,692	4,028,660
Current assets		
Inventories	6,854,354	5,368,889
Trade and other receivables	6,926,008	6,058,686
Prepaid lease payments	3,860	3,849
Derivative financial instruments	-	13,289
Income tax recoverable	18,264	66,553
Pledged bank deposits	3,327	3,351
Restricted bank balances	1,781	-
Bank deposits with original maturity of more than three months	481,803	691,018
Bank balances and cash	2,470,219	2,365,911
	16,759,616	14,571,546
Current liabilities		
Trade liabilities and other payables	5,280,121	4,020,855
Derivative financial instruments	30,363	234
Obligations under finance leases	407	-
Provisions	302,196	295,825
Income tax payable	527,412	349,999
Convertible bonds	2,171,950	-
Bank borrowings	888,136	117,219
	9,200,585	4,784,132
Net current assets	7,559,031	9,787,414
	12,317,723	13,816,074

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
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	At 30 June 2018 (Unaudited) HK\$'000	At 31 December 2017 (Audited) HK\$'000
Capital and reserves		
Share capital	40,443	40,908
Dividend reserve	525,753	528,175
Other reserves	11,294,598	10,808,542
Equity attributable to owners of the Company	<u>11,860,794</u>	<u>11,377,625</u>
Non-controlling interests	(4,246)	(149)
Total equity	<u>11,856,548</u>	<u>11,377,476</u>
Non-current liabilities		
Convertible bonds	-	2,121,830
Obligations under finance leases	962	-
Retirement benefit obligations	193,162	183,277
Provisions	77,525	50,242
Bank borrowings	12,805	-
Deferred tax liabilities	125,142	39,996
Other liabilities and accruals	51,579	43,253
	<u>461,175</u>	<u>2,438,598</u>
	<u>12,317,723</u>	<u>13,816,074</u>