

## ASMPT Announces 2019 Interim Results

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### Bookings and Segment Profit Margins Improved QoQ

#### Highlights

##### First Half of 2019

- \* Group revenue of US\$927.3 million decreased 24.4% and 26.8% over the first and second six-month periods of last year, respectively
- \* Net profit of HK\$178.3 million decreased 87.2% and 78.1% as compared with the first six-month period of the last year and the second six-month period of the last year, respectively
- \* Earnings per share of HK\$0.44 for the first half of 2019
- \* Back-end equipment revenue of US\$402.0 million decreased 37.6% and 25.0% over the first and second six-month periods of last year, respectively
- \* Materials revenue of US\$107.6 million decreased 28.6% and 21.3% over the first and second six-month periods of last year, respectively
- \* SMT Solutions revenue of US\$417.7 million decreased 3.0% and 29.7% over the first six-month period and the second six-month period of last year, respectively
- \* New order bookings of US\$1.06 billion decreased 28.3% and 2.8% over the first and second six-month periods of last year, respectively
- \* Order backlog of US\$795.2 million as of 30 June 2019

##### Second Quarter of 2019

- \* Group revenue of US\$460.7 million decreased 1.2% and 31.4% over the preceding quarter and the same period last year, respectively
- \* Net profit of HK\$70.0 million decreased 35.3% and 91.0% over the preceding quarter and the same period last year, respectively
- \* Earnings per share of HK\$0.17 for the second quarter 2019
- \* Group operating profits of HK\$253.3 million increased 5.8% over the preceding quarter and decreased 78.5% over the same period last year
- \* Back-end equipment revenue of US\$206.1 million increased 5.2% over the preceding quarter and decreased 43.2% over the same period last year
- \* Materials revenue of US\$57.1 million increased 13.2% over the preceding quarter and decreased 25.0% over the same period last year
- \* SMT Solutions revenue of US\$197.5 million decreased 10.3% and 15.1% over the preceding quarter and the same period last year, respectively
- \* New order bookings of US\$601.9 million increased 30.8% over the preceding quarter and decreased 17.3% over the same period last year
- \* Cash and bank deposits of HK\$2.51 billion as of 30 June 2019

(Hong Kong, 24 July 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 interim results for the six months ended 30 June 2019.

During the period, Group bookings increased by 30.8% from its first quarter level to US\$601.9 million. Group revenue experienced a small quarter-on-quarter (QoQ) decline of 1.2%. The Group ended the period with strong backlog of US\$795.2 million, slightly lower than the record backlog of US\$808.9 million as of Q2 2018.

These results were achieved in the face of the current economic and political challenges and they once again demonstrated the efficacy and strength of ASMPT's business strategies as the Group successfully mitigated the negative impact brought by the Sino-US trade war and the industry cycle.

ASMPT achieved billing of US\$927.3 million during the first half of this year. The Group's consolidated profit after taxation for the first six months of this year was HK\$178.3 million. Basic earnings per share for the first six months of this year amounted to HK\$0.44 (2018 1H: HK\$3.46).

In line with its policy of rewarding shareholders with sustainable and increasing dividend over time, the Group is proposing to pay an interim dividend of HK\$1.30 per share (2018: HK\$1.30 per share) which is 2.95 times of earnings-per-share for the first half of 2019.

In the second quarter of 2019, gross margin for the Group improved by 185 bps QoQ to 35.7% on the back of QoQ increase in gross margin for all the three business segments. Group net profit was HK\$70.0 million in the second quarter of this year, which would have increased by 10.3% QoQ if the under-provision of tax of HK\$49.3 million relating to tax affairs with Hong Kong Inland Revenue Department booked in Q2 2019 was excluded.

Group bookings for the first half of the year amounted to US\$1.06 billion. The book-to-bill ratio for the first six months of this year was 1.15.

**Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT**, said, "The trade war between China and the USA continues to affect the global semiconductor industry, especially when it further intensified since May this year. We noticed that customers continued to hold back their capacity expansion plan. With our proven strategy of serving multiple application markets and investment in Advanced Packaging, the Group managed to mitigate the negative market impact partially. The Group ended the quarter with strong backlog of US\$795.2 million, slightly lower than the record backlog of US\$808.9 million as of Q2 2018."

Billings of the Back-end Equipment Segment for the first six months of this year were US\$402.0 million. During the period, bookings of the Back-end Equipment Segment dropped 5.4% from the preceding six-month period to US\$469.8 million.

CIS billings continued its momentum into the second quarter. ASMPT sees increasing adoption of its Active Alignment equipment with major camera modules assembly customers driven by innovations in folded lenses, multiple cameras and 3D sensing. Strong demand for ASM NEXX's advanced packaging deposition tools for RDL (redistribution layer) and copper build-up applications continued from Q4 2018 into the first half of 2019. A significant portion of this order backlog is expected to be realized as revenue in the second half of 2019. During the first half year, Advanced Packaging equipment contributed closed to 20% of the revenue of the Group's Back-end Equipment Segment.

Billing of the Group's Materials Segment is continuing on its path of recovery as bookings increased consecutively over the past two quarters. During the second quarter, new order bookings of our Materials Segment grew 28.5% QoQ. Over the first six months of this year, the bookings of the Materials Segment amounted to US\$105.0 million. This was an improvement of 12.0% against the preceding six months period. Billings of the Materials Segment for the six-month period amounted to US\$107.6 million.

During the six-month period, billings of the SMT Solutions Segment were US\$417.7 million. New order bookings for the SMT Solutions Segment in the second quarter of this year improved by 54.4% QoQ to US\$295.8 million, which was very close to the record quarterly bookings set in Q3 2018.

Bookings of SMT Solutions Segment were driven by automotive, industrial, consumer applications and 5G infrastructure demand. The Group benefitted from the 5G and data centre infrastructure investments in China in the first half of 2019 and it is optimistic that we would capture more opportunities in the future.

“Looking ahead, the semiconductor industry is anticipating strong headwinds due to the trade tensions and economic uncertainties. However, ASMPT remains vigilant for any first sign of recovery in demand as we look ahead to the next six months and toward 2020. While we remain cautious of the short term trajectory of the semiconductor industry, we are optimistic of its long term future.

Accordingly, we remain steadfast in our R&D commitment and are focused on new developments that are geared towards meeting the needs of our customers in areas like advanced packaging, CMOS image sensors, 5G enabled devices, IoT, automotive, silicon photonics and mini/ micro LED displays to name a few.

Furthermore, as we enter the Data-centric Era, we see more opportunities ahead as our customers and partners as well as ourselves, aspire to transform into Smart Digital Enterprises.” **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 and the Hang Seng Hong Kong 35 Index. To learn more about ASMPT, please visit our website at [www.asmpacific.com](http://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	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	<b>3,614,774</b>	5,270,477	<b>7,274,789</b>	9,616,377
Cost of sales	<b>(2,322,896)</b>	(2,991,270)	<b>(4,742,687)</b>	(5,704,254)
Gross profit	<b>1,291,878</b>	2,279,207	<b>2,532,102</b>	3,912,123
Other income	<b>15,106</b>	14,841	<b>29,194</b>	35,334
Selling and distribution expenses	<b>(385,694)</b>	(417,579)	<b>(754,115)</b>	(769,415)
General and administrative expenses	<b>(232,978)</b>	(273,114)	<b>(456,436)</b>	(506,010)
Research and development expenses	<b>(419,946)</b>	(409,037)	<b>(829,002)</b>	(763,695)
Other gains and losses	<b>(41,515)</b>	(23,499)	<b>(25,307)</b>	7,449
Finance costs	<b>(41,018)</b>	(44,322)	<b>(127,825)</b>	(81,002)
Profit before taxation	<b>185,833</b>	1,126,497	<b>368,611</b>	1,834,784
Income tax expense	<b>(115,801)</b>	(344,673)	<b>(190,342)</b>	(437,336)
Profit for the period	<b>70,032</b>	781,824	<b>178,269</b>	1,397,448
Profit (loss) for the period, attributable to:				
Owners of the Company	<b>69,429</b>	783,758	<b>179,487</b>	1,401,538
Non-controlling interests	<b>603</b>	(1,934)	<b>(1,218)</b>	(4,090)
	<b>70,032</b>	781,824	<b>178,269</b>	1,397,448
Earnings per share				
- Basic	<b>HK\$0.17</b>	HK\$1.94	<b>HK\$0.44</b>	HK\$3.46
- Diluted	<b>HK\$0.17</b>	HK\$1.91	<b>HK\$0.44</b>	HK\$3.42

## 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	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	<b>70,032</b>	781,824	<b>178,269</b>	1,397,448
Other comprehensive expense				
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	<b>(69,605)</b>	(341,425)	<b>(51,387)</b>	(110,889)
Total comprehensive income for the period	<b>427</b>	440,399	<b>126,882</b>	1,286,559
Total comprehensive (expense) income for the period attributable to:				
Owners of the Company	<b>(674)</b>	442,332	<b>128,992</b>	1,290,656
Non-controlling interests	<b>1,101</b>	(1,933)	<b>(2,110)</b>	(4,097)
	<b>427</b>	440,399	<b>126,882</b>	1,286,559

**ASM PACIFIC TECHNOLOGY LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	At <b>30 June 2019 (Unaudited) HK\$'000</b>	At 31 December 2018 (Audited) HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	2,904,121	2,850,450
Right-of-use assets	1,711,426	-
Investment property	55,307	56,206
Goodwill	1,053,468	1,057,816
Intangible assets	1,243,795	1,305,622
Prepaid lease payments	-	126,732
Other investments	55,760	56,355
Deposits paid for acquisition of property, plant and equipment	33,224	40,672
Rental deposits paid	33,166	42,033
Deferred tax assets	393,320	355,210
Other non-current assets	16,420	16,343
	<b>7,500,007</b>	<b>5,907,439</b>
<b>Current assets</b>		
Inventories	6,857,165	6,541,939
Trade and other receivables	4,778,449	6,324,901
Prepaid lease payments	-	3,863
Derivative financial instruments	919	1,852
Income tax recoverable	42,324	44,134
Pledged bank deposits	2,046	2,054
Bank deposits with original maturity of more than three months	9,106	9,198
Bank balances and cash	2,499,615	2,240,022
	<b>14,189,624</b>	<b>15,167,963</b>
<b>Current liabilities</b>		
Trade liabilities and other payables	2,684,851	3,165,478
Advance payments from customers	866,964	718,694
Derivative financial instruments	15,654	32,697
Lease liabilities/ obligations under finance leases	191,823	410
Provisions	286,698	330,933
Income tax payable	529,271	533,701
Convertible bonds	-	2,224,652
Bank borrowings	503,680	786,021
	<b>5,078,941</b>	<b>7,792,586</b>
<b>Net current assets</b>	<b>9,110,683</b>	<b>7,375,377</b>
	<b>16,610,690</b>	<b>13,282,816</b>

## ASM PACIFIC TECHNOLOGY LIMITED

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	At 30 June 2019 (Unaudited) HK\$'000	At 31 December 2018 (Audited) HK\$'000
<b>Capital and reserves</b>		
Share capital	40,667	40,667
Dividend reserve	528,673	569,340
Other reserves	11,147,186	11,557,541
Equity attributable to owners of the Company	11,716,526	12,167,548
Non-controlling interests	215	(6,893)
<b>Total equity</b>	<b>11,716,741</b>	<b>12,160,655</b>
<b>Non-current liabilities</b>		
Lease liabilities/ obligations under finance leases	1,428,518	736
Retirement benefit obligations	184,874	171,515
Provisions	56,723	48,528
Bank borrowings	2,861,565	473,740
Deferred tax liabilities	217,687	250,783
Other liabilities and accruals	144,582	176,859
	<b>4,893,949</b>	<b>1,122,161</b>
	<b>16,610,690</b>	<b>13,282,816</b>