

ASMPT Announces 2018 Third Quarter Results

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New Records for the First Nine Months

Highlights

First Nine Months of 2018

- Record Group revenue of US\$1.89 billion, representing an increase of 11.2% over the same period last year
- Net profit of HK\$2.00 billion, representing a decrease of 14.7% over the same period last year. Excluded the non-cash gain of HK\$202.1 million in 2017, the Group's net profit represents a decrease of 6.6%
- Earnings per share of HK\$4.95 for the first nine months of 2018
- Record Back-end equipment revenue of US\$947.9 million, representing an increase of 11.4% over the same period last year
- Record SMT Solutions revenue of US\$709.8 million, representing an increase of 11.6% over the same period last year
- Record Materials revenue of US\$227.9 million, representing an increase of 9.2% over the same period last year
- Record new order bookings of US\$2.10 billion, representing an increase of 13.9% over the same period last year
- Backlog amounted to US\$769.8 million as of the end of the third quarter, an increase of 33.1% from the same period last year

Third Quarter of 2018

- Group revenue of US\$658.3 million, representing an increase of 1.1% over the same period last year but a contraction of 2.0% against the previous quarter
- Net profit of HK\$602.1 million, representing decreases of 30.2% and 23.0% over the same period last year and the preceding quarter, respectively
- Earnings per share of HK\$1.49 for the third quarter 2018
- Back-end equipment revenue of US\$302.6 million, representing an increase of 5.4% over the same period last year but a contraction of 16.6% against the preceding quarter
- SMT Solutions revenue of US\$278.8 million, representing a slight contraction of 3.9% over the same period last year but an increase of 19.8% from the preceding quarter
- Record Materials revenue of US\$76.9 million, representing increases of 4.1% and 1.0% over the same period last year and the preceding quarter, respectively
- New order bookings of US\$618.6 million, representing an increase of 7.7% over the same period last year and a contraction of 15.0% against the preceding quarter
- Cash and bank deposits of HK\$2.71 billion at the end of September 2018

(Hong Kong, 1 November 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 results for the third quarter and the nine months ended 30 September 2018. The Group continued to deliver solid performance, driven largely by the SMT Solutions and the Back-end Equipment Segments. All three segments achieved new records in the period and the Group is on track to set new booking and billing records for the full year of 2018.

ASMPT reported a revenue of HK\$5.17 billion in the three months ended 30 September 2018, representing an increase of 1.1% as compared with HK\$5.11 billion for the same period last year. The Group's consolidated profit after taxation for the three months was HK\$602.1 million, which was 30.2% lower than the corresponding period in 2017.

Group booking in the third quarter was better than anticipated, led by the SMT Solutions Segment which achieved yet another new record, topping the record set in the previous quarter. The Back-end Equipment Segment also saw higher than expected booking and achieved a year-on-year growth of 5.8%. The continued success of the Group in winning market share is well reflected in the strong bookings of these two segments. The book to bill ratio for the third quarter was 0.94. The backlog as of the end of the third quarter amounted to US\$769.8 million, an increase of 33.1% from the same period last year.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, “We are very pleased to announce our third quarter results in 2018, led by the SMT Solutions and the Back-end Equipment Segments. With the strong performance in the past three quarters, all three segments are anticipated to set new records this year. The trade friction between the USA and China had insignificant direct impact on the Group’s third quarter results. A simulation result based on shipments made in the first half of this year shows less than 0.5% of the Group’s billing would have been impacted directly. Nevertheless, we feel that customers have become more cautious and the trade dispute is casting uncertainties in the market. The Group is closely monitoring the situation and continuously assessing any potential impact. For the mid to longer term, the Group remains confident and optimistic of the prospects of the semiconductor industry.”

The Back-end Equipment Segment continued to do well in the third quarter with a billing of US\$302.6 million, representing a growth of 5.4% compared with the same period last year. Billing of the Segment in this quarter is a new record for the third quarter of any year. Billing of the Segment for the first nine months of the year attained a new record of US\$947.9 million, representing a growth of 11.4% as compared with the same period last year. For the Back-end Equipment Segment, strong growth has been experienced in the IC/Discrete market. Booking in the third quarter showed a strong year-on-year growth of 24%. Booking of IC/Discrete market for the nine months period already exceeded the booking for the full year of 2017.

Segment result margin was 20.3% during the third quarter and 24.8% over the first nine months period, representing reductions of 616bps and 133bps year-on-year respectively. With the strong performance over the past three quarters, the Back-end Equipment Segment is anticipated to set new records in the full year billing in 2018.

In the third quarter, billing of the Materials Segment achieved a new record of US\$76.9 million, representing growths of 4.1% over the same period last year and 1.0% against the second quarter this year. Billing of the nine months period was also a new record at US\$227.9 million, representing a growth of 9.2% against the same period a year ago.

During the third quarter, Materials Segment achieved gross margin of 11.0% and a segment result margin of 4.4%, representing year-on-year reductions of 370bps and 362bps respectively. With the strong performance over the past three quarters, the Materials Segment is anticipated to set a new record in full year billing this year.

The SMT Solutions Segment continued its excellent performance in the third quarter, achieving yet another new quarterly booking record, exceeded US\$300 million. Billing of the Segment in the third quarter amounted to US\$278.8 million, representing a growth of 19.8% compared with the second quarter. For the first nine months period, billing of the SMT Solutions Segment achieved a new record of US\$709.8 million, representing a growth of 11.6% over the same period last year.

New booking for the Segment grew 17.1% year-on-year and 1.6% quarter-on-quarter during the third quarter respectively to US\$300.8 million, setting a new quarterly record. New order booking for the nine months period was a new record at US\$ 870.8 million, representing a growth of 22.3% as compared with the same period last year.

The Segment achieved gross margin of 39.0% and segment result margin of 19.9% during the third quarter, representing year-on-year reduction of 72bps and 224bps respectively. With the strong performance over the past three quarters, the SMT Solutions Segment is anticipated to set new records in the full year booking, billing and segment results in 2018.

Mr. Lee in summarizing the third quarter report noted, “All three segments have achieved outstanding results so far this year and are expected to set new billing records for the full year, while the Group is on track to set new booking and billing records. The SMT Solutions Segment has led the Group’s performance with its third quarter record and is expected to achieve both quarter-on-quarter and year-on-year growth in its fourth quarter billing.”

“With the investments that the Group has been making over the past few years, and its breadth and depth in enabling technologies and financial strength, the Group is confident that it will continue to set even more new records going forward. Its investments and strategies over the past few years have been successfully executed and ASMPT has now entered into a new high growth period.”

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 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 30 Sep		Nine months ended 30 Sep	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	5,166,517	5,110,083	14,782,894	13,295,484
Cost of sales	(3,213,153)	(3,033,562)	(8,917,407)	(7,903,145)
Gross profit	1,953,364	2,076,521	5,865,487	5,392,339
Other income	49,144	40,909	84,478	71,656
Selling and distribution expenses	(413,017)	(376,114)	(1,182,432)	(1,065,459)
General and administrative expenses	(256,045)	(247,859)	(762,055)	(661,444)
Research and development expenses	(422,470)	(381,805)	(1,186,165)	(1,054,552)
Adjustment of liability component of convertible bonds	-	-	-	202,104
Other gains and losses	(84,730)	(7,522)	(77,281)	(13,511)
Finance costs	(45,695)	(41,875)	(126,697)	(125,576)
Profit before taxation	780,551	1,062,255	2,615,335	2,745,557
Income tax expense	(178,486)	(199,502)	(615,822)	(402,831)
Profit for the period	602,065	862,753	1,999,513	2,342,726
Profit for the period attributable to:				
Owners of the Company	603,363	865,280	2,004,901	2,357,532
Non-controlling interests	(1,298)	(2,527)	(5,388)	(14,806)
	602,065	862,753	1,999,513	2,342,726
Earnings per share				
- Basic	HK\$1.49	HK\$2.12	HK\$4.95	HK\$5.78
- Diluted	HK\$1.49	HK\$2.08	HK\$4.91	HK\$5.22

ASM PACIFIC TECHNOLOGY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	602,065	862,753	1,999,513	2,342,726
Other comprehensive (expense) income				
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	(132,706)	152,026	(243,595)	470,638
Total comprehensive income for the period	469,359	1,014,779	1,755,918	2,813,364
Total comprehensive income for the period attributable to:				
Owners of the Company	471,085	1,017,299	1,761,741	2,828,171
Non-controlling interests	(1,726)	(2,520)	(5,823)	(14,807)
	469,359	1,014,779	1,755,918	2,813,364