

ASMPT Announces 2015 Annual Results

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ASMPT Is Getting Ready for The Upturn

Highlights

2015

- * Attained the global #1 position in the SMT equipment market
- * Retained the global #1 position in the semiconductor assembly and packaging equipment market and further widened the revenue gap with the closest rival to a new record
- * Group revenue of US\$1.67 billion, representing a decrease of 8.8% against the preceding year
- * Net profit of HK\$952.9 million and earnings per share of HK\$2.38, representing a decrease of 40.4% against the preceding year
- * Back-end equipment revenue of US\$757.3 million, representing a decrease of 13.7% against 2014
- * Materials revenue of US\$221.2 million, representing a decrease of 9.8% against 2014
- * SMT solutions revenue of US\$695.5 million, representing a decrease of 2.4% against 2014
- * New order bookings of US\$1.72 billion, representing a decrease of 10.0% against 2014
- * Cash and bank deposits of HK\$2.28 billion at the end of December 2015

Second half of 2015

- * Half-year Group revenue of US\$794.7 million, representing decreases of 9.7% and 25.8% against the first half of 2015 and the second half of 2014, respectively
- * Net profit of HK\$230.1 million and earnings per share of HK\$0.58, representing decreases of 68.2% and 77.6% against the first half of 2015 and the same period of 2014, respectively
- * Back-end equipment revenue of US\$341.0 million, representing decreases of 18.1% and 28.3% against the first half of 2015 and the second half of 2014, respectively
- * Half-year Materials revenue of US\$106.5 million, representing decreases of 7.2% and 13.4% against the first half of 2015 and the second half of 2014, respectively
- * Half-year SMT solutions revenue of US\$347.2 million, representing decreases of 0.3% and 26.5% against the first half of 2015 and the second half of 2014, respectively
- * New order bookings of US\$761.4 million, representing decreases of 20.6% and 13.0% as compared to the first half of 2015 and the second half of 2014, respectively

Fourth Quarter of 2015

- * Bookings of all three business segments experienced year on year growth during the fourth quarter of last year
- * Group bookings increased 11.1% and decreased 0.1% as compared to the fourth quarter of 2014 and the preceding quarter, respectively
- * Book to bill ratio was 1.01
- * Backlog amounted to US\$389.0 million as of end 2015, an increase of 7.5% compared to a year ago

(Hong Kong, February 24, 2016) — The world's No.1 semiconductor assembly and packaging equipment and SMT equipment supplier **ASM Pacific Technology Limited** ("ASMPT" / the "Group") (Stock code: 522) today announced its annual results for the year ended December 31, 2015. Despite challenging market conditions, the Group reported its second-highest annual billings and bookings. It also continued to make progress in all of its three business segments. The Group successfully gained further market share, becoming the world's largest supplier of SMT equipment while maintaining its lead in back-end equipment.

Group billings for 2015 was HK\$12.98 billion (US\$1.67 billion), or 8.8% lower than the revenue of HK\$14.23 billion (US\$1.83 billion) in the previous year. Gross margin of the Group improved by 0.8% (85 bps) to 36.3%. Consolidated profit after taxation for the year was HK\$952.9 million which is a decline of 40.4% from the previous year's net profit of HK\$1.60 billion. Basic earnings per share for the year amounted to HK\$2.38 (2014: HK\$3.99).

The Board of Directors recommends a final dividend of HK\$0.40 (2014: final dividend of HK\$1.30) per share. The total dividend payout for 2015 is HK\$1.40 per share (2014: HK\$2.10 per share), with a payout ratio of 59.0%.

New order bookings was US\$1.72 billion, representing a contraction of 10.0% as compared to 2014, which was a year when the Group set a new bookings record. The backlog as of the end of last year was US\$389.0 million.

Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT, said, "2015 was a challenging year for the semiconductor and electronics industries. Despite the sluggish macroeconomic environment, the Group managed to deliver another set of satisfactory results. We have proven that our long-term strategies of focusing on multiple application markets, investing in advanced technologies and collaborating with leading customers are delivering. We have gained significant market traction, attaining the world #1 position in the global SMT equipment market while retaining the world #1 position for the back-end equipment business. We will continue to pursue opportunities that position the Group for sustainable growth and value creation."

ASMPT's Back-end Equipment Segment continued to retain the number one position in the global market, a position that the Group has maintained almost uninterrupted since 2002. The revenue from this segment declined by 13.7% last year to US\$757.3 million. The gap in revenue with its nearest rival has further widened to a new record. Despite lower revenue as compared to the year before, the gross margin of this segment was fairly stable at 39.4% (2014: 41.9%).

Some of its Back-end Equipment products achieved annual revenue growths over the previous year. Flip-chip bonder is one of ASMPT's products that achieved revenue growth last year. Its AD8312FC flip-chip bonder for high-speed low-I/O (input/output) applications was a big success. The Group believes that it has gained a dominant market share of well above 50%, and based on quantity, it is likely that the Group has emerged as the top flip-chip bonder supplier in the world. In addition, CMOS Image Sensor ("CIS") equipment, test handlers and laser grooving/dicing equipment have performed equally well, achieving revenue growth last year. The Group expects that CIS equipment will continue to be one of its growth drivers going forward.

The Group continues to enhance its product offerings to the flip-chip market, which includes extending thermo-compression bonding ("TCB") solutions to the through silicon via ("TSV") memory stack market. The Group has the highest number of installations of TCB bonders worldwide. Recognising the growing interest and momentum in wafer level fan-out ("WLFO") packaging, the Group has lined up a comprehensive product portfolio to address this new application. No other equipment supplier in the world has a similarly extensive advanced packaging product portfolio. The LED market was more active last year as compared to the IC and discrete market, and the Group gained further market share for the supply of LED equipment. The Group also successfully developed CSLED (chip-scale LED) business and is enjoying a healthy market share.

Last year, the Group's SMT Solutions Segment became the top supplier for SMT equipment in the world. The Group believes that its market share is now getting close to the mid-20% range. Gross margin for this segment also improved from around the 30% level to around the 40% level last year. The SMT Solutions Segment has performed very well since its acquisition by the Group five years ago. Synergies that the Group has envisaged have been successfully realised. Over the past few years, the pace of innovation of its SMT Solutions Segment has continued to accelerate and has expanded ASMPT's serviceable available market ("SAM"). Other than serving the traditional electronic printed circuit board ("PCB") assembly market, the SMT Solutions Segment is aggressively pushing into the semiconductor market. The Group has made notable breakthroughs into applications like SIP devices, embedded PCB and wafer-level fan-out applications in the past two years.

With the Group's continuing cost reduction efforts, the profitability of its Materials Business Segment improved further last year. Gross margin of the segment increased by 1.0% (102 bps) as compared to the year before, despite lower revenue. While the Group continues to outperform the broader lead frame market, it made a strategic decision last year to enter into the advanced packaging materials business by setting up a joint venture company with a tier-1 OSAT to develop and produce MIS products to enhance the Group's position in advanced packaging in the long term. The business is expected to contribute positively to further improvements in this segment's gross margin, profitability and revenue growth.

"Looking into 2016, we are encouraged by the rebound in bookings in the fourth quarter of last year relative to the previous year for all three of our business segments. Based on the current market momentum, we expect Back-end Equipment billings in the first quarter of this year to achieve double digit percentage growth over the preceding quarter while the overall Group billings will match or perform slightly better than the billings achieved in the preceding quarter. Bookings will likely show a quarterly upswing. We believe that our diversified customer base and application markets should serve to distinguish ASMPT from its peers and to bolster its competitiveness. Overall, we believe that we will again demonstrate our resilience in 2016, which is expected to be a year of mild contraction," **Mr. Lee** concluded.

About ASM Pacific Technology Limited

ASM Pacific Technology Limited ("ASMPT") (stock code: 0522), as a global technology and market leader, develops and provides leading edge solutions and materials for semiconductor assembly and packaging industries, as well as surface mount technology solutions in a wide range of end-user markets including electronics, mobile communications, automotive, industrial, LED and solar energy. ASMPT consistently invests in R&D to provide customers with innovative and cost-efficient solutions and systems that help them to achieve higher productivity, greater reliability and enhanced quality.

Listed on the Hong Kong Stock Exchange in 1989, ASMPT is currently one of the constituent stocks on the Hang Seng HK Mid-cap Index under the Hang Seng Composite Index, the Hang Seng Information Technology Industry Index, the Hang Seng Hong Kong 35 Index and the Hang Seng Global Composite Index. To learn more about ASMPT, please visit <http://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	
	2015	2014	2015	2014
	(unaudited) HK\$'000	(unaudited) HK\$'000	(audited) HK\$'000	(audited) HK\$'000
Revenue	2,928,394	3,445,709	12,977,289	14,229,177
Cost of sales	(1,841,886)	(2,137,649)	(8,261,905)	(9,179,551)
Gross profit	1,086,508	1,308,060	4,715,384	5,049,626
Other income	7,863	25,977	42,623	86,078
Selling and distribution expenses	(333,223)	(326,975)	(1,275,844)	(1,161,244)
General and administrative expenses	(209,554)	(176,496)	(757,602)	(620,715)
Research and development expenses	(306,076)	(314,616)	(1,185,118)	(1,148,382)
Other gains and losses	(8,418)	28,536	30,394	112,012
Other expenses	(28,496)	(168,400)	(49,758)	(168,400)
Finance costs	(39,956)	(38,912)	(156,703)	(120,512)
Profit before taxation	168,648	337,174	1,363,376	2,028,463
Income tax expense	(118,818)	(93,446)	(410,462)	(428,509)
Profit for the period	49,830	243,728	952,914	1,599,954
Profit for the period attributable to:				
Owners of the Company	53,107	243,728	956,191	1,599,954
Non-controlling interests	(3,277)	-	(3,277)	-
	49,830	243,728	952,914	1,599,954
Earnings per share				
- Basic	HK\$0.13	HK\$0.60	HK\$2.38	HK\$3.99
- Diluted	HK\$0.13	HK\$0.60	HK\$2.37	HK\$3.98

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 31 Dec		Year ended 31 Dec	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	49,830	243,728	952,914	1,599,954
Other comprehensive (expense) income				
- exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	(86,771)	(100,381)	(396,034)	(299,755)
- remeasurement of defined benefit retirement plans, net of tax, which will not be reclassified to profit or loss	11,689	(52,820)	11,689	(52,820)
Other comprehensive expense for the period	(75,082)	(153,201)	(384,345)	(352,575)
Total comprehensive (expense) income for the period	(25,252)	90,527	568,569	1,247,379
Total comprehensive (expense) income for the period attributable to:				
Owners of the Company	(21,976)	90,527	571,845	1,247,379
Non-controlling interests	(3,276)	-	(3,276)	-
	(25,252)	90,527	568,569	1,247,379

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2015	2014
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	2,218,161	2,073,489
Investment property	63,048	68,467
Goodwill	427,754	405,652
Intangible assets	604,888	627,338
Prepaid lease payments	22,573	25,587
Pledged bank deposits	2,562	506
Deposits paid for acquisition of property, plant and equipment	13,666	22,336
Rental deposits paid	24,755	7,332
Deferred tax assets	289,846	317,448
Other non-current assets	106,496	108,124
	<u>3,773,749</u>	<u>3,656,279</u>
Current assets		
Inventories	3,482,436	3,886,140
Trade and other receivables	4,304,398	4,119,540
Prepaid lease payments	822	941
Derivative financial instruments	2,108	-
Income tax recoverable	21,774	48,296
Pledged bank deposits	7,228	191,306
Bank deposits with original maturity of more than three months	254,983	-
Bank balances and cash	2,020,145	2,593,756
	<u>10,093,894</u>	<u>10,839,979</u>
Current liabilities		
Trade and other payables	2,389,798	2,918,458
Derivative financial instruments	9,057	9,297
Provisions	280,733	354,170
Income tax payable	415,728	325,315
Bank borrowings	37,459	151,379
	<u>3,132,775</u>	<u>3,758,619</u>
Net current assets	<u>6,961,119</u>	<u>7,081,360</u>
	<u><u>10,734,868</u></u>	<u><u>10,737,639</u></u>

ASM PACIFIC TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	At 31 December	
	2015	2014
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	40,453	40,252
Dividend reserve	161,812	523,274
Other reserves	7,804,254	7,641,668
Equity attributable to owners of the Company	8,006,519	8,205,194
Non-controlling interests	29,466	-
Total equity	8,035,985	8,205,194
Non-current liabilities		
Convertible bonds	2,264,775	2,164,204
Retirement benefit obligations	127,833	150,147
Provisions	65,459	61,360
Bank borrowings	141,441	16,159
Deferred tax liabilities	61,622	95,870
Other liabilities and accruals	37,753	44,705
	2,698,883	2,532,445
	10,734,868	10,737,639