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ASMPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

Announcement Of 2024 Audited Results For The Year Ended 31 December 2024

Advanced Packaging Continues To Benefit From AI Adoption

TCB Achieved Record Bookings and Revenue

Group Financial Highlights for Q4 2024

- * Revenue of HK\$3.40 billion (US\$437.6 million), flat YoY and +1.8% QoQ
- * Bookings of HK\$3.26 billion (US\$419.4 million), +19.2% YoY and +2.8% QoQ
- * Gross margin of 37.2%, -508 bps YoY and -379 bps QoQ
- * Operating profit of HK\$5.1 million, -97.3% YoY and -97.1% QoQ
- * Net profit of HK\$4.2 million, -94.4% YoY and -82.3% QoQ; Adjusted Net profit of HK\$81.9 million, +7.2% YoY and +177.5% QoQ
- * Basic earnings per share of HK\$0.01, -94.4% YoY and -83.3% QoQ; Adjusted Basic earnings per share of HK\$0.20, +11.1% YoY and +150.0% QoQ

Group Financial Highlights for FY 2024

- * Revenue of HK\$13.23 billion (US\$1.69 billion), -10.0% YoY
- * Bookings of HK\$12.75 billion (US\$1.63 billion), +4.0% YoY
- * Gross margin of 40.0%, +70 bps YoY
- * Operating profit of HK\$558.3 million, -49.4% YoY
- * Net profit of HK\$342.2 million, -51.9% YoY; Adjusted Net profit of HK\$426.0 million, -42.8% YoY
- * Basic earnings per share of HK\$0.83, -52.0% YoY; Adjusted Basic earnings per share of HK\$1.04, -42.9% YoY
- * Order backlog of HK\$6.05 billion (US\$779.0 million) as of 31 December 2024
- * Full Year 2024 dividend per share (including special dividend) of HK\$0.67

Revenue Guidance for Q1 2025

- * US\$370 million to US\$430 million, flat YoY and -9% QoQ at mid-point

For more information about the Adjusted Net Profit and Adjusted Basic earnings per share presented above, please refer to the section under "Reconciliation of HKFRS Measures to the non-HKFRS Measures" of this results announcement.

The Directors of ASMPT Limited are pleased to deliver the following announcement of audited results for the year ended 31 December 2024:

RESULTS SUMMARY

ASMPT Limited and its subsidiaries (the “Group” or “ASMPT”) delivered revenue of HK\$13.23 billion (US\$1.69 billion) for the fiscal year ended 31 December 2024, which was 10.0% lower year-on-year (“YoY”). The Group’s consolidated profit after taxation for the year was HK\$342.2 million (HK\$426.0 million after adjustments under non-HKFRS Measures), a decrease of 51.9% YoY. Basic earnings per share (“EPS”) for the year amounted to HK\$0.83 (HK\$1.04 after adjustments under non-HKFRS Measures) compared with EPS of HK\$1.73 (HK\$1.82 after adjustments under non-HKFRS Measures) for the preceding year.

DIVIDENDS AND CLOSURES OF REGISTER OF MEMBERS

The Group has a dividend policy of distributing around 50% of its annual profits as dividends and firmly believes in returning excess cash to its shareholders. After considering its short-term needs and cash on hand, the Board of Directors has resolved to recommend to shareholders the payment of a final dividend of HK\$0.07 (2023: final dividend of HK\$0.26) per share. In addition, the Board has also recommended a special dividend of HK\$0.25 (2023: special dividend of HK\$0.52) per share to shareholders. Together with the interim dividend of HK\$0.35 (2023: HK\$0.61) per share paid in August 2024, the total dividend payment for the year 2024 will be HK\$0.67 (2023: HK\$1.39) per share.

The proposed final dividend and a special dividend of HK\$0.32 per share in total, the payment of which is subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 7 May 2025 (“2025 AGM”), is payable on 30 May 2025 to shareholders whose names appear on the Register of Members of the Company on 16 May 2025.

The Register of the Members of the Company will be closed during the following periods:

- (i) from 2 to 7 May 2025, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2025 AGM. In order to be eligible to attend and vote at the 2025 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 30 April 2025; and
- (ii) from 15 to 16 May 2025, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend and special dividend. In order to qualify for the proposed final dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Investor Services Limited at the abovementioned address, not later than 4:30 p.m. on 14 May 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Business Review

Our review of 2024 will begin with an overall commentary on notable business highlights, followed by a financial review of the Group and its Segments: the Semiconductor Solutions Segment (“SEMI”) and SMT Solutions Segment (“SMT”).

During 2024, strong demand for logic and memory packaging applications was driven by the growth of AI and High-Performance Computing (“HPC”). The Group’s Advanced Packaging (“AP”) solutions continued to be a major beneficiary of accelerating AI adoption. AP solutions delivered a strong performance, increasing revenue by 23% YoY and demonstrating significant future potential by achieving key milestones. In particular, the Group’s Thermo-Compression Bonding (“TCB”) solutions won further orders with multiple customers within the AI supply chain.

On the other hand, the recovery of non-AI-related semiconductors was slower than anticipated due to sluggish electronics demand from muted consumer sentiment, compounded by weakness in the Automotive and Industrial end markets. This impacted the Group’s SEMI mainstream and SMT businesses. Nevertheless, the Group is well positioned to capitalise on the significant growth of AP-related applications and is ready to capture opportunities in mainstream packaging and SMT as the market recovers.

Advanced Packaging: Unlocking Significant Growth Potential

The Group experienced strong demand across multiple AP solutions fuelled by high growth from generative AI and HPC applications. The main revenue contributors to AP solutions were TCB, System-in-Package (“SiP”) and Photonics solutions. Revenue from AP solutions grew 23% YoY to about US\$505 million. AP’s contribution to 2024 Group revenue increased YoY from 22% to nearly 30%. The Group’s AP bookings grew strongly YoY in 2024, primarily driven by a significant upswing in TCB bookings.

Looking ahead, the Group estimates that its total addressable market for AP solutions will progressively increase from US\$1.78 billion in 2024 to US\$4.04 billion in 2029, at a compounded annual growth rate (“CAGR”) of about 18%. As the Group continues to improve its product offerings and make further inroads to enable major AI customers’ technological roadmaps, the Group remains confident of steadily growing its AP market share.

Major milestones and other notable developments within the Group’s AP solutions are highlighted below.

Thermo-Compression Bonding: Record Order Flow Supported by Logic and Memory

The Group’s TCB solutions gained further traction with multiple customers and major AI players during the year and delivered record yearly revenue and bookings in 2024. The breakthrough in High Bandwidth Memory (“HBM”) led to a significant growth in overall bookings for TCB YoY.

Logic Applications

The Group secured substantial TCB orders throughout 2024 for chip-to-substrate (“C2S”) applications from its leading foundry customer and the customer’s OSAT partner. Serving as the sole supplier of TCB tools for C2S applications for these customers, the Group delivered high-volume shipments of TCB tools in 2024, and expects a continuation of strong order momentum into 2025.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

The Group's joint development of next-generation Active Oxide Removal fluxless ("AOR Fluxless") TCB with the leading foundry customer for ultrafine pitch chip-to-wafer ("C2W") logic applications is progressing well. The tool has shown robust performance for C2W applications and is currently undergoing volume manufacturing qualification at the customer's site. The Group also continued to serve a longstanding leading IDM customer with TCB order momentum and shipments throughout 2024 for C2W applications.

Using a plasma-based approach, the Group's patented AOR Fluxless technology enables 2.5D and 3D chiplet integration and HBM devices with fine bump pitch roadmaps. With the ability to achieve bond accuracy below 1 micron (" μm ") and ultra fine pitch bonding below 15 μm , the AOR Fluxless process enhances package reliability by forming good solder joints with an oxide-free surface on bumps and pads. The process is completely residue-free, a critical advantage as residue degrades the performance of chips over time. Besides optimising performance, the tool offers a total cost of ownership advantage by eliminating the need for downstream cleaning operations to remove residue, salts, formic acid, and other corrosive elements.

HBM Applications

The Group secured substantial TCB orders from major HBM players, particularly in the second half of 2024. A key milestone of bulk TCB order wins was achieved in Q4 2024 with a leading HBM maker to support its HBM3e 12H HVM demand ramp. Shipments under this bulk order commenced in Q4 2024 and are in line with the customer's ramp-up plan. More recently, the Group secured an initial order of several tools from another global HBM player. The Group is also in advanced discussions for repeat orders from these HBM players.

A key value proposition of the Group's TCB tools is their ability to seamlessly upgrade to fluxless applications for 12H and beyond, offering fungibility to handle different HBM packaging processes (NCF, MUF flux / fluxless). Besides best-in-class die placement accuracy and ultrafine pitch bonding capabilities, these TCB tools for HBM can also handle ultra-thin dies of below 30 μm at a chip gap below 10 μm . The AOR Fluxless tool continues to push technological boundaries with a successful demonstration of a 16H bonded sample within the maximum stack-up height of 775 μm , paving the way for the tool's extension into HBM4 applications. These promising developments strengthen the Group's confidence to gain market share in the thriving HBM market.

TCB Total Addressable Market ("TAM"): US\$1 billion by 2027

The rapid expansion of the TCB market is supported by accelerating AI adoption, with TCB TAM projected to increase from US\$303 million in 2024 to about US\$1 billion in 2027, a CAGR of more than 45%.

The Group is the current TCB market leader with record TCB revenue and bookings in 2024. TCB TAM growth will be driven by both logic and increasingly HBM applications. ASMPT is a market leader in Logic applications, and had a breakthrough into the HBM market with a Q4 2024 bulk order. The Group is also currently in substantive engagement with HBM players.

The Group is targeting between 35% and 40% market share in TCB supported by its industry-leading technologies for AP interconnects that set it apart from competitors, and significant entrenchment in the AI customer base.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

Hybrid Bonding (“HB”): Next Generation Tools to Intercept HVM Demand Ramp

The Group achieved a major milestone in Q3 2024 with the delivery of its first HB tool to a logic customer. During the year, the Group also secured maiden orders for two next generation HB tools for HBM applications. These tools are set for delivery by mid-2025 and have enhanced capabilities, such as improved placement accuracy, reduced bonding pitch, significantly higher throughput, and a more compact tool footprint.

The Group’s HB order wins in 2024 demonstrate a strong recognition of its technology and competitiveness in this emerging solution. With these next generation HB tools, the Group is confident in securing more orders in the coming quarters, positioning itself favourably to capitalise on the high-volume manufacturing (“HVM”) demand ramp.

Flip Chip (“FC”) High Precision Die-bonding: Promising Potential in AI Packages

The Group’s high-precision FC bonding tools are utilised for C2W applications currently employing the mass reflow (“MR”) process at the leading foundry and its OSAT partner. The Group is expecting further order flow for its FC tools in 2025 as MR is expected to remain the Process of Record (“POR”) in the near term for C2W applications for these customers, while the AOR Fluxless TCB tool awaits qualification.

Featuring placement accuracy of 1.5 μm and bump pitch below 30 μm , these FC tools have been gaining traction in AI and HPC applications, which require varying degrees of accuracy across cloud and data centres. These tools feature an all-in-one pass Multi-Chip-Module system for multiple-chiplet and multiple-process handling. They are also capable of panel-level pick-and-place fan-out applications, and support various form factors, from large dies to smaller form factors well-suited for AI edge devices.

As FC and TCB tools are expected to co-exist, the Group is positioned to capture opportunities in both technologies, engaging leading foundry, HBM and OSAT customers for both C2W and C2S applications.

Photonics: Leading Market Share with Strong Order Momentum

Rapid AI growth has increased bandwidth requirements at data centres, boosting demand for higher-bandwidth optical transceivers and Co-Packaged Optics (“CPO”) applications to support this trend.

The Group’s market-leading Photonics solutions had strong order momentum throughout the year, driven by demand from major AI players for optical transceivers with higher bandwidth and faster transmission speeds. The Group’s Photonics tools are able to serve transceivers with bandwidths of 800G and beyond, with best-in-class placement accuracy below 3 μm and the highest throughput in the industry (with the ability to run parallel processes). The Group expects continued order momentum due to its market leadership among all major global transceiver makers.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

CPO: Silicon Photonics (“SiPh”) Gaining Traction

CPO represents a disruptive approach to enhancing bandwidth density and energy efficiency, leading to greater energy savings and improved data transmission speeds. The Group’s SiPh solutions have gained a significant edge in CPO assembly and high-end optical-communication-related applications through its leading ultra-high precision bonding solutions. Featuring exceptional placement accuracy of 0.2 µm - essential for the precise integration of optical and electronic components - these solutions offer a highly flexible system capable of handling multiple bonding processes. These technical advantages position the Group ahead of its peers in delivering high-precision, reliable, and efficient CPO assembly solutions.

While the CPO market is still in an early phase, the Group’s position as a Photonics leader and its active collaboration with leading CPO players globally (including a major win with a leading IDM in 2025) positions it well to capture market share in SiPh solutions in the future.

Systems-in-Package: Enhancing Customer Engagements

SMT won strong orders in the first half of the year for its SiP solutions, mainly from leading global high-end smartphone players for Radio Frequency modules and wearables. In addition, the Group has been engaging multiple customers with its next-generation tools. These next-generation SiP tools are gaining traction for AI and server-related applications, with shipments to leading foundry and OSAT players. The Group expects more orders in the coming quarters.

The unique features of SMT’s next-generation AP tools include superior placement accuracy, multi-die picking capabilities, the ability to pick dies directly from the wafer, and exceptionally high throughput.

Automotive: Cultivating Customers for Future Ramp Up

The Group’s Automotive end-market applications accounted for the largest proportion of the Group’s revenue in 2024 at about 20% or approximately US\$340 million. Even as the market softened, the Group’s comprehensive range of Automotive solutions encompassing electrification, sensor technology, displays and high-speed data transfer, continued to contribute strongly, with significant revenues coming from both SEMI and SMT.

SEMI’s contribution came from solutions serving various areas of the automotive supply chain, including solutions for high-end Electrical Vehicles (“EV”s), such as Silicon Carbide modules and smart LED headlamps. There was also traction in molding and sintering solutions, which enable high power density and quality consistency, and enhance electrical performance of modules. These solutions align with overall automotive electrification and digitalisation trends.

SMT deftly navigated ongoing softness in the automotive market and maintained its strong market position via continued engagement with its significant installed customer base.

The Group has been actively engaging a growing number of leading automotive customers, including prominent EV players and leading subcontractors. These engagements across a significant proportion of the automotive ecosystem enable the Group to quickly scale when future demand ramps up, driven by the industry’s electrification trend.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

Looking ahead, the Group estimates the total addressable market for Automotive end-market applications to grow from approximately US\$1.3 billion in 2024 to US\$2.1 billion in 2029, at a CAGR of about 11%.

Group Financial Review

(in HK\$ million)	Q4 2024	QoQ	YoY	FY 2024	YoY
Bookings	3,260.1 (US\$419.4 million)	+2.8%	+19.2%	12,753.5 (US\$1,634.1 million)	+4.0%
Revenue	3,403.4 (US\$437.6 million)	+1.8%	0.0%	13,229.1 (US\$1,694.8 million)	-10.0%
Gross Margin	37.2%	-379 bps	-508 bps	40.0%	+70 bps
Operating Profit	5.1	-97.1%	-97.3%	558.3	-49.4%
Adjusted Net Profit	81.9	+177.5%	+7.2%	426.0	-42.8%
Adjusted Net Profit Margin	2.4%	+152 bps	+16 bps	3.2%	-185 bps

FY 2024 Group Financial Review

The Group delivered full-year revenue of HK\$13.23 billion (US\$1.69 billion), a decline of 10.0% YoY. Revenue was impacted mainly due to SMT as its revenue declined 22.9% YoY, while SEMI registered 6.9% revenue growth YoY and contributed about 51% of Group revenue.

By end-markets, Automotive continued to be the highest contributor to Group revenue at approximately 20%, despite the overall softness in this market, particularly in the second half of the year. The Group's comprehensive range of Automotive solutions and strong customer base contributed to this end-market's performance.

The Consumer end-market was the second highest contributor to Group revenue at about 16%. YoY revenue growth came mostly from SEMI mainstream solutions, in line with higher revenue from the China market.

The Communication end-market contributed 15% to Group revenue. YoY revenue growth was boosted by demand in photonics and high-end smartphone related applications.

The Computer end-market maintained its YoY revenue contribution to the Group at about 12%, with the highest contribution from TCB solutions. The Industrial end-market revenue contribution declined to about 12%, in line with weak market conditions.

By geography, China recorded YoY revenue growth, and its share of Group revenue increased from 31% to 38%. Revenue from both Europe and the Americas declined YoY mainly due to market softness in SMT. Europe's share of Group revenue decreased from 28% to 19%, and the Americas from 18% to 16%. Customer concentration risk continued to remain low for the Group as its top five customers accounted for approximately 14% of total revenue in 2024.

Group bookings were up 4.0% YoY to HK\$12.75 billion (US\$1.63 billion). SEMI registered 36.7% YoY growth in bookings driven by AP, including a strong contribution from TCB solutions, which offset a decline of 21.2% YoY in bookings from SMT. The Group ended the year with a backlog of HK\$6.05 billion (US\$779.0 million), and a book-to-bill ratio of 0.96. SEMI's book-to-bill ratio was 1.07, while SMT's was 0.85.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

Group gross margin was up 70 bps YoY to 40.0%, mainly due to an increase of 418 bps in SEMI's gross margin. This was partially offset by a decline of 346 bps in SMT's gross margin.

Total operating expenses for the Group remained stable YoY, despite additional planned investment in infrastructure and AP solutions of HK\$180 million. The Group managed to offset these increased costs through disciplined execution of cost control and efficiency measures. However, with lower revenue, the Group's operating profit declined by 49.4% YoY to HK\$558.3 million.

In line with reduced revenue and operating profit, the Group's adjusted net profit declined 42.8% YoY to HK\$426.0 million.

The Group continued to maintain a robust balance sheet and recorded strong cash and bank deposits of HK\$5.10 billion at the end of 2024 (2023 end: HK\$4.80 billion). Net cash was HK\$2.42 billion at the end of 2024 (2023 end: HK\$2.80 billion).

Q4 2024 Group Financial Review

Group revenue of HK\$3.40 billion (US\$437.6 million) was higher than the mid-point of revenue guidance previously issued. It increased marginally by 1.8% QoQ and was flat YoY.

Group bookings of HK\$3.26 billion (US\$419.4 million) were up 2.8% QoQ and 19.2% YoY, mainly due to strong AP bookings for SEMI. This was partially offset by the bookings decline in SMT.

Gross margin of 37.2% for the Group was a decline of 379 bps QoQ and 508 bps YoY. Both SEMI and SMT had gross margin declines.

With reduced gross margin, the Group's operating profit of HK\$5.1 million was down 97.1% QoQ and 97.3% YoY. The Group's adjusted net profit was HK\$81.9 million, an increase of 177.5% QoQ and 7.2% YoY due to foreign exchange gain.

Semiconductor Solutions Segment Financial Review

(in HK\$ million)	Q4 2024	QoQ	YoY	FY 2024	YoY
Bookings	2,154.1 (US\$277.1 million)	+16.0%	+73.3%	7,302.2 (US\$935.9 million)	+36.7%
Revenue	1,978.7 (US\$254.3 million)	+10.5%	+24.1%	6,806.3 (US\$872.1 million)	+6.9%
Gross Margin	42.6%	-594 bps	-115 bps	45.0%	+418 bps
Segment Profit	74.7	-47.1%	+7,853.1%	303.5	NM
Segment Profit Margin	3.8%	-411 bps	+372 bps	4.5%	NM

NM: Not meaningful

MANAGEMENT DISCUSSION AND ANALYSIS - continued

SEMI revenue grew to HK\$1.98 billion (US\$254.3 million) in Q4 2024, up 10.5% QoQ and 24.1% YoY, mainly attributable to AP. SEMI contributed about 58% of the Group's revenue.

SEMI Business Unit ("BU") revenue performance was driven by the following developments within each BU:

- (i) IC/Discrete BU revenue increased QoQ, mainly due to revenue growth in AP.
- (ii) Optoelectronics BU revenue declined slightly QoQ, mainly due to weakness in advanced displays. However, its photonics solutions continued to deliver strong revenue.
- (iii) CIS BU revenue remained flat QoQ at a low level due to seasonality effects from high-end smartphone applications.

SEMI bookings were up 16.0% QoQ to HK\$2.15 billion (US\$277.1 million) in Q4 2024, mainly driven by bulk TCB orders from a major HBM maker during the quarter. SEMI's book-to-bill ratio remained above one for the whole of 2024. Moreover, its quarterly bookings continued to show gradual YoY improvements since Q4 2023, recording strong YoY growth of 73.3% for this quarter, driven mainly by AP.

SEMI's gross margin of 42.6% for Q4 2024 was down 594 bps QoQ, mainly due to product mix, high base in Q3 and the sale of a first-of-a-kind deposition tool to break into the emerging glass substrate market with a major IDM customer. Gross margin was down by 115 bps YoY.

Segment profit was HK\$74.7 million in Q4 2024, a decrease of 47.1% QoQ.

SMT Solutions Segment Financial Review

(in HK\$ million)	Q4 2024	QoQ	YoY	FY 2024	YoY
Bookings	1,106.1 (US\$142.3 million)	-15.8%	-25.9%	5,451.4 (US\$698.2 million)	-21.2%
Revenue	1,424.6 (US\$183.2 million)	-8.4%	-21.3%	6,422.8 (US\$822.7 million)	-22.9%
Gross Margin	29.7%	-260 bps	-1,130 bps	34.6%	-346 bps
Segment Profit	19.9	-79.8%	-92.5%	598.8	-58.2%
Segment Profit Margin	1.4%	-494 bps	-1,333 bps	9.3%	-787 bps

SMT delivered revenue of HK\$1.42 billion (US\$183.2 million) in Q4 2024, a decline of 8.4% QoQ and 21.3% YoY, in line with ongoing softness in SMT's overall market.

Segment bookings of HK\$1.11 billion (US\$142.3 million) followed a similar trend, down 15.8% QoQ and 25.9% YoY. The automotive and industrial end-markets continued to remain weak globally.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

SMT's gross margin of 29.7% for Q4 2024 was a decline of 260 bps QoQ and 1,130 bps YoY. Margin was adversely impacted by lower sales volume and product mix.

Segment profit was HK\$19.9 million in Q4 2024.

Investing For the Future

The Group continues to prioritise investment in areas of key strategic importance, such as AP R&D and infrastructure, to ensure it is well-positioned for future opportunities and to retain leadership across various solutions. The Group plans to invest about HK\$350 million to support these priorities in 2025. The Group will also continue its disciplined approach to capital expenditure with investment to double TCB production capability by end 2025.

OUTLOOK

As 2025 unfolds, strong momentum in the Group's TCB solutions for AI and HPC applications is expected to continue to drive overall AP revenue growth and as such, AP will constitute a greater proportion of Group revenue. The substantial progress the Group's TCB solutions have made in Logic and Memory applications further cements the Group's status as the TCB market leader.

In the near term, the Group's AP revenue growth will be offset by ongoing weakness in mainstream markets, particularly Automotive and Industrial. As such, Q1 2025 revenue is expected to be between US\$370 million to US\$430 million, flat YoY and down 9% QoQ at mid-point.

CONTINUED COMMITMENT TO RESEARCH AND DEVELOPMENT ("R&D")

With a global R&D workforce of more than 2,400, the Group operates several R&D centres worldwide across Asia, Europe and the Americas. It has a longstanding practice of annually allocating a significant portion of its financial resources for R&D. In 2024, it invested about HK\$2.08 billion (2023: HK\$2.05 billion) in R&D. As of 31 December 2024, the Group has delivered over 2,000 patents and patent applications.

The Group's ongoing commitment to investing in R&D throughout industry cycles is critical in its ongoing pursuit of technological leadership. It has maintained its ability to seize upon technological breakthroughs to unlock sustainable growth opportunities and create long-term value for customers and shareholders.

The Group's R&D talent is positioned to rapidly execute those critical projects that keep ASMPT at the forefront of advanced packaging and high-end mainstream semiconductor segments as well as SMT solutions. In addition, the Group has strengthened its backbone of critical capability in those key engineering disciplines that are necessary to excel in delivering new solutions. These disciplines include precision mechanics, motion control, vision/AI, software and electrical. In keeping with the industry moving further towards advanced packaging solutions, the Group continues to allocate a significant portion of its R&D resources to these areas for the foreseeable future.

In 2024, ASMPT initiated a formal Pathfinding process that will allocate a portion of the Group's R&D resources to longer term projects that can shape the industry in the next 3 to 10 years. These teams work closely with both Sales & Marketing and Supply Chain Management teams.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

ASMPT is committed to collaborate with esteemed external institutes and R&D experts to drive its innovations faster and to expedite its cutting-edge AP solutions with greater capabilities.

The Group remains confident in its R&D team's ability to navigate technologies, fostering further innovation and breakthroughs while achieving superior cost of ownership and other key operational imperatives.

LIQUIDITY AND FINANCIAL RESOURCES

Cash and bank deposits as of 31 December 2024 were HK\$5.10 billion (31 December 2023: HK\$4.80 billion). During 2024, HK\$468.4 million was paid as dividends (2023: HK\$1.04 billion). Capital additions during the year amounted to HK\$489.4 million (2023: HK\$444.1 million), which were fully funded by the Company's operating cash flow.

As of 31 December 2024, the debt-to-equity ratio was 0.175 (31 December 2023: 0.127). Debts include all bank borrowings. The Group had available banking facilities of HK\$1.49 billion (US\$191.5 million) (31 December 2023: HK\$5.92 billion (US\$758.0 million)) in the form of bank loans and overdraft facilities, of which HK\$300.0 million (US\$38.6 million) (31 December 2023: HK\$3.58 billion (US\$458.5 million)) were committed borrowing facilities. Bank borrowings, which are mainly arranged to support day-to-day operations and capital expenditure, are denominated in Hong Kong dollars and Chinese RMB.

The Group had unsecured bank borrowings of HK\$2.50 billion and secured bank borrowings of HK\$0.18 billion as of 31 December 2024 (31 December 2023: unsecured bank borrowings of HK\$2.00 billion), mainly consisting of a variable-rate syndicated loan. The syndicated loan is repayable by instalments till February 2029. The Group uses interest rate swaps to mitigate its exposure to cash flow changes of the variable-rate syndicated loan by swapping HK\$0.75 billion (31 December 2023: HK\$1.75 billion) of the syndicated loan from variable rates to fixed rates. The Group's equity attributable to owners of the Company was HK\$15.19 billion as of 31 December 2024 (31 December 2023: HK\$15.69 billion).

As of 31 December 2024, cash and bank deposits of the Group were mainly in US dollars, Euros and Chinese RMB. The Group entered into HK dollar and Euro hedging contracts to mitigate foreign currency exposure of the inter-company loans denominated in Euro. SMT Solutions Segment entered into US dollar and Euro hedging contracts to mitigate foreign currency risks, as a significant portion of the production of SMT equipment and its suppliers are located in Europe, while a substantial part of the Group's revenue for SMT equipment is denominated in US dollars. In terms of currency exposure, the majority of the Group's sales and disbursements in respect of operating expenses and purchases were mainly in US dollars, Euros and Chinese RMB.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

HUMAN RESOURCES

The Group places significant value on its global workforce and consistently introduces and enhances a range of human resource (“HR”) initiatives to foster a positive and inclusive work culture and employee experience. These include areas such as employee engagement and recognition; talent development and succession planning; employee digital experience; and diversity, equity & inclusion (“DE&I”), for the growth and well-being of its employees.

Here are the highlights of key HR developments and initiatives in 2024:

Employee Engagement & Recognition

During the year, action plans stemming from ENGAGE, the Group’s Global Employee Engagement Survey, were successfully deployed across all sites, emphasising leadership communication as a critical driver to enhance employees’ understanding of ASMPT’s strategic objectives and localised efforts to boost engagement. These initiatives aimed to foster transparency, align teams with organisational priorities, and address key engagement gaps identified in the survey.

To measure progress and effectiveness, a follow-up PULSE survey was conducted at year’s end, providing actionable insights to refine ongoing strategies and ensure sustained improvement in employee engagement across the entire organisation.

Talent Development & Succession Planning

Building on the achievement of its inaugural Talent initiative in 2022, the Group focused on leveraging the insights gained to create tailored development plans for each participant. These plans targeted key areas of growth, aligning individual capabilities with the organisation’s long-term strategic objectives. The next phase will include a combination of executive coaching and mentoring, leadership training, and cross-functional projects designed to provide experiential learning opportunities.

Additionally, regular progress reviews ensure participants remain on track and that the program can adapt to evolving business needs. Additionally, the Group made significant strides in building its succession pipeline, ensuring a strong pool of future leaders prepared to step into critical roles. This Talent initiative underscores ASMPT’s commitment to nurturing a resilient leadership pipeline equipped to navigate future challenges and achieve organisational success.

Digital Experience

In 2024, the Group successfully completed the global rollout of its Global People System (“GPS”), achieving seamless integration across all locations. This comprehensive platform incorporated advanced functionalities, including a goal setting and performance management module to drive accountability and development, talent and succession management tools to strengthen the leadership pipeline, and enhanced headcount reporting features to enable data-driven workforce planning and decision-making.

Additionally, the GPS streamlined critical processes such as promotion and compensation cycles, ensuring consistency and fairness across the organisation. These achievements reinforced ASMPT’s commitment to building a digitally enabled, transparent, and highly efficient people management ecosystem aligned with its strategic growth objectives.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

Diversity, Equity & Inclusion (“DE&I”)

Building on the success of the ASMPT Women’s Chapters, the Group has started inviting male leaders to actively participate as allies in the Chapters’ programs and activities, fostering collaboration to advance gender equality. Male leaders are encouraged to engage in meaningful conversations, support initiatives promoting diversity, and contribute to creating an inclusive culture where everyone can thrive. This collaborative approach further strengthens ASMPT’s commitment to a diverse, equitable, and dynamic workplace, aligned with ASMPT’s ongoing effort to bring out the best in its people and to build a ‘best place to work’.

As of 31 December 2024, the total headcount for the Group was about 10,600 excluding about 1,100 flexi workers and outsourced workers. Of the 10,600, approximately 800 were based in Hong Kong, 5,100 in mainland China, 1,000 in Singapore, 1,100 in Germany, 800 in Malaysia, 400 in Portugal, 300 in the United Kingdom, 400 in the United States, and the rest in other parts of the world.

In 2024, the Group’s total manpower cost was HK\$5.19 billion (2023: HK\$5.02 billion). ASMPT remains committed to fairly compensating its employees and adopts a prudent and calibrated approach to managing overall manpower costs.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (“ESG”)

ASMPT’s commitment to sustainability is driven by its POWER values - Passion, Ownership, Win, Excellence, and Respect. These principles underpin a comprehensive sustainability framework built around four key pillars: Minimising Environmental Impact, Creating Value through Innovation, Nurturing Employees, and Supporting Communities. Dedicated employees play a vital role in advancing ASMPT’s Net Zero goals and fostering long-term sustainability. By embedding ESG principles into its daily operations, the Group ensures that its actions and efforts align with its POWER values.

ASMPT is steadily progressing towards its net-zero emissions target for Scope 1 and 2 by 2035 via a phased approach: a 30% reduction by 2026, 50% by 2030, and net-zero by 2035. In 2024, marked progress was made in ASMPT’s environmental sustainability drive through energy efficiency enhancements and a continued transition to renewable energy sources. The Group addressed Scope 3 emissions by conducting a thorough evaluation of its value chain processes and data, laying the groundwork for feasible near-term targets and comprehensive decarbonisation strategies.

The Group employs a comprehensive talent acquisition strategy, regularly reviewing compensation systems, and providing robust training and development opportunities for its employees. The Group remains committed to fostering an inclusive workplace, with the Board of Directors setting a leading example by striving to achieve 25% female Board representation by the end of 2025. ASMPT’s DE&I Team also organises various activities to raise awareness of the unique strengths and needs of its people, reinforcing the Group’s dedication to creating a diverse, equitable, and inclusive environment.

In 2024, ASMPT further strengthened its governance practices, including an updated Code of Business Conduct and alignment with global standards, which reinforced its commitment to ethical leadership and compliance with evolving regulations.

For further details on ASMPT’s sustainability efforts and achievements, please refer to the Group’s upcoming 2024 ESG Report that will be released alongside the Company’s 2024 Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has a diversified portfolio of business operations across the world. Any failure to address or cope with relevant requirements may result in non-compliance with local laws or regulations, leading to not only financial loss but also reputational damage to ASMPT. In order to mitigate any relevant risks, it actively assesses the effects of global trends and developments. It also engages closely with regulatory authorities and external advisors on new laws and regulations as well as trending legislations, to ensure that the relevant requirements are properly complied with in a timely and effective manner.

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Three months ended 31 Dec		Year ended 31 Dec	
		2024	2023	2024	2023
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(audited)	(audited)
	<i>Notes</i>				
Revenue	2	3,403,352	3,404,694	13,229,079	14,697,489
Cost of sales		(2,137,606)	(1,965,491)	(7,940,032)	(8,923,861)
Gross profit		1,265,746	1,439,203	5,289,047	5,773,628
Other income		61,979	57,810	268,596	183,001
Selling and distribution expenses		(389,998)	(423,276)	(1,493,738)	(1,606,563)
General and administrative expenses		(320,012)	(276,712)	(1,159,807)	(1,014,868)
Research and development expenses		(550,650)	(553,438)	(2,077,230)	(2,047,802)
Other gains and losses, net	4	101,252	(24,279)	2,430	(29,767)
Other expenses	5	(118,115)	(22,289)	(155,351)	(94,976)
Finance costs	6	(51,902)	(52,261)	(201,005)	(137,888)
Share of result of a joint venture		13,080	(18,856)	28,595	11,246
Profit before taxation		11,380	125,902	501,537	1,036,011
Income tax expense	7	(7,152)	(50,223)	(159,313)	(324,510)
Profit for the period		4,228	75,679	342,224	711,501
Profit (loss) for the period attributable to:					
Owners of the Company		4,387	75,351	345,262	715,353
Non-controlling interests		(159)	328	(3,038)	(3,852)
		4,228	75,679	342,224	711,501
Earnings per share	9				
- Basic		HK\$0.01	HK\$0.18	HK\$0.83	HK\$1.73
- Diluted		HK\$0.01	HK\$0.18	HK\$0.83	HK\$1.73

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 31 Dec		Year ended 31 Dec	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (audited)	2023 HK\$'000 (audited)
Profit for the period	4,228	75,679	342,224	711,501
Other comprehensive income (expense)				
<i>Items that will not be reclassified to profit or loss:</i>				
- remeasurement of defined benefit retirement plans, net of income tax	21,813	16,630	21,813	16,630
- net fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income	(34,029)	535	(33,859)	2,736
<i>Items that may be reclassified subsequently to profit or loss:</i>				
- exchange differences on translation of foreign operations				
- subsidiaries	(690,653)	319,023	(524,677)	145,181
- a joint venture	(12,675)	3,991	(13,055)	(5,967)
- fair value gain (loss) on hedging instruments designated as cash flow hedges	13,954	(14,622)	(24,825)	(43,064)
Other comprehensive (expense) income for the period	(701,590)	325,557	(574,603)	115,516
Total comprehensive (expense) income for the period	(697,362)	401,236	(232,379)	827,017
Total comprehensive (expense) income for the period attributable to:				
Owners of the Company	(694,477)	398,989	(227,122)	833,131
Non-controlling interests	(2,885)	2,247	(5,257)	(6,114)
	(697,362)	401,236	(232,379)	827,017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
		2024	2023
		HK\$'000	HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		2,117,412	2,189,566
Right-of-use assets		1,850,316	2,046,422
Investment properties		93,333	63,260
Goodwill		954,118	974,918
Intangible assets		1,003,346	1,020,457
Other investments		48,075	84,746
Interest in a joint venture		1,671,807	1,521,245
Finance lease receivables		17,348	-
Deposits paid for acquisition of property, plant and equipment		9,374	13,745
Rental deposits paid		36,860	31,360
Derivative financial instruments		768	177,000
Deferred tax assets		750,876	590,140
Long-term bank deposits		-	2,158
Other non-current assets		24,996	7,030
		8,578,629	8,722,047
Current assets			
Inventories		5,989,018	6,315,473
Trade and other receivables	10	3,748,892	3,972,865
Amounts due from a joint venture and its affiliates		21,650	20,641
Derivative financial instruments		3,598	41,556
Income tax recoverable		219,082	51,107
Other financial assets		-	39,837
Finance lease receivables		9,940	-
Bank deposits with original maturity of more than three months		684,818	365,261
Cash and cash equivalents		4,417,710	4,434,057
		15,094,708	15,240,797
Current liabilities			
Trade liabilities and other payables	11	2,323,711	2,364,029
Advance payments from customers		643,693	881,374
Amounts due to a joint venture and its affiliates		1,004	43,061
Derivative financial instruments		51,499	1,246
Lease liabilities		206,848	188,095
Provisions		237,935	270,487
Income tax payable		301,303	264,664
Bank borrowings		306,205	2,000,000
		4,072,198	6,012,956
Net current assets		11,022,510	9,227,841
		19,601,139	17,949,888

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	41,646	41,451
Dividend reserve	133,267	323,314
Other reserves	15,013,126	15,326,282
Equity attributable to owners of the Company	15,188,039	15,691,047
Non-controlling interests	103,462	112,911
Total equity	15,291,501	15,803,958
Non-current liabilities		
Bank borrowings	2,375,000	-
Derivative financial instruments	9,937	-
Lease liabilities	1,672,774	1,841,509
Retirement benefit obligations	31,338	65,190
Provisions	60,786	47,183
Deferred tax liabilities	100,942	120,946
Other liabilities and accruals	58,861	71,102
	4,309,638	2,145,930
	19,601,139	17,949,888

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of *Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”)* and *Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)*

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

1. PRINCIPAL ACCOUNTING POLICIES – continued

Impacts on application of *Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”)* and *Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)* - continued

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognizes the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. SEGMENT INFORMATION

The Group has two (2023: two) operating segments: development, production and sales of (1) semiconductor solutions and (2) surface mount technology solutions. They represent two (2023: two) major types of products manufactured by the Group. The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Company's Chief Executive Officer, the chief operating decision maker ("CODM"), for the purpose of allocating resources to segments and assessing their performance. The Group is organized and managed around the two (2023: two) major types of products manufactured by the Group. No operating segments have been aggregated in arriving at reportable segments of the Group.

Segment revenues and results

An analysis of the Group's revenue and results by operating and reportable segment is as follows:

	Three months ended 31 Dec		Year ended 31 Dec	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Segment revenue from external customers				
Semiconductor solutions	1,978,748	1,594,198	6,806,276	6,365,130
Surface mount technology solutions	1,424,604	1,810,496	6,422,803	8,332,359
	3,403,352	3,404,694	13,229,079	14,697,489
Segment profit (loss)				
Semiconductor solutions	74,680	939	303,509	(44,058)
Surface mount technology solutions	19,882	266,635	598,769	1,432,928
	94,562	267,574	902,278	1,388,870
Interest income	27,999	28,425	130,457	82,816
Finance costs	(51,902)	(52,261)	(201,005)	(137,888)
Share of result of a joint venture	13,080	(18,856)	28,595	11,246
Unallocated other income	5,285	4,416	20,477	20,261
Unallocated net foreign exchange gain (loss) and fair value change of foreign currency forward contracts	89,470	(45,435)	(678)	(63,103)
Unallocated general and administrative expenses	(60,947)	(56,334)	(236,912)	(200,752)
Unallocated other gains	11,948	20,662	13,676	29,537
Other expenses	(118,115)	(22,289)	(155,351)	(94,976)
Profit before taxation	11,380	125,902	501,537	1,036,011
Segment profit (loss) %				
Semiconductor solutions	3.8%	0.1%	4.5%	-0.7%
Surface mount technology solutions	1.4%	14.7%	9.3%	17.2%

2. SEGMENT INFORMATION – continued

Segment revenues and results – continued

No analysis of the Group's assets and liabilities (except for additions to property, plant and equipment, right-of-use assets and intangible assets) by operating segments is disclosed as they are not regularly provided to the CODM for review.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit before taxation earned by each segment without allocation of interest income, finance costs, share of result of a joint venture, unallocated other income, unallocated net foreign exchange gain (loss) and fair value change of foreign currency forward contracts, unallocated general and administrative expenses, unallocated other gains and other expenses.

All of the segment revenue derived by the segments is from external customers.

Other segment information (included in the segment profit or loss or regularly provided to the CODM)

Year ended 31 December 2024	Semiconductor solutions HK\$'000	Surface mount technology solutions HK\$'000	Unallocated general and administrative expenses HK\$'000	Total HK\$'000
Amounts regularly provided to CODM:				
Additions of property, plant and equipment and right-of-use assets	393,441	194,183	-	587,624
Additions of intangible assets	98,850	1,741	-	100,591
Amounts included in the measure of segment profit or loss:				
Amortization for intangible assets	56,827	47,224	-	104,051
Depreciation for property, plant and equipment and right-of-use assets	383,321	213,653	1,489	598,463
Depreciation for investment properties	-	-	4,833	4,833
Losses (gains) on disposal/write-off of property, plant and equipment	16,189	(5,620)	(7)	10,562
Loss on derecognition and modification of leases	-	-	3,481	3,481
Research and development expenses	1,300,856	776,374	-	2,077,230
Share-based payments	157,932	29,826	32,196	219,954

2. SEGMENT INFORMATION – continued

Other segment information (included in the segment profit or loss or regularly provided to the CODM) – continued

Year ended 31 December 2023	Semiconductor solutions HK\$'000	Surface mount technology solutions HK\$'000	Unallocated general and administrative expenses HK\$'000	Total HK\$'000
Amounts regularly provided to CODM:				
Additions of property, plant and equipment and right-of-use assets	283,829	784,990	-	1,068,819
Additions of intangible assets	73,738	3,876	-	77,614
Amounts included in the measure of segment profit or loss:				
Amortization for intangible assets	55,764	55,277	-	111,041
Depreciation for property, plant and equipment and right-of-use assets	390,819	205,253	1,278	597,350
Depreciation for investment properties	-	-	4,790	4,790
(Gains) losses on disposal/write-off of property, plant and equipment	(4,138)	391	(52)	(3,799)
Gain on derecognition and modification of leases	-	-	(9,163)	(9,163)
Research and development expenses	1,254,772	793,030	-	2,047,802
Share-based payments	128,745	25,164	23,726	177,635

2. SEGMENT INFORMATION – continued

Geographical information

The information of the Group's non-current assets by geographical location of assets are detailed below:

	Non-current assets	
	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
China	1,811,690	1,955,840
Europe	1,461,471	1,586,194
- Germany	1,046,527	1,155,737
- United Kingdom	139,447	152,401
- Portugal	129,215	150,896
- Hungary	116,421	92,394
- Others	29,861	34,766
Singapore	1,001,455	912,316
Americas	414,677	456,105
- United States of America ("USA")	405,170	445,976
- Others	9,507	10,129
Malaysia	381,364	391,756
Others	28,120	38,269
	5,098,777	5,340,480

Note: Non-current assets excluded goodwill, interest in a joint venture, financial instruments and deferred tax assets.

2. SEGMENT INFORMATION – continued

Geographical information – continued

The Group's revenue from external customers by location of customers are detailed below:

	Revenue from external customers	
	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
China	5,077,806	4,486,377
Europe	2,577,057	4,187,402
- Germany	919,745	1,340,782
- Hungary	229,097	319,899
- Romania	156,301	315,882
- Poland	152,188	126,840
- France	143,757	190,538
- Austria	107,055	470,146
- Netherland	87,190	125,736
- Czech Republic	76,847	149,104
- Others	704,877	1,148,475
Americas	2,132,906	2,700,069
- USA	1,628,260	2,065,446
- Mexico	154,545	233,397
- Canada	132,736	171,297
- Others	217,365	229,929
Taiwan	1,038,157	503,945
Malaysia	848,338	905,359
Korea	525,893	484,603
Japan	202,261	301,982
Vietnam	191,833	198,714
India	177,369	258,057
Thailand	173,325	377,771
Philippines	139,675	109,823
Singapore	111,629	153,184
Others	32,830	30,203
	13,229,079	14,697,489

No individual customer contributes to more than 10% of the total revenue of the Group for both years.

3. ANALYSIS OF QUARTERLY SEGMENT REVENUE AND RESULTS

	Three months ended			
	31 December 2024	30 September 2024	30 June 2024	31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Segment revenue from external customers				
Semiconductor solutions	1,978,748	1,790,053	1,662,179	1,375,296
Surface mount technology solutions	1,424,604	1,554,678	1,680,034	1,763,487
	3,403,352	3,344,731	3,342,213	3,138,783
Segment profit				
Semiconductor solutions	74,680	141,141	87,534	154
Surface mount technology solutions	19,882	98,446	190,345	290,096
	94,562	239,587	277,879	290,250
Segment profit %				
Semiconductor solutions	3.8%	7.9%	5.3%	0.01%
Surface mount technology solutions	1.4%	6.3%	11.3%	16.5%

3. ANALYSIS OF QUARTERLY SEGMENT REVENUE AND RESULTS – continued

	Three months ended			
	31 December 2023 HK\$'000 (unaudited)	30 September 2023 HK\$'000 (unaudited)	30 June 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (unaudited)
Segment revenue from external customers				
Semiconductor solutions	1,594,198	1,574,647	1,655,186	1,541,099
Surface mount technology solutions	1,810,496	1,899,789	2,245,680	2,376,394
	<u>3,404,694</u>	<u>3,474,436</u>	<u>3,900,866</u>	<u>3,917,493</u>
Segment profit (loss)				
Semiconductor solutions	939	(110,592)	27,499	38,096
Surface mount technology solutions	266,635	258,028	428,151	480,114
	<u>267,574</u>	<u>147,436</u>	<u>455,650</u>	<u>518,210</u>
Segment profit (loss) %				
Semiconductor solutions	0.1%	-7.0%	1.7%	2.5%
Surface mount technology solutions	14.7%	13.6%	19.1%	20.2%

4. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
The gains and losses, net comprise:		
(Loss) gain on fair value change of foreign currency forward contracts	(120,313)	8,721
Net foreign exchange gain (loss)	119,635	(71,824)
(Loss) gain on disposal/write-off of property, plant and equipment	(10,562)	3,799
(Loss) gain on derecognition and modification of leases	(3,481)	9,163
(Loss) gain on fair value change of other investments	(2,408)	209
Gain on fair value change of derivative relating to share adjustment on earn-out clause in a joint venture	-	20,415
Reversal of litigation provision	11,676	-
Gain on interest rate swaps at fair value through profit or loss	4,584	-
Others	3,299	(250)
	2,430	(29,767)

5. OTHER EXPENSES

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Restructuring costs (Note a)	103,313	41,554
Other expenses (Note b)	52,038	53,422
	155,351	94,976

Notes:

- (a) During the year ended 31 December 2024, related to compensation to employees due to targeted headcount reduction of HK\$103,313,000 (2023: HK\$41,554,000) was charged to restructuring costs.
- (b) During the year ended 31 December 2024, consultancy costs of HK\$36.7 million (2023: HK\$27.8 million) relating to the progressive implementation of several strategic initiatives across the Group were charged to other expenses. The key objective of these strategic initiatives is to drive the Group's long term organizational efficiency, along with strengthening its overall agility, resilience, and sustainability. As such, the Group is confident that these strategic initiatives will deliver long term value creation. These consultancy costs were assessed by the management as incurred outside of core operations of the Group and not related to other function of expenses in the consolidated statement of profit or loss.

6. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Interest on bank borrowings	129,210	112,415
Interest on discounted bills	4,773	-
Interest on lease liabilities	70,796	51,283
Loans arrangement fees	5,902	28,503
Others	1,040	605
	<u>211,721</u>	<u>192,806</u>
Net gain on interest rate swaps designated as cash flow hedges	(10,716)	(54,918)
	<u>201,005</u>	<u>137,888</u>

7. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong	25,785	19,893
People's Republic of China ("PRC")		
Enterprise Income Tax	147,116	23,638
Germany	103,122	267,387
Other jurisdictions	134,173	130,006
	<u>410,196</u>	<u>440,924</u>
Under(over)provision in prior years:		
Hong Kong	9	(24)
PRC Enterprise Income Tax	(43,779)	(37,465)
Germany	12,706	(3,873)
Other jurisdictions	(11,644)	16,158
	<u>(42,708)</u>	<u>(25,204)</u>
Deferred tax credit	(208,175)	(91,210)
	<u>159,313</u>	<u>324,510</u>

- (a) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. The Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits for the qualifying group entity and at 16.5% on the estimated assessable profits above HK\$2 million for the years ended 31 December 2024 and 2023.

7. INCOME TAX EXPENSE – continued

(b) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulations of the EIT Law, the Enterprise Income Tax rate of the Group’s subsidiaries in the PRC is 25% (2023: 25%), except for ASMPT Technology (China) Co., Ltd. (“ATC”). ATC obtained a new advanced technology service enterprise (“ATSE”) certificate in July 2018. According to the tax circular Caishui [2017] No. 79, ATC, as an ATSE, is subject to Enterprise Income Tax at a reduced income tax rate of 15%. Based on local regulations, starting from 2022, ATC’s ATSE recognition is subject to annual review and re-accreditation every three years. ATC’s re-accreditation of ATSE recognition has been approved in October 2022 and the renewed ATSE certificate is obtained with validation till October 2025.

(c) ASMPT Singapore Pte. Ltd. (“ATS”) has been granted a Pioneer Certificate (“PC”) to the effect that profits arising from the manufacture of certain semiconductor products are exempted from tax for a period of 10 years effective from 1 January 2022 to 31 December 2031 across specified products, subject to fulfillment of certain criteria during the relevant periods.

ATS has also been granted a Development and Expansion Incentive (“DEI”) to the effect that certain income arising from qualifying activities conducted by ATS, are subject to a concessionary tax rate for a period of 10 years from 1 January 2021 to 31 December 2030, subject to fulfillment of certain criteria during the relevant period.

Income of ATS arising from activities not covered under the PC or DEI are taxed at the prevailing corporate tax rate in Singapore of 17% (2023: 17%).

(d) The calculation of current tax of the Group’s subsidiaries in Germany is based on a corporate income tax rate of 15.00% (2023: 15.00%) plus 5.50% (2023: 5.50%) solidarity surcharge on the corporate income tax for the assessable profit for the year, which derives at a tax rate of 15.825% (2023: 15.825%). In addition to corporate income tax, trade tax is levied on taxable income. The applicable German trade tax (local income tax) rates for the Group’s subsidiaries in Germany vary from 11.153% to 17.150% (2023: 11.177% to 17.150%) according to the municipal in which the entity resides. Thus the aggregate tax rates are between 26.978% and 32.975% (2023: between 27.002% and 32.975%).

(e) The Group is subject to the global minimum top-up tax under the Global Anti-base Erosion Rules (“Pillar Two Rules”). Pillar Two Rules has become effective in certain European countries, such as Portugal, United Kingdom, Hungary and Germany, Japan, Korea and Vietnam in which the group entities are incorporated. The top-up tax relates to the Group’s operation in Portugal, Hungary and United States, where the annual effective income tax rates are estimated to be below 15 per cent. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognized a current tax expense of HK\$17,241,000 related to the top-up tax for the year ended 31 December 2024 (year ended 31 December 2023: N/A) which is expected to be levied on group entities. The Group has applied the temporary mandatory exception for recognizing and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(f) Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
<u>Dividends recognized as distribution during the year</u>		
Interim dividend for 2024 paid of HK\$0.35 (2023: HK\$0.61) per share on 414,505,433 (2023: 412,504,333) shares	145,077	251,628
Final dividend for 2023 paid of HK\$0.26 (2023: final dividend for 2022 paid of HK\$1.90) per share on 414,505,433 (2023: 412,504,333) shares	107,771	783,758
Special dividend for 2023 paid of HK\$0.52 per share on 414,505,433 shares	215,543	-
	<u>468,391</u>	<u>1,035,386</u>

Subsequent to the end of the reporting period, a final dividend of HK\$0.07 (2023: final dividend of HK\$0.26) per share and a special dividend of HK\$0.25 per share (2023: special dividend of HK\$0.52) in respect of the year ended 31 December 2024 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
<u>Dividends proposed subsequent to the end of the reporting period</u>		
Proposed final dividend for 2024 of HK\$0.07 (2023: HK\$0.26) per share on 416,458,633 (2023: 414,505,433) shares	29,152	107,771
Proposed special dividend for 2024 of HK\$0.25 (2023: HK\$0.52) per share on 416,458,633 (2023: 414,505,433) shares	104,115	215,543

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 Dec		Year ended 31 Dec	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	4,387	75,351	345,262	715,353
	Three months ended 31 Dec		Year ended 31 Dec	
	2024	2023	2024	2023
	Number of shares	Number of shares	Number of shares	Number of shares
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
	(unaudited)	(unaudited)	(audited)	(audited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	414,563	412,554	414,382	412,372
Effect of dilutive potential shares:				
- Employee Share Incentive Scheme	1,925	1,982	1,691	1,746
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	416,488	414,536	416,073	414,118

10. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade receivables (Note)	3,272,335	3,585,695
Value-added tax recoverable	202,565	171,577
Other receivables, deposits and prepayments	273,992	215,593
	3,748,892	3,972,865

10. TRADE AND OTHER RECEIVABLES – continued

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the due date at the end of the reporting period:

	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
Not yet due (Note)	2,423,558	2,838,005
Overdue within 30 days	360,819	223,539
Overdue 31 to 60 days	229,260	130,436
Overdue 61 to 90 days	63,816	80,436
Overdue over 90 days	194,882	313,279
	3,272,335	3,585,695

Note: The amount included notes receivables amounting to HK\$587,065,000 (2023: HK\$31,742,000) are held by the Group for future settlement of trade receivables. All notes receivables received by the Group are with a maturity period of less than one year.

As at 31 December 2024, the Group has notes receivables amounting to HK\$181,205,000 (31 December 2023: N/A) that were discounted to a bank with recourse. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a collateralized borrowing. These receivables are carried at amortized cost in the Group's consolidated statement of financial position.

As at 1 January 2023, trade receivables amounted to HK\$4,114,370,000.

Credit policy:

Before accepting any new customer, the Group assesses the potential customer's credit quality and pre-sets maximum credit limit for each customer. Limits and credit quality attributed to customers are reviewed regularly. Payment terms with customers are mainly on credit together with deposits received in advance. Invoices are normally payable within 30 days to 60 days of issuance, except for certain well established customers, where the terms are extended to 3 to 4 months or longer.

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$848,777,000 (2023: HK\$747,690,000) that are past due as at the reporting date. Out of the past due balances, HK\$194,882,000 (2023: HK\$313,279,000) has been past due 90 days or more, and they are not considered as in default. The Group considers the information developed internally or obtained from external sources and considered that the debtors are likely to make payment.

11. TRADE LIABILITIES AND OTHER PAYABLES

	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade payables	1,290,179	1,152,276
Deferred income (Note a)	92,303	144,277
Accrued salaries and wages	191,374	245,681
Other accrued charges	494,119	513,078
Payables arising from acquisition of property, plant and equipment	76,946	45,667
Gross obligation to acquire non-controlling interest	-	44,140
Contingent consideration for acquisitions	10,085	-
Other payables (Note b)	168,705	218,910
	2,323,711	2,364,029

Notes:

- (a) The amounts mainly represent the spare credits that grant customers the right to purchase certain amounts of spare parts for free, which are contract liabilities.

As at 1 January 2023, deferred income amounted to HK\$166,677,000. The deferred income as at 1 January 2023 and 1 January 2024 were fully recognized as revenue during the years ended 31 December 2023 and 31 December 2024, respectively.

- (b) The amounts mainly represent the value-added tax payable and sundry payables or accruals of operating expenses.

The following is an aging analysis of trade payables presented based on the due date at the end of the reporting period:

	At 31 December	
	2024	2023
	HK\$'000	HK\$'000
Not yet due	989,694	870,118
Overdue within 30 days	180,085	192,702
Overdue 31 to 60 days	67,209	49,999
Overdue 61 to 90 days	20,689	25,443
Overdue over 90 days	32,502	14,014
	1,290,179	1,152,276

The average credit period on purchases of goods ranges from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES

For review of financial performance, the Group has provided adjusted net profit and adjusted earnings per share which are supplementary to the Group's consolidated results in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The Group believes that these additional figures provide our shareholders and investors with useful supplementary information about our ongoing operating performance and facilitates the analysis and comparison of financial trends and results between periods. The adjusted net profit and adjusted earnings per share exclude the impact of restructuring costs which were mainly related to employee severance and benefit arrangements and the legal and professional fees related to a possible offer (the "Rule 3.7") pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers as announced on 14 October 2024 and this offer period has ended on 11 November 2024.

The use of these non-HKFRS measures may have certain limitations as a tool for analysis and comparison. Shareholders and investors are advised not to consider these non-HKFRS measures in isolation from, or as a substitute for analysis of, the Group's financial performance as reported under HKFRS. Also, please note that these non-HKFRS measures may be defined differently from similar terms used by other companies.

The following tables highlighted the reconciliations of the Group's financial measures prepared in accordance with HKFRS for Q4 2024, Q3 2024, Q4 2023, FY 2024 and FY 2023 to the non-HKFRS measures.

Three months ended 31 December 2024

Non-HKFRS adjustments

	As reported	Restructuring costs	Rule 3.7 related expenses	Income tax effect	Adjusted
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period	4,228	95,325	5,128	(22,747)	81,934
Net profit margin	0.1%				2.4%
Profit attributable to owners of the Company	4,387	95,325	5,128	(22,747)	82,093
Basic earnings per share (HK\$)	0.01				0.20

Three months ended 30 September 2024

Non-HKFRS adjustments

	As reported	Restructuring costs	Income tax effect	Adjusted
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period	23,845	7,455	(1,776)	29,524
Net profit margin	0.7%			0.9%
Profit attributable to owners of the Company	25,908	7,455	(1,776)	31,587
Basic earnings per share (HK\$)	0.06			0.08

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES

– continued

Three months ended 31 December 2023

Non-HKFRS adjustments

	As reported HK\$'000 (unaudited)	Restructuring costs HK\$'000 (unaudited)	Income tax effect HK\$'000 (unaudited)	Adjusted HK\$'000 (unaudited)
Profit for the period	75,679	1,110	(334)	76,455
Net profit margin	2.2%			2.2%
Profit attributable to owners of the Company	75,351	1,110	(334)	76,127
Basic earnings per share (HK\$)	0.18			0.18

Year ended 31 December 2024

Non-HKFRS adjustments

	As reported HK\$'000 (audited)	Restructuring costs HK\$'000 (unaudited)	Rule 3.7 related expenses HK\$'000 (unaudited)	Income tax effect HK\$'000 (unaudited)	Adjusted HK\$'000 (unaudited)
Profit for the year	342,224	103,313	5,128	(24,624)	426,041
Net profit margin	2.6%				3.2%
Profit attributable to owners of the Company	345,262	103,313	5,128	(24,624)	429,079
Basic earnings per share (HK\$)	0.83				1.04

Year ended 31 December 2023

Non-HKFRS adjustments

	As reported HK\$'000 (audited)	Restructuring costs HK\$'000 (unaudited)	Income tax effect HK\$'000 (unaudited)	Adjusted HK\$'000 (unaudited)
Profit for the year	711,501	41,554	(8,119)	744,936
Net profit margin	4.8%			5.1%
Profit attributable to owners of the Company	715,353	41,554	(8,119)	748,788
Basic earnings per share (HK\$)	1.73			1.82

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Listing Rules throughout the year ended 31 December 2024.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises four Independent Non-Executive Directors and one Non-Executive Director who together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2024 in conjunction with the Company’s external auditor.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities except that an independent professional trustee appointed by the Board under the Company’s Employee Share Incentive Scheme, pursuant to the terms of the rules and trust deed of the Employee Share Incentive Scheme, purchased on the Stock Exchange a total of 338,600 shares in the Company at a total consideration of approximately HK\$35.2 million (excluding ancillary trading fees, costs and expenses directly attributable to the purchase).

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures as set out in the preliminary announcement in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants. Consequently, no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Miss Orasa Livasiri (Chairman), Mr. John Lok Kam Chong, Mr. Wong Hon Yee, Mr. Eric Tang Koon Hung, Mr. Andrew Chong Yang Hsueh and Ms. Hera Siu Kitwan as Independent Non-Executive Directors, Dr. Hichem M'Saad and Mr. Paulus Antonius Henricus Verhagen as Non-Executive Directors, and Mr. Robin Gerard Ng Cher Tat and Mr. Guenter Walter Lauber as Executive Directors.

On behalf of the Board
Robin Gerard Ng Cher Tat
Director

Hong Kong, 25 February 2025

(In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.)