

Corporate Information

公司組織結構

DIRECTORS

Arthur H. del Prado
Lam See Pong, Patrick
Fung Shu Kan, Alan
Orasa Livasiri
Paulus Cornelis van den Hoek

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
Citibank
UFJ Bank Limited

AUDITORS

Deloitte Touche Tohmatsu
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

SECRETARY

Lam See Pong, Patrick

REGISTERED OFFICE

Caledonian House
George Town
Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

12/F Watson Centre
16-22 Kung Yip Street
Kwai Chung, New Territories
Hong Kong

SHARE REGISTRARS AND BRANCH REGISTER OFFICE

Secretaries Limited
Ground Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

董事

Arthur H. del Prado
林師龐
馮樹根
Orasa Livasiri
Paulus Cornelis van den Hoek

主要銀行

香港上海匯豐銀行有限公司
渣打銀行
花旗銀行
UFJ銀行

核數師

德勤 • 關黃陳方會計師行
香港干諾道中111號
永安中心26樓

秘書

林師龐

註冊辦事處

Caledonian House
George Town
Grand Cayman
Cayman Islands

主要營業地點

香港新界葵涌
工業街16-22號
屈臣氏中心12樓

股份登記及股東名冊分冊登記處

秘書商業服務有限公司
香港灣仔告士打道56號
東亞銀行港灣中心地下

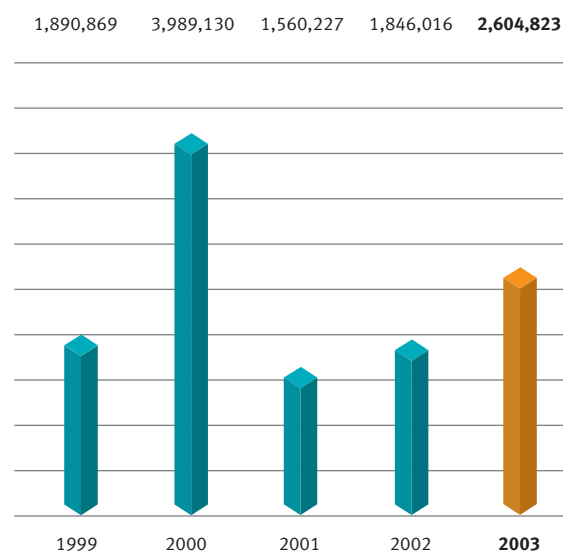
For the year ended 31 December 2003

截至二零零三年十二月三十一日止年度

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Turnover	營業額	2,604,823	1,846,016
Cost of sales	銷貨成本	(1,461,851)	(1,072,294)
Gross profit	毛利	1,142,972	773,722
Other operating income	其他經營收益	4,724	7,403
Selling expenses	銷售費用	(227,915)	(175,065)
General and administrative expenses	一般管理費用	(108,394)	(96,731)
Research and development expenses, net	研究及發展淨支出	(218,360)	(186,980)
Factory relocation costs	廠房遷移開支	(5,835)	(20,000)
Profit from operations	經營溢利	587,192	302,349
Finance costs	財務費用	(64)	(168)
Profit before taxation	除稅前溢利	587,128	302,181
Taxation	稅項	(51,255)	(17,477)
Net profit for the year	本年度淨溢利	535,873	284,704
Dividends	股息	461,414	382,696
Earnings per share — Basic	每股溢利 — 基本	HK\$1.40 港幣 1.40 元	HK\$0.75 港幣 0.75 元
— Diluted	— 攤薄	HK\$1.39 港幣 1.39 元	HK\$0.74 港幣 0.74 元

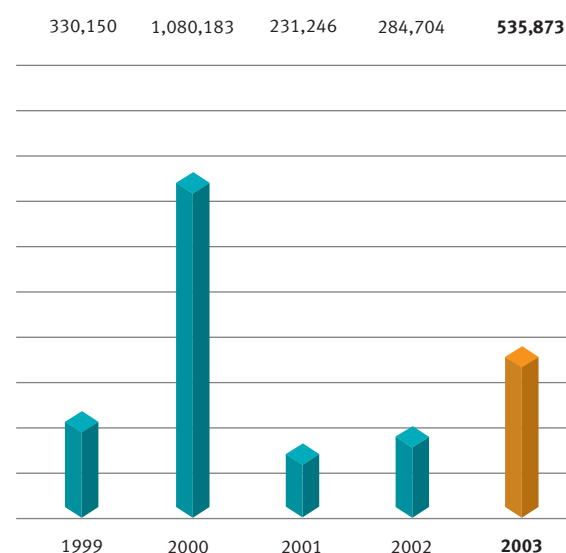
TURNOVER (HK\$'000)

營業額 (港幣千元)



NET PROFIT (HK\$'000)

淨溢利 (港幣千元)



RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved turnover amounting to HK\$2,604,823,000 in the fiscal year ended 31 December 2003, representing an increase of 41.1% as compared with HK\$1,846,016,000 for the previous year. The Group's consolidated net profit after tax for the year is HK\$535,873,000 after deducting a one-time restructuring cost of HK\$5,835,000 due to relocation of the Hong Kong leadframe plating operation to China; this is 88.2% higher than the previous year's net profit of HK\$284,704,000. Basic earnings per share for the year amounted to HK\$1.40 (2002: HK\$0.75).

DIVIDEND

An interim dividend of HK\$0.36 (2002: HK\$0.36) per share was paid in August 2003. Having established a solid foundation in the microelectronics market over the years, ASM intends to further its organic growth path in the near term through enlarging its market share with diversified, high performance products. There is no short term need for major cash outlay and the Group has also managed to generate positive cash flow from operations in each of the past 15 years since its initial public offering (IPO) in late 1988. In view of our strong liquidity and rising equity base, the Board of Directors have decided to recommend a final dividend of HK\$0.84 (2002: HK\$0.64) per share payable on or around 28 April 2004, making a total payment of HK\$1.20 (2002: HK\$1.00) per share for the year ended 31 December 2003. This translates into a 77.9% dividend payout ratio for the combined 2000-2003 periods and 86.1% on the current year profit; it represents a prudent decision to return current excessive cash holdings to our shareholders while continuing to operate the Group with the optimum shareholders' funds.

業績

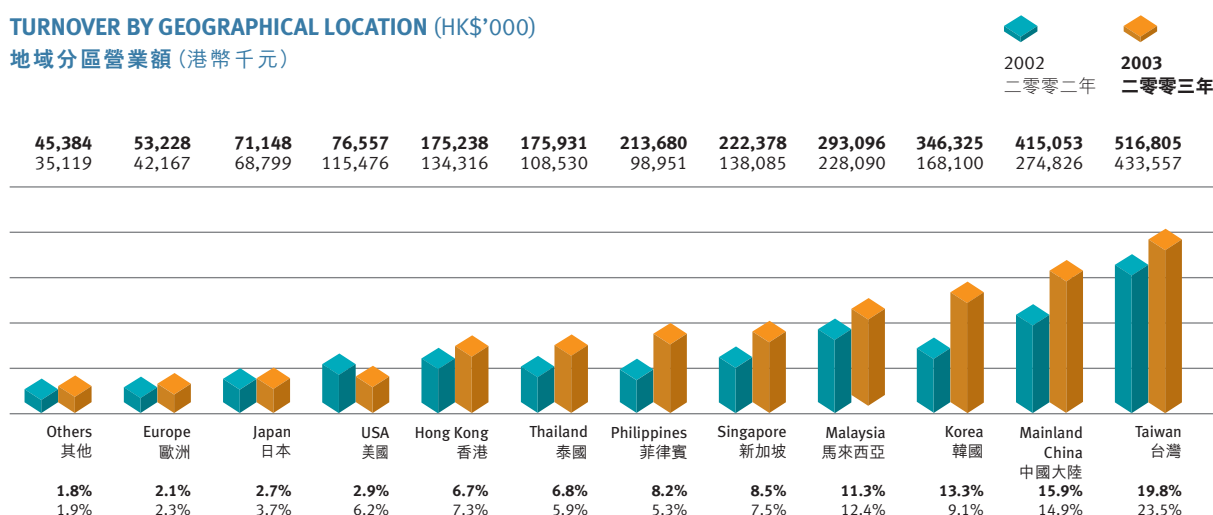
謹此欣然報告，ASM Pacific Technology Limited及其附屬公司（「集團」或「ASM」）於截至二零零三年十二月三十一日止年度錄得營業額為港幣2,604,823,000元，與上年度港幣1,846,016,000元比較，增加百分之四十一點一。在扣除因引線框架電鍍工序由香港遷往中國而導致的一次性重組成本港幣5,835,000元後，本年度集團的綜合除稅後淨溢利為港幣535,873,000元，較上年度淨溢利港幣284,704,000元增加百分之八十八點二。是年度每股基本溢利為港幣1.40元（二零零二年：港幣0.75元）。

派息

中期股息每股港幣0.36元（二零零二年：港幣0.36元）已於二零零三年八月派發。在過去數年，集團在微電子市場已建立穩固的基礎，未來將致力透過多元化及高性能的產品擴大市場佔有率，積極加快本體增長。集團在短期沒有重大現金開支，並由一九八八年年底上市後十五年每年均從營運活動產生正現金流量。在擁有充裕的流動資金和股東資金增加的情況下，董事會現建議派發末期股息每股港幣0.84元（二零零二年：港幣0.64元），於二零零四年四月二十八日左右派發。截至二零零三年十二月三十一日止年度全年合計每股派息為港幣1.20元（二零零二年：港幣1.00元）。於二零零零年至二零零三年間，派息率為百分之七十七點九，而本年度派息率為百分之八十六點一。這充份顯示集團決定將剩餘現金回饋予股東時已作審慎考慮，並預留適量的股東資金作集團營運之用。

TURNOVER BY GEOGRAPHICAL LOCATION (HK\$'000)

地域分區營業額 (港幣千元)



REVIEW

For most of the last three years, the semiconductor and assembly & packaging equipment industries have been sailing under dismally grey skies, the sunny days of year 2000 replaced by dark clouds with little sign of a break and future prospects difficult to discern in the gloom. The slow recovery eventually started in the 2nd quarter of 2002, although there were some stronger and weaker quarters along the way. With the world's economy improving and prolonged Iraq war uncertainties removed, the growth of the semiconductor and its assembly equipment industries has been very much in line with industry analysts' projections for 2003: the semiconductor industry by 12 - 17% in revenues, unit volume by 15.8% according to SIA and assembly & packaging equipment market by 25 - 32%.

In parallel with the improvement in stock markets since mid-2003, the semiconductor and assembly equipment industries also showed a markedly stronger 2nd half as compared with earlier in the year. The strength of order inflows during the 4th quarter helped to convince the industry that it was not just a bubble in the recovery curve like the 2nd quarter. IC demands seem to be across the board especially for the latest BGA and chip scale packages (CSP), while fine pitch wire bonding and stacked die applications provide life to the capacity-driven wire and die bonder businesses.

Amidst an overall tough business environment during the first nine months and a sudden surge in demands for wire bonders in the 4th quarter, ASM once again outperformed its industry peers and maintained its number one position in the assembly & packaging equipment industry. We achieved a Group turnover of US\$334.5 million and net profit of HK\$535.9 million, a growth of 41.1% and 88.2% respectively, with both Group turnover and net profit representing the 2nd highest numbers in ASM's corporate history. Return on capital employed and on sales were 30.7% and 22.4%, which are ASM's 3rd and 2nd record-highs respectively. With an exceptionally strong book-to-bill ratio for the last quarter, our ending order backlog as of 31 December 2003 was US\$119 million (US\$35 million as of 31 December 2002).

業務回顧

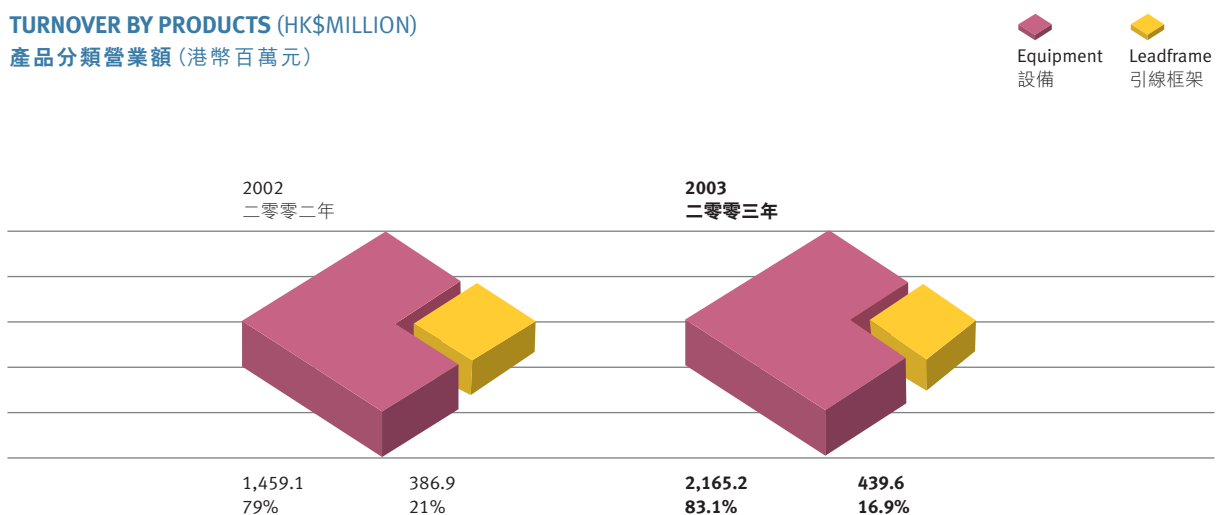
於過去三年，半導體與裝嵌及包裝設備行業的市況持續艱巨。經歷二零零零年的蓬勃發展後，取而代之的是黯淡時期，市場未見突破，行業前景亦難以估計。直至二零零二年第二季度市場開始緩慢復甦，唯每季表現仍然反覆。至二零零三年，隨著全球經濟進一步復甦，伊拉克戰事亦宣告結束，不明朗因素得以消除，半導體及其裝嵌設備行業之增長亦與分析員預期相近。根據SIA預測，半導體行業之收入增長為百分之十二至十七、產量增長百分之十五點八，裝嵌及包裝設備市場則增長百分之二十五至三十二。

自二零零三年中，股票市場逐步向好，同時半導體及包裝設備行業於下半年的表現亦顯著較上半年強勁。第四季新訂單數目大幅上升，令業界相信這並非如第二季般屬於復甦週期中的泡沫。集成電路尤其是最新型的BGA及晶體度包裝(CSP)的需求正全面上升，微距焊線及大量管芯應用亦刺激由產能帶動的焊線機及管芯焊機業務。

儘管本年度首九個月的營商環境仍然困難，唯焊線機的需求於第四季急升，ASM再度超越同儕，繼續佔據裝嵌及包裝設備業內第一位。集團錄得營業額三億三千四百五十萬美元及純利港幣五億三千五百九十萬元，增長率分別達百分之四十一點一及百分之八十八點二，是ASM有史以來的第二高。資本回報率及銷售利潤率分別為百分之三十點七及百分之二十二點四，分別是集團有史以來的第三及第二高。末季的訂貨對付運比率特別高，於二零零三年十二月三十一日的未完成訂單總值為一億一千九百萬美元(於二零零二年十二月三十一日為三千五百萬美元)。

TURNOVER BY PRODUCTS (HK\$MILLION)

產品分類營業額(港幣百萬元)



REVIEW (CONTINUED)

This result was largely due to the solid foundation laid over the years by the diversification of our products and application markets, efficient cost structure and successful introduction of new products in the last five years enlarging our market share. In 2003, sales attributable to our five largest customers combined were 36.9% of the total, with only one customer exceeding 10%, clear evidence of the success of our diversified market strategy. We also enjoyed a wide geographical spread mirroring the investment climate of the industry, with Taiwan being our largest (19.8%) market and followed by Mainland China (15.9%). For the latter, shipments (US\$53.3 million) were substantially (51.0%) higher than the preceding year creating another new record for the territory.

The soft periods of the recent years provided valuable opportunities for ASM to launch market assaults with our new, high performance products and gain market share. Our current market share is the largest in the industry, and building on this our equipment business, which represented 83.1% of the Group's turnover in 2003, grew 48.4% to US\$278 million, achieving a higher growth rate than all leading competitors. We enlarged the 2003 revenue gap between ourselves and our closest competitor to 18.5%, wider than the previous calendar year of 4.7% and the preceding twelve months (2H/02 - 1H/03) of 14.1%. Such strong business performance clearly reflects the endorsement of ASM's products and services by our valued customers, and distinguishes ASM from our peers. In a similar standout result, ASM's share price and market capitalization have grown by over 125% during the 2003 twelve-month period, reflecting the appreciation of our efforts by the investment community.

Leadframe business, which accounts for 16.9% of the Group's turnover, grew 13.6% to US\$56.5 million last year, higher than the market growth of 8.2% according to SEMI. The relocation of our stamped frames production to an integrated factory in Fu Yong, China was successfully completed as planned. We can now compete more aggressively, with space to double our output as and when required and a cost-efficient structure: reduced personnel and rental costs, shortened manufacturing lead time and minimal work-in-progress. Apart from installing a new etching line in our Singapore plant in the 4th quarter to enhance our QFN capacity and fine pitch capability, we have decided to build a 280,000 sq.ft. factory in Pasir Gudang, Johor Bahru, Malaysia to be ready in early 2005, principally to house our leadframe activities. In addition to providing expansion space for our etched frame plating operation, we also intend to add stamping production to this new facility later in the year, to effectively address the stamped frame business in the Malaysia and Singapore markets. Initial project cost of US\$12 million for the facility, plating lines and additional production machineries have been included in our 2004 capital investment plans.

業務回顧 (續)

有此成績主要由於集團多年來透過產品及應用市場多元化、有效的成本結構及於過去五年來成功推出新產品以擴大市場佔有率，成功建立起穩固的基礎而得來。於二零零三年，我們的五大客戶共佔集團營業額百分之三十六點九，只有其中一個客戶的銷售額佔超過百分之十。這足以證明我們的市場多元化策略成功。此外，集團的業務廣泛分佈各地，亦反映業內的投資氣候。當中台灣是集團最主要的市場，佔營業額百分之十九點八，中國大陸市場緊隨其後佔百分之十五點九。集團於中國市場的付運量(五千三百三十萬美元)較上年度大幅上升百分之五十一，更創出新紀錄。

行業放緩正好為ASM創造寶貴的機會，把我們嶄新及性能超卓的產品推出市場，擴大市場佔有率。集團現時擁有業內最大的市場份額，在此優勢下，佔集團二零零三年營業額百分之八十三點一的設備業務，較去年增長百分之四十八點四至二億七千八百萬美元，增長率超越業內所有主要競爭對手。此外，我們進一步拉遠與最接近的競爭對手之收入差距至百分之十八點五，高於去年的百分之四點七及過去十二個月(零二年下半年至零三年上半年)的百分之十四點一。集團有此佳績，充份反映集團主要客戶對ASM產品及服務的接受及滿意程度，亦顯示ASM成功於競爭對手中突圍而出。另一傑出成績是，於二零零三年十二個月內，集團的股價及市值上升超過百分之一百二十五，反映投資界對我們所付出的努力之認同。

引線框架業務佔集團營業額百分之十六點九，本年度營業額增加百分之十三點六至五千六百五十萬美元，較SEMI公佈之百分之八點二市場增長率為高。集團如期把整個沖壓框架生產工序遷往位於中國福永的綜合式廠房。現在我們可採取更進取的競爭策略，產量可按需求增加一倍，架構亦更具成本效益：員工薪酬及租金支出減少、生產週期縮短及半成品數量減至最少。為提升QFN及微距焊點產能，集團除在第四季於新加坡廠房裝設一條全新的蝕片生產線外，亦訂定於馬來西亞Pasir Gudang, Johor Bahru興建一個面積達280,000平方呎的新廠房，主要為發展我們的引線框架業務。預期此計劃將於二零零五年年初完成。除擴充我們的蝕片框架電鍍工序外，我們亦計劃於該年度較後期在這新廠房增設沖壓生產設備，令集團於馬來西亞及新加坡之沖壓框架業務更具效益。有關廠房、電鍍生產線及額外生產機器之初期投資額為一千二百萬美元，已包括在我們二零零四年的資本性投資計劃內。

REVIEW (CONTINUED)

While most of our competitors have been cutting headcounts and projects to minimize their cash drain, ASM in contrast has accelerated our technology and product developments. Last year we actually increased our R&D expenses to HK\$218.4 million (2002: HK\$187.0 million), representing 10.1% (2002:12.8%) of our equipment sales. With a 35µm fine pitch bond capability that is one generation ahead of our competitors, ASM's Eagle 60 gold wire bonder out-performed its competitors in many benchmarking exercises, enabling ASM to capture several new major IC accounts. These include three top five American semiconductor companies for their state-of-the-art BGA, TQFP, image sensor and copper wire bonding applications, three leading subcons based in Singapore, Hong Kong and China, and two U.S. integrated device manufacturers (IDMs) all well-known in the semiconductor industry. With the advent of 300 mm. wafer and stacked die packaging, our high speed, innovative IC die bonder has been making steady inroads into the market, enlarging its market share and installed base. As evidenced by the initial orders received, exciting new products such as our flip chip bonders and soft solder die attach have helped opening up opportunities in new market segments we did not serve in the past, thereby strengthening ASM's leadership in the chip attachment process.

While we have to deal with a much higher gold wire bonder production run rate resembling that last experienced in year 2000, increased work-in-progress due to our wider spectrum of new products and the short order lead time demanded by today's customers, the enterprise resources planning (ERP) software widely implemented within ASM worldwide in the recent years has proved to be a valuable tool in streamlining our logistics and inventory management. After two successive years of inventory reductions for a total of HK\$186.0 million in 2001 and 2002, we only need to slightly (4.7%) raise our inventory by HK\$23.7 million to HK\$529.5 million in 2003, despite achieving an increased inventory turnover of 5.03 times, much better than the previous years. Combining the effect of the change in operating capital with earnings from operations, we generated a free cash flow of HK\$392.6 million (2002: HK\$358.8 million) during the year and a return on invested capital of 39.7% (2002: 19.6%).

業務回顧(續)

正當我們大部分的競爭對手裁減人手、縮減項目以盡量降低其現金流出之際，ASM反而加速技術及產品的開發。去年，我們的研發開支實質上增加至港幣二億一千八百四十萬元（二零零二年：港幣一億八千七百萬元），佔設備銷售額的百分之十點一（二零零二年：百分之十二點八）。ASM的Eagle 60金線焊機擁有較我們競爭對手超前一代的35微米微距焊線技術，成功在多項基準測試中脫穎而出，令集團贏得數個重要的集成電路新客戶。當中包括三間全美國五大半導體公司，應用我們的金線焊於尖端科技的BGA、TQFP、影像感應及銅線焊接，另有三間分別來自新加坡、香港及中國的著名包裝公司，及兩間於半導體業內享負盛名的美國集成裝置製造商。隨著300毫米晶片的面世及大量管芯包裝的需求，我們高速而嶄新的集成電路管芯焊接機正逐步擴大市場佔有率及奠下鞏固基礎。從取得首批訂單的實例中證明了創新的產品，如覆晶焊接機及軟焊料晶片焊接技術，已成功為我們開拓從未涉足的新市場之商機，從而強化了ASM在晶片焊接工序方面的領導地位。

我們需要處理的金線焊機訂單數目急速上升，與二零零零年的水平相近，因此半製品亦要相應增加以應付更多元化的產品需要及因應客戶要求縮短交貨期，ASM近年廣泛應用於全球業務的企業資源計劃(ERP)軟件已證明能有效地簡化我們的物流及存貨管理。於二零零一年及二零零二年，我們連續兩年成功把存貨合共減少港幣一億八千六百萬元，儘管集團於二零零三年的存貨週轉率提升至五點零三週次，表現較過去數年大幅改善，我們僅需把存貨輕微提升（百分之四點七）港幣二千三百七十萬元至港幣五億二千九百五十萬元。綜合營運資本轉變及營運所帶來的溢利，我們於年內產生港幣三億九千二百六十萬元的自由現金流量（Free Cash Flow）（二零零二年：港幣三億五千八百八十萬元），及錄得投入資本回報率達百分之三十九點七（二零零二年：百分之十九點六）。

LIQUIDITY AND FINANCIAL RESOURCES

The Group's shareholders' funds increased slightly to HK\$1,915,502,000 as at 31 December 2003 (2002: HK\$1,756,072,000). As there were no long term borrowings, gearing of the Group was zero, the same as for the past four years.

Although HK\$383.3 million was paid as dividends and HK\$160.5 million was spent in capital investments during the twelve-month period, due to good control of working capital and strong positive cash flow, cash on hand as of 31 December 2003 was slightly increased to HK\$513,078,000 (2002: HK\$465,569,000). In fact, majority of the capital investments were funded by the current year's depreciation of HK\$153.5 million.

There was no bank borrowing as of 31 December 2003. Current ratio was 3.2. Account receivables are mostly from the 4th quarter shipments and have been tightly monitored during the year, resulting in 96.4 days sales outstanding.

The Group has minimal currency exposure as the majority of all sales were denominated in US dollars. On the other hand, its disbursements were mainly in US dollars, Hong Kong dollars, Singapore dollars and Renminbi. The limited yen-based receivables were offset by some accounts payables in yen to Japanese vendors.

HUMAN RESOURCES

The Group adopts a competitive remuneration package for its employees. Aside from salary payments, other benefits include contributions to provident fund schemes and medical subsidies. In addition, based on the Group's financial results and individual performance, discretionary bonus and bonus shares may be granted to eligible staff. In general, salary review is conducted annually. The Group is committed to continue its rigorous staff development and training programs.

As at 31 December 2003, the total headcount of the Group worldwide was approximately 6,200 people.

PROSPECTS

Allowing for an improving US economy in an election year, a stronger spending outlook from consumers and the continuing penetration by semiconductor content into new end markets, most industry analysts such as Dataquest, VLSI Research, SIA, IC Insights, Semico, iSuppli and WSTS currently predict a strong 20+% (Range 17 - 29%) growth for the semiconductor industry in 2004, to be followed by moderate growths in 2005 and 2006. IC unit volume is expected to rise 13.2% according to In-Stat. Chip scale packages like QFN and stacked packages have been designed into the latest generation of wireless communication and hand held products, and are thus expected to have accelerated growth.

流動資金及財務狀況

於二零零三年十二月三十一日，集團的股東資金輕微上升至港幣1,915,502,000元（二零零二年：港幣1,756,072,000元）。如過去四年一樣，集團並沒有長期借貸，負債比率為零。

儘管派發了港幣三億八千三百三十萬元的股息，及於十二個月內投入了港幣一億六千零五十萬元作資本性投資，由於營運資金控制得宜及現金流入強勁，於二零零三年十二月三十一日，手頭現金微升至港幣513,078,000元（二零零二年：港幣465,569,000元）。事實上，集團主要的資本性投資乃由是年度港幣一億五千三百五十萬元的折舊所支付。

於二零零三年十二月三十一日，集團並沒有任何銀行借貸。流動比率為三點二。集團的應收賬款主要來自第四季的收入。在嚴謹的監控下，應收賬款週轉率維持在九十六點四天。

集團主要之銷售貨幣單位為美元，因此匯率風險非常低。另一方面，集團主要以美元、港幣、新加坡幣及人民幣支付開銷。有限量的日圓應收賬款足夠應付部份應付予日本供應商賬款。

人力資源

集團與員工訂立了具競爭力的薪酬制度。除員工薪金外，集團亦為員工提供其他福利，包括退休供款計劃及醫療津貼。此外，視乎集團的業績及個人表現，個別的花紅及紅股可按需要分發予應嘉許員工。整體而言，集團每年會進行一次薪金調整，並致力維持其嚴謹的員工培訓計劃。

於二零零三年十二月三十一日，集團全球聘用約六千二百名員工。

展望

隨著美國經濟於大選年逐步改善，消費市場前景更為樂觀，再加上半導體之應用繼續滲入新市場，大部份行業分析員如Dataquest、VLSI Research、SIA、IC insights、Semico、iSuppli及WSTS目前均預測半導體業於二零零四年之增長將超過百分之二十（介乎百分之十七至二十九），而二零零五及二零零六年則保持穩定增長。根據In-stat預測，集成電路產量將增長百分之十三點二。有見晶體度包裝如QFN已被應用於新一代的無線通訊及手提設備設計上，預期這將加快晶體度包裝之增長步伐。

PROSPECTS (CONTINUED)

For the assembly equipment market, most pundits (Dataquest, SEMI, VLSI) have projected very optimistic 38 - 40% growth for 2004 and further strong double-digit increase (20 - 35%) for 2005. While the memory of the past 2 - 3 depressed years remains fresh, sceptics may consider such projection too ambitious. Fortunately the stock market has turned more positive towards high tech companies in the recent months. Hopefully money will become more accessible to fund the capital expenditure of our customers, resulting in a lucrative assembly equipment market in a bumper year 2004.

On the ASM front, we have been aggressively adding parts-fabrication machines to boost output and contain our equipment delivery lead time well within customer-acceptable limits. Recently we have also taken up additional 28,000 sq.ft. and 20,000 sq.ft. floor spaces in our Hong Kong and China plants. We have also simultaneously beefed up our sales and service, production and product development staffs to cope with the increasing order backlog, which has gone back to the year 2000 level. Together with our Malaysian leadframe project, investments to upgrade our leadframe manufacturing, R&D capabilities and information technology infrastructure, capital investment planned for 2004 is HK\$250 million.

To reinforce our strategic partnerships with key customers, we support them with different packaging solutions using ASM equipment and leadframes, such as: stacked die, image sensor assembly, high brightness LED, power devices bonded with copper wires, QFN packaging, etc. Combining our process knowledge in die bonding, flip chip, wire bonding, encapsulation and leadframe design, ASM's solution selling strategy markedly differentiates us from all our competitors and has proven time after time to unlock the doors of customers not accessible by a standalone product field evaluation.

By continuously offering customers improved added value propositions based on our equipment products to satisfy their changing needs, ASM can maintain its industry leadership position. Our customers are facing numerous tough challenges. Advanced wafer fabrication presents low k dielectric, finer line width and copper interconnect problems. Demands in miniaturization, speed and electrical device performance need to be addressed by stacked die, flip chip and wafer level packages. Coupled with state-of-the-art line width, 300mm wafers significantly reduce the die cost per assembled IC, making IC assembly the relatively more expensive process. Driven by market forces to continuously offer reduced prices in electronic goods, our customers are faced with huge pressures to reduce costs while still needing to invest in the new generation of bonding equipment to assemble these advanced packages.

展望(續)

至於裝嵌設備市場方面，大部份專家(Dataquest、SEMI及VLSI)樂觀預期二零零四年的增長率將達百分之三十八至四十，而二零零五年亦將錄得雙位數字之增長(百分之二十至三十五)。然而，過去兩三年行業的蕭條景況仍記憶猶新，保守派認為這些預測過於理想。幸而最近數月來股票市場對高科技公司之評價變得較為正面，令我們的客戶能更容易獲取資金以支持他們的資本性開支，從而令二零零四年成為裝嵌設備市場蓬勃發展的一年。

ASM正積極增設零件生產機器以提升產量，並致力控制我們的設備付貨期於客戶可接受的範圍內。近期，我們於香港及中國的廠房分別擴展了28,000平方呎及20,000平方呎的樓面面積。此外，我們已增聘銷售及服務人員、生產及產品研發人員以應付不斷增加的手頭訂單。集團的手頭訂單已回復至二零零零年的水平。集團二零零四年的資本性投資為港幣二億五千萬美元，將用作投資於馬來西亞引線框架項目和提升引線框架生產能力、科研能力及資訊科技基礎建設。

為鞏固我們與重要客戶之策略性夥伴關係，我們應用ASM的設備及引線框架為他們提供不同的包裝解決方案，包括多層管芯、影像感應組件、高亮度LED、以銅線焊接的電源設備、QFN包裝等。結合我們於晶片焊接、覆晶、焊線、塑封工序及引線框架設計的豐富知識，ASM解決方案的銷售模式令集團於芸芸競爭對手脫穎而出，開啟了那些不接受單一產品測試之客戶的大門。

ASM繼續透過其設備產品為客戶提供改良增值建議，以滿足他們不斷轉變的需求，藉此維持ASM於業內的領導地位。我們的客戶正面對種種艱巨的挑戰。先進晶片組裝要求低k電介體，更微細的管線闊度及銅線焊接，而多層管芯、覆晶及晶片包裝技術正好能滿足先進晶片組裝對纖細度、速度及電子設備性能的要求。此外，配合最新的管線闊度、300毫米晶片大大減低每個裝嵌於集成電路之管芯價格，因而令集成電路裝嵌成為較昂貴的工序。電子產品受市場壓力而持續減價，我們的客戶在面對巨大減價壓力的同時，仍需投資於新一代的焊接機上以裝配這些先進包裝。

PROSPECTS (CONTINUED)

Innovative solutions are called for, and so ASM has developed and mapped out a portfolio of die, wire and flip chip bonder products geared for different die sizes, attachment processes, pad pitch requirements and cost objectives. New series of IC die and wire bonders with significant productivity enhancement are scheduled to be launched this year, and these will solidify our leadership position in the die attachment and wire bonding markets. In pursuance of our customer intimacy strategy, we are concurrently developing a number of solutions for attaching lenses to image sensors, adopting flip chip thermosonic processes to assemble bright LEDs, bonding 4-6 mil copper wire to replace thicker aluminium wires in power packages, and integrating several processes into one wafer level or test handler. Providing what our customers want in niche applications helps further cement the business relationship, leading to opportunities in other mainstream products.

With the business foundation laid over the years by our diversified products serving different application markets, market leadership in die and wire bonders generating capacity-related business in boom times, process and enabling technologies resulting in a stream of exciting new products, and vertical integration in product design and manufacturing achieving the most competitive cost structure, ASM is well-positioned to benefit from the current thriving market environment and future challenges.

APPRECIATION

Last year I promised that we were fully prepared to take aggressive advantage of the coming market recovery and extend our lead over our competitors: we did and that has happened. The fact that my prediction came true was due to the ongoing efforts and dedication of the many men and women who are employed by ASM, and on behalf of the Board I would again like to place on record our appreciation of their performance during the past year. We may make machines, but our company is made by people, and our results show we have some of the best.

I also said last year that we had no intention of resting on our laurels, and that holds true now: in the coming year we will be pushing even harder to achieve better solutions for our clients and to take the ASM quality message to every corner of the market. We have the products, we have the capabilities and most important of all, we have the people.

Arthur H. del Prado

Chairman

24 February 2004

展望 (續)

為滿足市場對創新解決方案的需求，ASM研發及設計出一系列管芯、焊線及覆晶焊接機以配合大小不同的管芯、裝配程序、墊距需要及成本考慮。集團將於年內推出新的集成電路管芯及焊線機系列，這將進一步鞏固ASM於管芯裝配及焊線市場的主導地位。為繼續加強與客戶之密切關係，我們正研發若干方案以於影像感應組件裝配晶體、利用覆晶熱能超聲波工序組裝高亮度LED、以4-6 mil銅線代替較粗的鋁線焊接電源設備及結合若干工序於一晶片層面或test handler。集團透過滿足客戶各項獨特應用所需，進一步鞏固業務關係，並為其他主流產品帶來商機。

憑藉我們針對不同應用市場的多元化產品、具市場領導地位的管芯焊機及焊線機於蓬勃時期帶來產能相關之業務、一系列備有出色工序及技術的新產品、以及最具成本效益結合產品設計及生產的垂直整合業務模式，集團於過去數年已奠下穩固的基礎。因此，ASM已準備就緒以受惠於目前這充滿活力的市場環境及面對未來種種挑戰。

致謝

去年，本人承諾會積極把握即將來臨的市場復甦，並進一步超前競爭對手，這些承諾經已兌現。這全賴ASM全體員工不斷努力及奉獻所致。集團董事會再次謹此對他們過去一年的付出致以衷心謝意。ASM製造機器，而人才則建造ASM。我們的業績亦證明ASM的員工是最出色的一群。

此外，本人去年亦曾表示我們不會自滿及安於現狀，現在亦然。來年，我們將再下一城，為客戶提供更佳的方案，把ASM品質優良的訊息傳遍市場每一個角落。我們有優良的產品和能力，然而最重要的是我們擁有人才。

主席

Arthur H. del Prado

二零零四年二月二十四日

OVERVIEW

Recovery during the first nine months of 2003 was gradual and most industry participants only experienced an easier ride in the 4th quarter. Our consistent gain in market share during the past five years, especially in respect of our IC wire bonders, translated into outstanding growth for ASM in both turnover and profit in 2003 as the semiconductor industry re-equipped. This result was only possible by virtue of our ability to rapidly ramp up production when demand eventuated, quickly responding to customer requirements for short delivery lead times. Our sales revenue and bottom line were the second highest in ASM's corporate history, only exceeded by the exceptional year of 2000.

With our 2nd half turnover exceeding the first six months by 41.8% and our order backlog as of 31 December 2003 increased to US\$119 million, order inflows clearly have been much stronger in recent months and substantiate the prevailing view of a solid industry recovery. In fact, most industry analysts have predicted strong double-digit growth for the semiconductor (20+ %) and the assembly and packaging equipment (38 - 40%) industries in 2004. In dealing with the output challenges of the current year we have already been busy adding staff, floor space and production machines to contain our equipment lead time within customer-acceptable parameters, and it is clear that these processes will need to continue as market demands increase.

Fortunately, we have more abundant financial and human resources than our competitors, and can leverage this advantage to enhance our customer focus, reinforcing our strategic partnership with major clients in this upcoming period of technology driven growth. Providing packaging solutions using ASM equipment and leadframes has repeatedly proved effective in unlocking the doors of customers not accessible by a standalone product field evaluation. By combining our process knowledge in die attachment, flip chip, wire bonding, encapsulation, unit singulation and leadframe design, ASM's innovative, integrated solutions to customers' production needs will continue be our most powerful weapon in the fight for increased market share.

MARKET AND PRODUCT DEVELOPMENT

Equipment Division

In a year when the assembly equipment industry resumed its growth after a prolonged downturn and pundits estimated a growth rate of 25-32%, ASM once again outperformed all its industry peers in turnover and revenue change. Building on our industry-largest market share, our equipment business grew 48.4% to US\$278 million, representing 83.1% of the Group's turnover in 2003 and the second highest in our corporate history. We maintained the number one position in the assembly and packaging equipment industry we have held since 2002, widening the revenue gap between us and our closest competitor to 18.5%. The rapid increase in this figure over the last twelve months from a 4.7% margin in 2002 clearly reflects ASM's growing market share.

總覽

二零零三年首三季經濟復甦步伐緩慢，大多數同業的經營狀況於第四季才出現好轉。隨著半導體業重新裝備，ASM過去五年市場佔有率不斷攀升，尤其是集成電路焊線機，集團二零零三年的營業額及盈利均取得驕人增長。取得此佳績，全憑我們能在需求出現時加速提升產量，以及迅速回應客戶短時間交貨的要求。銷售收入及業績是ASM有史以來的第二高，只有二零零零年方超越此水平。

集團下半年的營業額較上半年超出百分之四十一點八，於二零零三年十二月三十一日的手頭訂單總值增加至一億一千九百萬美元，近數月接獲的訂單顯著增多，令行業出現強勁復甦的普遍看法獲得支持。事實上，大部份行業分析員均預測半導體業和裝嵌及包裝設備業於二零零四年取得雙位數字的強勁增長，分別上升百分之二十強及百分之三十八至四十。為應付現年度產量方面的挑戰，集團一直忙於增加員工、廠房面積及生產機器，並致力控制我們的設備付貨期於客戶可接受的範圍內。顯而易見，隨著市場需求增加，此情況將繼續維持下去。

幸而，我們擁有比其他競爭對手遠為雄厚的財務及人力資源，並能發揮此優勢鞏固客戶關係，以及在這個即將到來的技術帶動增長時期強化我們與重要客戶之間的策略性夥伴關係。應用ASM設備及引線框架提供包裝解決方案，已多次證明對開啟那些不接受單一產品測試客戶的大門十分奏效。結合我們於晶片焊接、覆晶、焊線、塑封工序及引線框架設計的豐富知識，ASM針對客戶生產需要的創新綜合解決方案將繼續成為我們提升市場佔有率的最有力工具。

市場及產品發展

設備系列

過去一年當裝嵌設備業經過一段長時間不景氣後回復增長，專家估計增長率為百分之二十五至三十二，ASM在營業額及收入增長方面再次超越同儕。在保持業內最大市場佔有率的基礎上，集團的設備業務增長百分之四十八點四，達二億七千八百萬美元，佔集團二零零三年營業額百分之八十三點一，是ASM有史以來的第二高。集團自二零零二年以來在裝嵌及包裝設備業一直獨佔鰲頭，並進一步拉遠與最接近的競爭對手之收入差距至百分之十八點五。此數字（二零零二年為百分之四點七）在過去一年急劇上升，清楚反映ASM的市場佔有率不斷增長。

MARKET AND PRODUCT DEVELOPMENT (CONTINUED)

Equipment Division (continued)

Both our wire and die bonders achieved wonderful results. With a 35µm fine pitch bond capability that is one generation ahead of our competitors, ASM's Eagle 60 gold wire bonder outperformed its competition in many field evaluations, enabling us to capture several major new IC accounts, all well-known in the semiconductor industry. These include three top-five American semiconductor companies, three leading subcons and two U.S. integrated device manufacturers (IDMs). At the same time we managed to rapidly ramp up output when demands grew strongly in the 4th quarter, taking just three months to achieve a peak level output similar to the year 2000, giving a major boost to annual revenue. Likewise, our innovative, high speed IC and discrete bonders have been steadily gaining ground with their abilities to handle very small and thin die, stacked die and particle-controlled image sensor applications.

In another innovative response to customers' advanced packaging needs and cost-down pressure, ASM has developed and mapped out a portfolio of die, wire and flip chip bonder products geared for different die sizes, attachment processes, pad pitch requirements and cost objectives. New series of IC die and wire bonders with significant productivity enhancement are scheduled to be launched this year, further solidifying our leadership position in the industry.

Leadframe Division

With SEMI estimating the leadframe market as a whole to have grown 8.2% in 2003, ASM raced away from the field to increase its turnover by 13.6%, achieving US\$56.5 million leadframe revenue representing 16.9% of the Group's total sales.

ASM management has made several strategic decisions in the last two years to address long-term competitiveness in the leadframe business. The consolidation of all stamped frame production activities into an integrated factory in Fu Yong, China, creates a cost-efficient structure - reduced personnel and rental costs, shortened manufacturing lead time and minimal work-in-progress - as well as providing room to easily double output. Similarly, our new Malaysian plant, when ready, will sharpen our edge in the etched frame business. In due course we expect the stamped frames produced locally in the Malaysian plant to carve out new markets in Malaysia and Singapore. Concurrently we are broadening our product offerings with fine pitch, high leadcount TQFP and power leadframes, making investments in a selective nickel plating line and precision tooling fabrication.

With improved thermal dissipation, smaller form factor and the potential to be a lower cost package than those in the market today, QFN show major potential and have been designed into the latest generation of wireless products. Demand is rising rapidly and ASM aims to maintain our strong foothold in this area by continuing to leverage on ASM equipment expertise to offer our customers total packaging solutions. In addition, as industry migrates to lead-free electronics products, we will further our development efforts and production capacity of palladium-plated leadframes.

市場及產品發展 (續)

設備系列 (續)

我們的焊線機及管芯焊接機均取得理想成績。ASM的Eagle 60金線焊機擁有較我們競爭對手超前一代的35微米微距焊線技術，成功在多項基準測試中脫穎而出，令集團贏得數個重要及業內聞名的集成電路新客戶。當中包括三間全美國五大半導體公司、三間著名包裝公司及兩間美國集成裝置製造商。與此同時，當第四季需求大幅增長，集團成功迅速提升產量，只用了三個月時間就達到與二零零零年相若的最高產量水平，從而大幅增加年度收入。同樣，我們創新的高速集成電路及獨立焊接機善於處理極細薄管芯、層疊式管芯和粒子操控影像感應的應用，因此銷量穩步上升。

ASM亦研發及設計出一系列管芯、焊線及覆晶焊接機以配合大小不同的管芯、裝配程序、墊距要求及成本考慮，以創新形式回應客戶先進包裝方案的需求及降低成本的壓力。集團將於年內推出新的集成電路管芯及焊線機系列，這將進一步鞏固ASM於業內的主導地位。

引線框架系列

SEMI估計二零零三年引線框架市場整體增長百分之八點二，結果ASM營業額增加百分之十三點六，來自引線框架業務的收入達五千六百五十萬美元，佔集團總銷售額百分之十六點九。

ASM管理層最近兩年曾作出多項策略性決定，以應對引線框架業務長期存在的競爭情況。透過將所有沖壓框架生產工序集中於中國福永的綜合式廠房，可建立具成本效益的架構——員工薪酬及租金支出減少、生產週期縮短及半成品數量減至最少——產量亦可輕易增加一倍。同樣，集團於馬來西亞的新廠房落成後，將提升我們在蝕片框架業務方面的優勢。我們預期在馬來西亞廠房生產的沖壓框架將有助集團開拓馬來西亞及新加坡的新市場。集團現正通過微距焊點、高針數TQFP及電源引線框架擴大其產品系列，同時投資於一條選擇性鍍電鍍生產線及精密工具組裝。

由於QFN的散熱經過改良、尺寸輕巧，而且很可能較今天市場上其他包裝方法更便宜，所以大有發展機會，並專為配合新一代無線產品而設計。鑑於需求正在急速上升，ASM的目標是透過發揮其設備專長，為客戶提供全方位的包裝解決方案，從而維持其在此業務範疇的穩固根基。此外，由於業內轉用無鉛電子產品，我們將進一步努力開發及提高鍍鈮引線框架的產量。

CAPACITY AND PLANT DEVELOPMENT

With the consolidation of our stamped leadframe manufacturing in one plant at Fu Yong, China, more than 45,000 sq.ft. of space became available in our Sha Tou Jiao, Shenzhen plant. Since then we have redeployed the area for equipment manufacturing, and added another 20,000 sq.ft. facility to house newly acquired parts-fabrication machinery. To support the abrupt ramp-up of output since the 4th quarter, we have rapidly increased our production manpower and made further investments in CNC machines. As a result, capital investments in 2003 amounted to HK\$160.5 million, in line with our original budget.

Even though the space for expansion has become limited on our Singapore plant leadframe manufacturing floor and the business is competitive, we deem it prudent to install additional production capacity for QFN (etched) leadframes. In addition to providing expansion space for our etched frame plating and post-plating operations, we also intend to leverage on the proximity advantage to cultivate the stamped frame business in the Malaysia and Singapore markets. For this reason we have decided to build a 280,000 sq.ft. factory in Pasir Gudang, Johor Bahru, Malaysia to be ready for production in early 2005. The initial project cost of US\$12 million for the building and a few plating lines have been included in our 2004 capital budget.

To cope with current increased business levels and adopting a more aggressive stance than in recent years, we have budgeted HK\$250 million for capacity and plant development in 2004. This will provide new analytical equipment, hardware and software to support R&D, logistics and information systems, stamping presses and dies, CNC machinery for producing parts for our hot equipment products, and in addition fund the much enlarged Malaysian plant under construction at the present time.

RESEARCH AND DEVELOPMENT

In the equipment industry, companies compete not only on current product offerings but also in innovation rate and time-to-market of new and better products. Supported by over 550 Research and Development staff in our R&D centers based in Hong Kong and Singapore, ASM has an outstanding track record of delivering new generations of products every 2-3 years. In addition, we have significantly widened our product portfolio in recent times making market inroads in the flip chip bonding, soft solder attachment and test handler areas. To ensure the long term success of the Company, we have long been committed to spending 10% of our equipment sales on research and development. In 2003, our gross R&D expenditure increased by 16.8% to HK\$218.4 million, representing 10.1% of our equipment sales and in line with our R&D funding guidelines.

生產力及廠房發展

由於集團將其沖壓引線框架生產工序集中於中國福永的廠房，位於深圳沙頭角的廠房騰出逾四萬五千平方呎的空間並重新調配在該處的生產設備，並另外增設二萬平方呎的廠房安放新購置的部件組裝機械。為應付第四季以來突然大幅飆升的訂單，我們迅速增加生產人手，並進一步投資於電腦數控機床。結果二零零三年資本性投資達港幣一億六千零五十萬元，與我們原先的預算相符。

儘管新加坡廠房的引線框架生產樓層可供擴展的空間已十分有限，但我們仍認為裝設額外的QFN（蝕片）引線框架生產線是審慎的做法。除擴充蝕片框架電鍍及電鍍後工序外，我們亦計劃借助近鄰優勢，發展馬來西亞及新加坡市場的沖壓框架業務。為此，集團決定於馬來西亞Pasir Gudang，Johor Bahru興建一個面積達二十八萬平方呎的廠房，預期將於二零零五年年初落成。有關廠房及若干電鍍生產線的初期投資額為一千二百萬美元，已包括在我們二零零四年的資本性投資計劃內。

為應付目前增加的業務量及採取較近年更積極進取的態度，集團已在預算中撥出港幣二億五千萬元，作為二零零四年生產力及廠房發展方面的用途。此筆款項將用於購置新的分析設備、支援研究發展的軟硬件、物流及資訊系統、沖壓機及模具、生產暢銷設備產品部件的電腦數控機床，並為目前興建中、經大幅擴充的馬來西亞廠房提供資金。

研究及發展

於設備業內，同業間不單止以現有產品競爭，亦以創新速率和新產品及改良產品的產銷週期一較高下。在香港及新加坡研發中心逾五百五十名研究及發展員工的支援下，ASM每二至三年便推出新一代的產品，成績有目共睹。此外，我們最近更大幅擴闊產品系列，進軍覆晶焊接、軟焊料焊接及測試處理器等市場。為確保公司業務取得長遠成功，我們一直將銷售設備收入的百分之十投入研究及發展。於二零零三年，集團的總研究發展開支增加百分之十六點八至港幣二億一千八百四十萬元，佔銷售設備收入百分之十點一，與集團的預算指引相符。

RESEARCH AND DEVELOPMENT (CONTINUED)

Driven by the electronics industry's continuous drive for greater miniaturization, improved speed, more efficient electrical and thermal performances as well as cost reduction objectives, device manufacturers demand their equipment suppliers constantly push the technology envelope to find process solutions for their advanced packages such as ultra fine pitch BGA, QFN, stacked die and flip chip. To cement our business relationship with major customers and to win over new strategic clients, we have provided them with continuous process enhancements in wire looping control, packaging development support (such as using copper wire for bonding), and factory automation solutions for process integration and small lot production. Together with our in-house technology development teams focusing on advancing ASM's enabling technologies such as motion control, vision systems, optics, materials and reliability, our product development teams are chartered to design higher performance products without a corresponding cost increment in each new generation, so that ASM can share the benefits with our customers.

Apart from coming up with the now standard work-horse in die and wire bonding, in recent years we have developed several first generation processing equipment models to offer our packaging solutions; gold and copper stud bumping, eutectic solder and thermosonic flip chip, soft solder attachment, thick copper wire bonding, reel to reel encapsulation and solder ball placement are just some of the processes available. However, with customers' demands for advanced packages and cost reduction showing no signs of abating, our product development roadmap contains new and significantly higher throughput die bonder, aluminum and gold wire bonders, as well as an integrated test handler, all scheduled to be launched later this year. For better line balancing of the high density matrix frames, we have also prepared an innovative, lower cost and smaller footprint molding system.

In addition to providing unrivalled mainline solutions, we believe in catering for our customers' niche applications. To this end we offer a range of equipment that provides cost-effective solutions to customer needs, and are continually adding new capabilities. A lens holder assembly machine for image sensors is currently under development, and a wafer level package handling system and management software are in the pipeline.

研究及發展 (續)

在電子業對提升纖細度、增加速度、更具效率的電熱性能及降低成本不斷提出要求等目標帶動下，裝置製造商要求設備供應商不斷提升技術水平，為其超微距BGA、QFN、管芯及覆晶等先進包裝工序尋找解決方案。為鞏固與重要客戶的業務關係及贏取新的策略性客戶，我們不斷為客戶改良焊線環軋控制工序、包裝發展技術支援（例如應用銅線焊接）和工序整合及小批量生產的各種生產自動化解決方案。配合集團內部專注提升ASM技術（如機動控制、視頻系統、光學系統、材料及可靠性等）的技術發展隊伍，既可設計出較高性能的新一代產品，又不會令相關成本增加，讓ASM能與客戶分享利益。

除現有的標準管芯及焊線工具外，集團近年更開發出多個第一代工序設備模型作為包裝解決方案；部分可供應用的工序包括金及銅釘頭沖壓、易熔焊料及熱能超聲波覆晶、軟焊料焊接、粗銅線焊接、卷軸至卷軸塑封工序及焊球放置。然而，由於客戶對先進包裝及削減成本的訴求並無減少跡象，我們的產品發展藍圖包括生產力大幅提高的嶄新管芯焊接機、鋁及金線焊接機，以及整合式測試處理器，均預定於今年較後時間推出。除高密度矩陣框架外，我們亦製作了一款成本較低及較小型的嶄新沖壓模具。

除提供無可比擬的主流解決方案外，集團深信應滿足客戶各項獨特應用所需。為此，我們提供一系列的設備，以具成本效益的解決方案滿足策略性客戶的需要，並不斷增添新的技術。目前正開發一套用於影像感應組件的鏡片裝嵌機器，而一套晶片包裝處理系統及管理軟件正在生產中。

FINANCIAL

In spite of the semiconductor equipment industry just exiting from the most severe downturn in its history, ASM remained healthily profitable and expanded its turnover 41.1% to US\$334.5 million. ASM's strong financial position is the result of our consistently profitable and cash generating business performance in past years, as well as our conservative fiscal policy, prudent investment planning and strict liquidity control.

Although now having a wider spectrum of products, after two successive years of inventory reductions totalling HK\$186.0 million in 2001 and 2002, we only need to slightly (4.7%) raise our inventory by HK\$23.7 million to HK\$529.5 million in 2003, despite achieving an increased inventory turnover of 5.03 times, much better than the previous years. As such, we generated a free cashflow of HK\$392.6 million and a return on invested capital of 39.7% in 2003.

Notwithstanding that HK\$383.3 million was paid as dividends and HK\$160.5 million was spent in capital investments during the twelve-month period, cash on hand as of 31 December 2003 was increased to HK\$513,078,000 (2002: HK\$465,569,000), with the majority of the capital investments being funded by the current year's depreciation of HK\$153.5 million.

With no bank borrowing either for short or long term, ASM achieved an all bank debt to equity ratio of zero and no gearing for the Group, the same situation for the latter as in the past four years. The Group's shareholders' funds increased 9% to HK\$1,915,502,000 as of 31 December 2003 (2002: HK\$1,756,072,000).

Due to a significant drop in interest rates in the recent years, net interest income only amounted to HK\$3.9 million for the year. Receivables are mostly from the 4th quarter shipments and have been tightly monitored during the year, resulting in 96.4 days sales outstanding. Management has closely scrutinized all receivable accounts and concluded that bad debt exposure, if any, is immaterial and well covered by provisions made in conformity with the Company's policy. With our rigorous monitoring of current assets and current liabilities, current ratio stood comfortably at 3.20. Due to the strengths of order inflows in the 4th quarter, order backlog was significantly raised to US\$119 million as of 31 December 2003, a level comparable to year 2000 period.

Having established a solid foundation in the microelectronics market, the Group intends to further its organic growth strategy in the near term. With no short term need for major cash outlay and in view of our strong liquidity and rising equity base, we aim to continue our policy of operating the Group with the optimum shareholder fund and returning any excessive cash holdings to our shareholders. The strong financial position of the Company should allow ASM to fund the capital investments and rising working capital requirements to sustain leadership position in its industry.

財務表現

儘管半導體設備業剛走出有史以來最嚴重的衰退，但ASM仍錄得可觀的盈利，營業額更增加百分之四十一點一，達三億三千四百五十萬美元。ASM財政狀況雄厚穩健，除了有賴過往持續錄得盈利及帶來現金進賬的業務外，亦有賴本集團多年來貫徹採取審慎的財政策略、精明的投資計劃及嚴格的流動資金管制。

雖然集團目前擁有一系列範圍較廣的產品，加上二零零一及二零零二年連續兩年成功把總存貨量減少港幣一億八千六百萬元，但我們於二零零三年僅需把存貨量輕微增加(百分之四點七)港幣二千三百七十萬元至港幣五億二千九百五十萬元，儘管存貨週轉率提升至五點零三週次，表現較過去數年大幅改善。因此我們於二零零三年產生港幣三億九千二百六十萬元的自由現金流量，及錄得投入資本回報率達百分之三十九點七。

雖然在過去十二個月期間派發了港幣三億八千三百三十萬元股息，並斥資港幣一億六千零五十萬元作為資本性投資，二零零三年十二月三十一日的手頭現金仍增加至港幣五億一千三百零七萬八千元(二零零二年：港幣四億六千五百五十六萬零九千元)，而主要的資本性投資乃由是年港幣一億五千三百五十萬元的折舊所支付。

由於集團並無短期或長期銀行借貸，ASM的銀行貸款對股本比率及資本負債比率均為零，而後者在過去四年均為零。於二零零三年十二月三十一日，集團的股東資金增加百分之九，至港幣十九億一千五百五十萬零二千元(二零零二年：港幣十七億五千六百零七萬二千元)。

由於近年利率大幅下調，年內的淨利息收入只有港幣三百九十萬元。集團的應收賬款主要來自第四季的收入。在嚴謹的監控下，應收賬款週轉率維持在九十六點四天。管理層已詳細審閱所有應收賬款，審閱結果認為縱使出現任何壞賬風險，亦屬微不足道，且有關賬款已依據本公司政策撥備。由於集團嚴格監控流動資產及流動負債，令流動比率處於三點二的充裕水平。由於第四季接獲大量訂單，於二零零三年十二月三十一日，積存訂單大幅增加至一億一千九百萬美元，與二零零零年的水平相若。

本集團已在微電子市場奠定穩固基礎，現計劃在不久將來進一步加強推動本體增長之策略。由於短期內並無重大現金支出，加上本集團擁有充裕的流動資金和股東資金增加的情況下，管理層旨在繼續其政策，預留適量的股東資金作集團營運之用，而將剩餘現金回饋予股東。本集團穩健的財政狀況應有助ASM為資本性投資及不斷上升的營運資金要求提供充裕資金，並繼續於業內保持領導地位。

The Directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its principal subsidiaries are engaged in the design, manufacture and marketing of machines, tools and materials used in the semiconductor industry.

RESULTS AND APPROPRIATIONS

The Directors recommend the payment of a final dividend of HK\$0.84 (2002: HK\$0.64) per share, which together with the interim dividend of HK\$0.36 (2002: HK\$0.36) per share paid during the year, makes a total dividend for the year of HK\$1.20 (2002: HK\$1.00) per share.

Details of the results of the Group and appropriations of the Company are set out in the consolidated income statement on page 23 and the accompanying notes to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group continued to expand its manufacturing facilities. The Group acquired plant and machinery for approximately HK\$101 million and invested approximately HK\$59 million on upgrading the manufacturing, support and other facilities.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2003 are set out in note 17 to the financial statements.

ISSUE OF SHARES

On 15 December 2003, 1,686,500 shares were issued for cash at par to certain employees pursuant to their entitlements under the Company's Employee Share Incentive Scheme.

董事會謹呈報本公司及其附屬公司（以下統稱為「本集團」）截至二零零三年十二月三十一日止年度之年度報告及經審核財務報表。

主要業務

本公司乃一間投資控股公司。其主要附屬公司之業務為設計、製造及銷售半導體工業所用之器材、工具及物料。

業績及分配

董事會現建議派付末期股息每股港幣0.84元（二零零二年：港幣0.64元），連同年內已派付中期股息每股港幣0.36元（二零零二年：港幣0.36元），是年度之全年股息每股為港幣1.20元（二零零二年：港幣1.00元）。

有關本集團業績及本公司分配之詳細資料載於第23頁綜合收益報表及隨附之財務報表附註。

物業、廠房及設備

本集團於年內繼續擴展旗下生產設施。集團斥資約港幣一億零一百萬元購置機器設備，並投資約港幣五千九百萬元以提升生產、支援及其他設施。

有關上述及其他本集團於年內之物業、廠房及設備變動之詳細資料載於財務報表附註第16項。

附屬公司

有關本公司於二零零三年十二月三十一日之主要附屬公司之詳細資料載於財務報表附註第17項。

發行股份

於二零零三年十二月十五日，已根據僱員股份獎勵制度，按面值以現金發行1,686,500股股份予部份僱員。

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Arthur H. del Prado, Chairman

Lam See Pong, Patrick, Managing Director

Fung Shu Kan, Alan

Independent non-executive Directors:

Orasa Livasiri

Paulus Cornelis van den Hoek

In accordance with Article 113 of the Company's Articles of Association, Orasa Livasiri retires and, being eligible, offer herself for re-election.

The term of office for each non-executive Director is the period up to retirement by rotation in accordance with the Company's Articles of Association.

Biographical details of Directors as at the date of this report are:

Arthur H. del Prado is the Chairman of the Company and President, Chief Executive Officer and founder of ASM International N.V. ("ASM International") the holding company of the Company. He is also a director of certain subsidiaries of ASM International. Mr. del Prado currently serves on the Board of several companies, civic and non profit organizations, among which the MEDEA+ Board, the "Micro Electronics Development for European Applications" project. Arthur H. del Prado was formerly a member of the Board of Directors of: Océ van der Grinten Nederland N.V., Manufacturer of Copiers and Printers; G.T.I. Holding N.V., an Electronic Equipment and Installations company; Delft Instruments N.V., a Manufacturer of High-Technology Industrial and Defence Products; Breevast N.V., Project Development and Management; Dujat, Dutch & Japanese Trade Federation and ABN-AMRO Bank, Advisory Counsel.

Lam See Pong, Patrick, Executive Director, aged 55, is the Managing Director of the Company. Mr. Lam is also the Vice President of Asian Operations of ASM International and director of certain subsidiaries of ASM International. He has a Bachelor of Science degree in Electrical Engineering from the University of Manitoba, Canada, a Diploma in Management Studies from the University of Hong Kong, and a Master degree in Business Administration from the Chinese University of Hong Kong. He has over 30 years of experience in computer and semiconductor industry. He joined the Group in 1975 and was responsible for founding ASM's operation in Hong Kong.

董事

本公司是年度及截至本報告日期之董事為：

執行董事：

Arthur H. del Prado，主席

林師龐，董事總經理

馮樹根

獨立非執行董事：

Orasa Livasiri

Paulus Cornelis van den Hoek

Orasa Livasiri女士根據本公司組織章程細則第一百一十三條依章告辭董事職位，而彼具資格並表示願意膺選連任。

每位非執行董事獲委任之任期需根據本公司之公司組織章程細則規定輪值告退。

截至本報告日期之董事資料：

Arthur H. del Prado，為本公司主席及本公司之控股公司ASM International N.V.（「ASM International」）總裁兼行政總裁及創辦人。彼亦是ASM International部份附屬公司董事。彼為多間公司、公共及非牟利機構之董事會及幹事會成員，其中包括MEDEA+（歐洲微電子應用發展項目）。Arthur H. del Prado曾為下列公司之董事會成員：Océ van der Grinten Nederland N.V.（複印機及打印機製造商）、G.T.I. Holding N.V.（電子設備及安裝公司）、Delft Instruments N.V.（高科技工業及國防產品製造商）、Breevast N.V.（項目開發及管理）、Dujat（荷蘭及日本貿易工聯會）及荷蘭銀行（諮詢委員會）。

林師龐（執行董事），現年五十五歲，為本公司之董事總經理。林先生亦是ASM International亞洲區副總裁及ASM International部份附屬公司董事。彼持有加拿大曼尼托巴大學電子工程學士學位、香港大學管理學文憑及香港中文大學工商管理碩士學位。林先生於電腦及半導體工業具有三十年以上經驗。彼於一九七五年加入本集團，並負責創立ASM在香港的業務。

董事會報告 (續)

DIRECTORS (CONTINUED)

Fung Shu Kan, Alan, Executive Director, aged 53, is the Financial Director of the Group in charge of financial planning and control. He obtained his Diploma and Master degree in Business Administration from Hong Kong Polytechnic and the University of East Asia respectively. He joined the Group in 1978 and before that he had worked for two multinational semiconductor companies for over 10 years.

Orasa Livasiri, Independent Non-executive Director, aged 48, was appointed to the Board as an Independent non-executive Director in 1994. She is a solicitor in private practice and is a partner of Messrs. Ng, Lie, Lai & Chan.

Paulus Cornelis van den Hoek, Independent non-executive Director, aged 65, was appointed to the Board as an Independent non-executive Director in 1994. He had been a partner in the law firm of Stibbe in Amsterdam since 1969. He has also been a part-time professor of corporate law at the Free University of Amsterdam since 1991 until September 1999. He is a member of the Committee for Company Law of the Dutch Ministry of Justice. From 1981 to 1984 he was President of the Netherlands Bar Association. He serves amongst other on the supervisory boards of ASM International, Ballast Nedam N.V., Buhrmann N.V., the Robeco group of companies and Euronext N.V., as an independent non-executive member.

EMPLOYEE SHARE INCENTIVE SCHEME

The Group has an Employee Share Incentive Scheme (the "Scheme") which is for the benefit of the Group's employees and members of management and has a life of 10 years starting from December 1989. On 25 June 1999, at an extraordinary general meeting of the Company, the shareholders approved to extend the period of the Scheme for a further term of 10 years up to 23 March 2010 and allow up to 5% of the issued share capital of the Company from time to time, excluding any shares of the Company subscribed for or purchased pursuant to the Scheme since 23 March 1990, to be subscribed for or purchased pursuant to the Scheme during the extended period.

On 18 February 2003, the Directors resolved to contribute HK\$180,000 to the Scheme, enabling the trustees of the Scheme to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2002 upon expiration of the defined qualification period. 205,000 of these shares entitlements were allocated to certain Directors.

On 24 February 2004, the Directors resolved to contribute HK\$180,000 to the Scheme enabling the trustees of the Scheme to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2003 upon the expiration of a defined qualification period. 205,000 of the share entitlements have been allocated to certain Directors.

董事 (續)

馮樹根 (執行董事)，現年五十三歲，本集團財務董事，負責財務規劃及監督。馮先生分別持有香港理工學院及東亞大學之工商管理文憑及碩士學位，馮先生於一九七八年加入本集團，之前曾在兩間國際性半導體公司工作超過十年。

Orasa Livasiri (獨立非執行董事)，現年四十八歲，於一九九四年獲委任加入董事會為獨立非執行董事。彼出任私人執業律師及為伍李黎陳律師行之合夥人。

Paulus Cornelis van den Hoek (獨立非執行董事)，現年六十五歲，於一九九四年獲委任入董事會為獨立非執行董事。彼自一九六九年出任亞姆斯特丹 Stibbe 律師行合夥人。自一九九一年起至一九九九年九月止彼亦為亞姆斯特丹 Free University 兼職教授。彼現為荷蘭司法部公司法委員會委員。彼於一九八一年至一九八四年間曾出任荷蘭律師會主席。彼現任 ASM International、Ballast Nedam N.V.、Buhrmann N.V.、Robeco 公司集團及 Euronext N.V. 各監理會成員及獨立非執行董事。

僱員股份獎勵制度

本集團制訂僱員股份獎勵制度，專為本集團僱員及管理階層成員之利益而設，期限為十年，於一九八九年十二月開始。於一九九九年六月二十五日舉行之公司股東特別大會上，股東批准該計劃延長十年，為期至二零一零年三月二十三日止，以及在延長期間內根據該計劃認購或購買之股份數目限額為本公司已發行股本百分之五（不包括自一九九零年三月二十三日根據該計劃認購或購買之任何股數在內）。

董事會於二零零三年二月十八日議決向該制度供款港幣180,000元，以使該制度之信託人能就本集團僱員及管理階層成員截至二零零二年十二月三十一日止年度所提供之服務，於指定合格期間屆滿為其受益認購合共1,800,000股本公司股份。其中205,000股股份權利已分配予部份董事。

董事會於二零零四年二月二十四日議決向該制度供款港幣180,000元，以使該制度之信託人於指定合格期間屆滿時，能就本集團僱員及管理階層成員截至二零零三年十二月三十一日止年度所提供之服務，為其受益認購合共1,800,000股本公司股份；其中205,000股股份權利已分配予部份董事。

DIRECTORS' INTERESTS IN SHARES

Details of the interests of the Directors and chief executives of the Company and their associates in the share capital of the Company and its associated corporations as at 31 December 2003 as recorded in the register by the Company pursuant to Section 352 of the Securities and Future Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name of director 董事姓名	Capacity 身份	Number of shares held 所持股份 數目	Percentage of shareholding in the Company 所持本公司 股權百分比
Arthur H. del Prado	(Note 1)	207,427,500	53.87%
Lam See Pong, Patrick (Note 2)	Beneficial owner	2,970,000	0.77%
Fung Shu Kan, Alan	Beneficial owner	311,000	0.08%
Paulus Cornelis van den Hoek (Note 3)	Beneficial owner	1,370,000	0.36%

Note:

- As at 31 December 2003, Arthur H. del Prado, member of his immediate family and a foundation controlled by him together held about 22.88% of the issued share capital of ASM International. A wholly-owned subsidiary of ASM International, Advanced Semiconductor Materials (Netherlands Antilles) N.V. holds 207,427,500 shares of the Company as at 31 December 2003. Arthur H. del Prado is deemed or taken to be interested in the 207,427,500 shares. ASM International also holds the fixed-rate participating shares of ASM Assembly Automation Limited and ASM Assembly Materials Limited which are wholly-owned subsidiaries of the Company. These shares carry no voting rights, no rights to participate in a distribution of profits, and very limited rights on a return of capital.
- As at 31 December 2003, Lam See Pong, Patrick beneficially owns 395,300 shares of ASM International.
- As at 31 December 2003, Paulus Cornelis van den Hoek beneficially owns 300,000 shares of ASM International.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company or its subsidiaries, as at 31 December 2003, none of the Directors or chief executives of the Company nor their associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations.

董事股份權益

於二零零三年十二月三十一日，根據證券及期貨條例「證期條例」第352條須予備存的登記冊所記錄，或根據上市公司董事進行證券交易的標準守則給本公司及香港聯合交易所有限公司（「聯交所」）的通知，本公司董事及行政總裁以及其聯繫人於本公司或其相聯法團擁有的詳細股本權益如下：

附註：

- 於二零零三年十二月三十一日，Arthur H. del Prado、其直系家族及一個由Arthur H. del Prado所控制之基金共持有ASM International已發行股本約百分之二十二點八八。於二零零三年十二月三十一日，ASM International之全資附屬公司Advanced Semiconductor Materials (Netherlands Antilles) N.V. 持有207,427,500股本公司股份；Arthur H. del Prado可視為擁有該207,427,500股股份之權益。ASM International亦持有先進自動器材有限公司及先進半導體物料科技有限公司之分享固定利息股份，而該兩間公司均為本公司之全資附屬公司。該等股份不享有投票之權利，亦無權享有分派之溢利，並在股本退還時僅享有非常有限之權利。
- 於二零零三年十二月三十一日，林師龐實益持有395,300股ASM International股份。
- 於二零零三年十二月三十一日，Paulus Cornelis van den Hoek 實益持有300,000股ASM International股份。

除上述所披露者及本公司董事以信託形式代本公司及其附屬公司持有附屬公司若干之名義股份外，於二零零三年十二月三十一日，本公司董事或行政總裁及其聯繫人於本公司或其任何相聯法團的股份、相關股份或債券概無擁有任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than those rights described under the Employee Share Incentive Scheme, none of the Directors or chief executives or their spouses or children under the age of 18 had any right to subscribe for shares of the Company, or had exercised any such right during the year; and at no time during the year was the Company, any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the following persons (other than a Director or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders 股東名稱	Capacity 身份	Number of shares held 所持股份 數目	Percentage of shareholding in the Company 所持本公司 股權百分比
ASM International	Corporate	207,427,500	53.87%
Advanced Semiconductor Materials (Netherlands Antilles) N.V.	Beneficial owner	207,427,500	53.87%

Save as disclosed above, as at 31 December 2003, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group had certain transactions with the ASM International group of companies, details of which are set out in note 29 to the financial statements.

Independent non-executive Directors of the Company have reviewed the connected transactions and confirmed that they have been entered into by the Group in the ordinary and usual course of business on normal commercial terms and are fair and reasonable as far as the shareholders are concerned.

Arthur H. del Prado has interest in ASM International as disclosed in "Directors' interests in shares" above.

Save as disclosed above, no contracts of significance to which the Company, any of its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事購買股份或債券之權利

除僱員股份獎勵制度所述之權利外，各董事或行政總裁或彼等之配偶或18歲以下之子女並無可認購本公司股份之權利，亦無於年內行使該等權利。於年內任何時間，本公司、控股公司、同集團附屬公司或附屬公司均無參與任何安排以使本公司董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

主要股東

於二零零三年十二月三十一日，除本公司董事或行政總裁外，根據證期條例第336條須予備存的登記冊所記錄，下列人士擁有本公司股份權益：

除本文所披露者外，於二零零三年十二月三十一日，根據證期條例第336條須予備存的登記冊所記錄，概無任何人士持有本公司股份或相關股份的淡倉。

董事在合約上之權益

年內，本集團與ASM International集團公司有若干交易，詳細資料載於財務報表附註第29項。

就股東們所關注，本公司之獨立非執行董事已審閱及確認該等本集團所進行的關聯交易是在一般及日常範圍內以正常商業條款訂立，並為公平及合理之交易。

如上文「董事股份權益」所述，Arthur H. del Prado持有ASM International之權益。

除以上披露者外，本公司、本公司之控股公司、同集團附屬公司或附屬公司概無訂立在是年度結算日或年度內任何時間有效，而本公司董事於其中直接或間接擁有重大權益之重大合約。

DIRECTORS' SERVICE CONTRACTS

No Director of the Company has a service contract with any company in the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the laws in the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the largest customer and five largest customers of the Group were 17% and 37% respectively of the Group's turnover for the year under review.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company share capital) has any interest in the five largest customers of the Group.

The aggregate purchases attributable to the five largest suppliers of the Group were less than 30% of the Group's purchases for the year under review.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$158,000.

POST BALANCE SHEET EVENT

Details of a significant post balance sheet event are set out in note 28 to the financial statements.

CORPORATE GOVERNANCE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2003.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the board
Lam See Pong, Patrick
Director

24 February 2004

董事之服務合約

本公司各董事概無與本集團任何公司訂立本集團不支付賠償(法定賠償除外)而不能於一年內終止之服務合約。

買賣或贖回股份

本公司或其任何附屬公司於是年度內並無買賣或贖回本公司股份。

先買權

本公司之公司組織章程細則並無任何有關先買權之條文，根據開曼群島法例，對先買權並無任何限制。

主要客戶及供應商

是年度，本集團之最大客戶及五家最大客戶分別佔集團營業額百分之十七及百分之三十七。

各董事、其聯繫人或就董事所知擁有本公司股本百分之五以上的任何本公司股東概無在本集團五大客戶中擁有任何權益。

是年度，本集團之五大供應商合共所佔本集團年內總購貨額少於百分之三十。

捐款

年內，本集團之慈善捐款約為港幣158,000元。

結算日後事項

結算日後一項重大事項詳情載於財務報表附註第28項。

公司監管

本公司於截至二零零三年十二月三十一日止年度一直已遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

核數師

本公司將於股東週年大會提呈一項續聘德勤·關黃陳方會計師行為本公司核數師之決議案。

承董事會命
董事
林師龐

二零零四年二月二十四日

Auditors' Report

核數師報告

TO THE SHAREHOLDERS OF ASM PACIFIC TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 23 to 59 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's Directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 24 February 2004

致 ASM Pacific Technology Limited

(於開曼群島註冊成立之有限公司)

全體股東

本核數師行已完成審核載於第23至第59頁按照香港普遍接納之會計原則編製的財務報表。

董事及核數師之個別責任

貴公司董事須負責編製真實與公平的財務報表。在編製該等財務報表時，董事必須貫徹採用合適的會計政策。

本行有責任根據吾等之審核結果，就該等財務報表結集成獨立意見，並僅向全體股東匯報，並無其他目的。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。

意見的基礎

本行是按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷，所釐定的會計政策是否適合貴公司及貴集團的具體情況，及是否貫徹應用並足夠地披露該等會計政策。

本行在策劃和進行審核工作時，均以取得一切本行認為必需的資料及解釋為目標，使本行能獲得充分的憑證，就該等財務報表是否存有重要錯誤陳述，作出合理的確定。在表達意見時，本行亦已衡量該等財務報表所載的資料在整體上是否足夠。本行相信，本行的審核工作已為下列意見建立了合理的基礎。

意見

本行認為上述的財務報表均真實與公平地反映貴公司及貴集團於二零零三年十二月三十一日的財務狀況及貴集團截至該日止全年度的溢利和現金流量，並已按照香港公司條例的披露要求而妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港，二零零四年二月二十四日

Consolidated Income Statement

綜合收益報表

For the year ended 31 December 2003

截至二零零三年十二月三十一日止年度

		Notes 附註	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Turnover	營業額	4	2,604,823	1,846,016
Cost of sales	銷貨成本		(1,461,851)	(1,072,294)
Gross profit	毛利		1,142,972	773,722
Other operating income	其他經營收益		4,724	7,403
Selling expenses	銷售費用		(227,915)	(175,065)
General and administrative expenses	一般管理費用		(108,394)	(96,731)
Research and development expenses, net	研究及發展淨支出	6	(218,360)	(186,980)
Factory relocation costs	廠房遷移開支	7	(5,835)	(20,000)
Profit from operations	經營溢利	8	587,192	302,349
Finance costs	財務費用	12	(64)	(168)
Profit before taxation	除稅前溢利		587,128	302,181
Taxation	稅項	13	(51,255)	(17,477)
Net profit for the year	本年度淨溢利		535,873	284,704
Dividends	股息	14	461,414	382,696
Earnings per share	每股溢利	15		
– Basic	— 基本		HK\$1.40 港幣1.40元	HK\$0.75 港幣0.75元
– Diluted	— 攤薄		HK\$1.39 港幣1.39元	HK\$0.74 港幣0.74元

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2003

於二零零三年十二月三十一日

		Notes 附註	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	696,652	709,103
Deferred tax assets	遞延稅項資產	24	2,353	1,669
			699,005	710,772
Current assets	流動資產			
Inventories	存貨	18	529,542	505,803
Trade and other receivables	貿易及其他應收賬款	19	740,250	441,136
Bank balances and cash	銀行結餘及現金		513,078	465,569
			1,782,870	1,412,508
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	20	486,634	315,797
Taxation	應付稅項		70,512	37,725
Short-term bank loan	短期銀行貸款		—	3,482
			557,146	357,004
Net current assets	流動資產淨值		1,225,724	1,055,504
			1,924,729	1,766,276
Capital and reserves	資本及儲備			
Share capital	股本	21	38,502	38,333
Dividend reserve	股息儲備		323,415	245,332
Other reserves	其他儲備		1,553,585	1,472,407
Shareholders' funds	股東資金		1,915,502	1,756,072
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	9,227	10,204
			1,924,729	1,766,276

The financial statements on pages 23 to 59 were approved and authorised for issue by the Board of Directors on 24 February 2004 and are signed on its behalf by:

Arthur H. del Prado
Director

Lam See Pong, Patrick
Director

第23頁至第59頁之財務報表經於二零零四年二月二十四日獲董事會批准發佈，並由下列董事代表簽署：

董事
Arthur H. del Prado

董事
林師龐

Balance Sheet

資產負債表

At 31 December 2003

於二零零三年十二月三十一日

		Notes 附註	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Interest in subsidiaries	附屬公司權益	17	395,182	395,365
Current assets	流動資產			
Trade and other receivables	貿易及其他應收賬款		654	863
Amounts due from subsidiaries	附屬公司所欠款項		781,846	695,808
Bank balances and cash	銀行結餘及現金		290,576	288,789
			1,073,076	985,460
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款		592	915
Amounts due to subsidiaries	附屬公司應收款項		109,808	241,548
Short-term bank loan	短期銀行貸款		—	3,482
			110,400	245,945
Net current assets	流動資產淨值		962,676	739,515
Net assets	資產淨值		1,357,858	1,134,880
Capital and reserves	資本及儲備			
Share capital	股本	21	38,502	38,333
Dividend reserve	股息儲備		323,415	245,332
Other reserves	其他儲備	23	995,941	851,215
Shareholders' funds	股東資金		1,357,858	1,134,880

Arthur H. del Prado
Director

董事
Arthur H. del Prado

Lam See Pong, Patrick
Director

董事
林師龐

Consolidated Statement of Changes in Equity

股東權益變動之綜合報表

For the year ended 31 December 2003

截至二零零三年十二月三十一日止年度

		Share capital 股本 HK\$'000 港幣千元	Share premium 股本溢價 HK\$'000 港幣千元	Capital reserve 資本儲備 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated profits 累積溢利 HK\$'000 港幣千元	Dividend reserve 股息儲備 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2002	於二零零二年 一月一日	38,157	126,528	70,944	(102,974)	1,452,189	244,203	1,829,047
Exchange differences on translation of financial statements of operations outside Hong Kong and gains not recognised in the consolidated income statement	換算香港以外 營運公司財務 報表所產生之 匯兌差額及 綜合收益 報表內未 予確認之 收益	—	—	—	23,712	—	—	23,712
Shares issued under the Employee Share Incentive Scheme	根據僱員股份 獎勵制度發 行之股份	176	—	—	—	—	—	176
Net profit for the year	本年度淨溢利	—	—	—	—	284,704	—	284,704
Interim dividend declared	派付中期股息	—	—	—	—	(137,364)	137,364	—
Final dividend proposed	建議末期股息	—	—	—	—	(245,332)	245,332	—
Dividends paid	已派付股息	—	—	—	—	—	(381,567)	(381,567)
At 31 December 2002 and 1 January 2003	於二零零二年 十二月三十一日 及二零零三年 一月一日	38,333	126,528	70,944	(79,262)	1,354,197	245,332	1,756,072
Exchange differences on translation of financial statements of operations outside Hong Kong and gains not recognised in the consolidated income statement	換算香港以外 營運公司財務 報表所產生之 匯兌差額及 綜合收益 報表內未 予確認之 利益	—	—	—	6,719	—	—	6,719
Shares issued under the Employee Share Incentive Scheme	根據僱員股份 獎勵制度發 行之股份	169	—	—	—	—	—	169
Net profit for the year	本年度淨溢利	—	—	—	—	535,873	—	535,873
Interim dividend declared	派付中期股息	—	—	—	—	(137,999)	137,999	—
Final dividend proposed	建議末期股息	—	—	—	—	(323,415)	323,415	—
Dividends paid	已派付股息	—	—	—	—	—	(383,331)	(383,331)
At 31 December 2003	於二零零三年 十二月三十一日	38,502	126,528	70,944	(72,543)	1,428,656	323,415	1,915,502

Consolidated Cash Flow Statement

綜合現金流量變動表

For the year ended 31 December 2003

截至二零零三年十二月三十一日止年度

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Operating activities	營運活動		
Profit before taxation	除稅前溢利	587,128	302,181
Adjustments for:	調整：		
Depreciation	折舊	153,465	156,379
Impairment loss on property, plant and equipment	物業、廠房及設備之減值	—	4,488
Loss on disposal of property, plant and equipment	出售/處理物業、廠房及設備之虧損	25,459	133
Interest income	利息收入	(3,934)	(6,520)
Interest expense	利息支出	64	168
Operating cash flows before movements in working capital	未計營運資金之營運現金流量	762,182	456,829
(Increase) decrease in inventories	存貨之(增加)減額	(19,832)	119,225
Increase in trade and other receivables	增加貿易及其他應收賬款	(293,815)	(112,885)
Increase in trade and other payables	增加貿易及其他應付賬款	169,238	38,032
Effect of foreign exchange rate changes on inter-company balances	匯率變動對集團內公司間結餘之影響	(8,951)	(3,236)
Cash generated from operations	營運所得之現金	608,822	497,965
Income taxes paid	支付所得稅	(19,971)	(12,554)
Interest paid	支付利息	(64)	(168)
Net cash from operating activities	營運活動淨現金收入	588,787	485,243
Investing activities	投資項目		
Interest received	利息收入	3,934	6,520
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備收入	475	31
Purchase of property, plant and equipment	購買物業、廠房及設備	(160,513)	(100,782)
Net cash used in investing activities	投資項目之淨現金支出	(156,104)	(94,231)
Financing activities	融資項目		
Proceeds from issue of shares	發行股份收入	169	176
Dividends paid	派付股息	(383,331)	(381,567)
Repayment of bank loans	償還銀行貸款	(3,482)	(28,468)
New bank loans raised	新增銀行貸款	—	3,482
Net cash used in financing activities	融資項目之淨現金支出	(386,644)	(406,377)

Consolidated Cash Flow Statement (continued)

綜合現金流量變動表(續)

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Net increase (decrease) in cash and cash equivalents	現金及現金等額之增加(減額)	46,039	(15,365)
Cash and cash equivalents at beginning of the year	年初之現金及現金等額	465,569	478,482
Effect of foreign exchange rate changes	外幣匯率轉變引致之影響	1,470	2,452
Cash and cash equivalents at end of the year, represented by bank balances and cash	年終之現金及現金等額， 為銀行結餘及現金	513,078	465,569

For the year ended 31 December 2003

1 GENERAL

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is ASM International N.V. ("ASM International"), a company incorporated in the Netherlands.

The Company acts as an investment holding company. Its principal subsidiaries are engaged in the design, manufacture and marketing of machines, tools and materials used in semiconductor industry.

2 ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARD

In the current year, the Group has adopted, for the first time, Hong Kong Financial Reporting Standard ("HKFRS") - Statement of Standard Accounting Practice ("SSAP") 12 (Revised) "Income taxes" issued by the Hong Kong Society of Accountants ("HKSA"). The term of HKFRS is inclusive of SSAPs and Interpretations approved by the HKSA.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts for prior year have been restated accordingly. The adoption of SSAP 12 (Revised) has no effect on the results for the current or prior accounting periods.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year. All significant inter-company transactions and balances within the Group have been eliminated on consolidation.

The results of subsidiaries acquired and disposed of during the year are included in the consolidated income statement from and up to their effective dates of acquisition and disposal respectively.

截至二零零三年十二月三十一日止年度

簡介

本公司為一家於開曼群島註冊成立之豁免公司，其股份於香港聯合交易所有限公司上市買賣。本公司之最終控股公司為於荷蘭註冊成立之 ASM International N.V. (「ASM International」)。

本公司為一家投資控股公司。其主要附屬公司業務為設計、製造及銷售半導體工業所用之器材、工具及物料。

採納香港財務報告準則

於本年度，本集團首次採納香港會計師公會頒佈的香港財務報告準則中的會計實務準則第12條（經修訂）「所得稅」。香港財務報告準則之條款已涵概香港會計師公會所核准之會計實務準則及解釋。

採納會計實務準則第12條（經修訂）之主要影響是有關遞延稅項。在過往年度，本集團以損益表負債法，為遞延稅項作出部份撥備，由此，除於可見之將來預期不予逆轉之時差外，負債均按產生之時差予以確認。會計實務準則第12條（經修訂）規定，除少數例外情況外，須採納按資產負債表負債法，就財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生的一切暫時差異來確認遞延稅項。由於會計實務準則第12條（經修訂）並無訂明任何過渡性規定，新會計政策已予追溯採納。對往年之比較數值已相應地重新編列。採納會計實務準則第12條（經修訂）對現行或過往會計期間之業績並無影響。

主要會計政策

財務報表乃按歷史成本規定及依據香港普遍採用之會計原則編製。本公司所採用之主要會計政策如下：

綜合基準

綜合財務報表包括截至每年十二月三十一日止本公司及其附屬公司之財務報表。所有集團內公司間之重大交易及結餘均於綜合時註銷。

本年度購入及出售附屬公司之業績，分別由購入日期起及截至出售有效日期止列於綜合收益報表。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight line basis over its useful economic life.

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition. Negative goodwill arising on acquisition prior to 1 January 2001 continues to be held in reserves and will be credited to income at the time of disposal of the relevant subsidiary. Negative goodwill arising on acquisition after 1 January 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

Revenue recognition

Sales of goods are recognised when goods are delivered and when title has been passed.

Interest income from bank deposits is accounted for on an accrual basis by reference to the principal outstanding and at the interest rates applicable.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	4%
Leasehold improvements	33 $\frac{1}{3}$ %
Plant and machinery	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% to 20%

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost or directors' valuation less any identified impairment loss.

Income from investments in subsidiaries is accounted for when the Company's right to receive the dividend payment has been established.

主要會計政策(續)**商譽**

於綜合賬目時產生之商譽指有關收購成本超出本集團於收購當日在附屬公司可辨認資產及負債之公平價值中所佔權益之部分。商譽乃確認為資產，並按其可用經濟年期以直線法攤銷。

負商譽指本集團於收購當日在附屬公司可辨認資產及負債之公平價值中所佔權益超出收購成本之部分。於二零零一年一月一日前因收購而產生之負商譽會繼續保留於儲備內及將於出售有關附屬公司時計入收益。於二零零一年一月一日後因收購而產生之負商譽列為資產減值，並將依據情況分析撥入收益計算，從而得出結餘。

收入確認

貨物銷售於付運貨物或當移交業權後確認。

銀行存款利息收入乃按尚存本金以適用利率按應計基準入賬。

物業、廠房及設備

物業、廠房及設備乃按成本減折舊及累計減值虧損列賬。

物業、廠房及設備之折舊均按其估計可用年期，按直線法以下列年率將其成本撇銷：

租約土地	按租約年期攤銷
樓宇	4%
租約物業裝修	33 $\frac{1}{3}$ %
機器設備	10% 至 33 $\frac{1}{3}$ %
傢俬、裝置及設備	10% 至 20%

資產出售或報廢所產生的盈虧，均按該資產出售所得與賬面價值之差額釐定，並列入收益報表內。

附屬公司投資

於附屬公司之投資乃按成本或董事估值減任何已辨認減值虧損列入本公司之資產負債表。

於附屬公司之投資所得收益於公司確立其享有收取股息權利時入賬。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the standard cost method, which closely approximates the actual cost calculated using the first-in, first-out method.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Government grants received as subsidy for the Group's research and development activities are recognised in the same period as those expenses are charged in the income statement.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

主要會計政策(續)**存貨**

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本乃按標準成本法，此等計算接近以先入先出方式之實際成本值。

研究及發展費用

研究工作之費用於產生之期間確認為開支。

僅在明確界定項目所產生之發展費用預期將可透過日後之商業活動收回之情況下，因發展費用而產生之內部無形資產方會予以確認，而因此所產生之資產將會按可使用年期以直線法攤銷。

倘並無內部無形資產可予確認，則發展費用於產生之期間確認為開支。

同期本集團研究及開發活動所獲之政府津貼已按該等開支計入收益報表內。

減值

於各資產負債表結算日，本集團均會審閱其資產之賬面值，以確認該等資產是否已出現減值虧損。倘本公司估計某項資產之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回金額。減值虧損將即時確認為開支。

倘某項減值虧損期後撤回，則該項資產之賬面值須增加至重新估計之可收回金額，惟增加後之賬面值不得超過若以往年度並無減值虧損而釐定之賬面值。減值虧損撤回時將即時確認為收益。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

主要會計政策(續)

稅項

所得稅開支乃指現時應付稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表呈列之溢利淨額不同，乃由於前者不包括在其他年度應課稅或可減免之收入或開支，並且不包括收益表內不應課稅或減免之項目。

遞延稅項就財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須支付或可收回之稅項，並以資產負債表負債法計算。遞延稅項負債通常會就所有應課稅的暫時差額確認，而遞延稅項資產乃按可能出現可減免之暫時時差之應課稅溢利時提撥。若於一項交易中，因商譽(或負商譽)或因業務合併以外原因開始確認其他資產及負債而引致不影響應課稅溢利及會計溢利之暫時時差，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差異而確認，惟若本集團能控制暫時差異之逆轉及暫時差異於可見將來不會逆轉之情況則除外。

遞延稅項資產之賬面值於每個結算日作審閱，並在沒可能有足夠應課稅溢利收回全部或部分資產價值時作調減。

遞延稅項乃按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項於收益表中扣除或計入。惟倘遞延稅項直接在股本權益中扣除或計入之情況(在此情況下遞延稅項亦會於股本權益中處理)除外。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Operating leases**

The rentals under operating leases are charged to the income statement on a straight line basis over the term of the relevant leases.

Foreign currencies

Transactions in foreign currencies are translated at the approximate rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, except funds advanced to subsidiaries which are regarded as permanent equity funding, are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement. Funds advanced to subsidiaries which, although not designated as capital, are regarded as permanent equity funding, are stated at historical rates.

On consolidation, the assets and liabilities of subsidiaries outside Hong Kong are translated at the exchange rates at the balance sheet date and the results of subsidiaries outside Hong Kong are translated at the average exchange rate for the year. All exchange differences arising on consolidation are dealt with in the exchange reserve.

Employee Share Incentive Scheme

The costs on the Employee Share Incentive Scheme are recognised as an expense in the period in which the relevant employees' services are rendered and are calculated with reference to the nominal value of shares expected to be issued under the scheme.

Retirement benefit schemes

The retirement benefit costs charged to the income statement represent the contribution payable in respect of the current year to the Group's defined contribution retirement schemes, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme.

4 TURNOVER

Turnover represents the amounts received and receivable for goods sold to customers during the year, less returns and allowance.

主要會計政策(續)**經營租約**

租約內之租金乃以直線法按其租約計入收益報表內。

外幣兌換

外幣交易均按交易當日之大概匯率折算。以外幣結算之資產及負債乃按資產負債表結算日之匯率換算，惟墊付予附屬公司作為永久權益資金之款項則除外。因兌換而產生之盈虧均撥入收益報表處理。墊付予附屬公司之款項雖然並非指定為資本，但仍被視為永久權益資金而按過往歷史匯率折算列賬。

在綜合結算時，香港以外附屬公司之資產及負債按資產負債表結算日期之匯率折算，而香港以外附屬公司之業績則按年內之平均匯率折算。因綜合結算而產生之所有兌換差額均撥入兌換儲備處理。

僱員股份獎勵制度

僱員股份獎勵制度之費用均於相關僱員提供服務期內確認為支出，並根據該制度按預期發行股份之賬面值計算。

退休福利計劃

自收益表中扣除之退休福利成本指本集團於本年度就既定供款退休計劃，國家管理退休福利計劃及強制性公積金計劃應付之供款。

營業額

營業額為是年度出售貨品予客戶之已收或應收款項減去退貨及折扣。

5 BUSINESS AND GEOGRAPHICAL SEGMENTS

(A) Business segments

For management purposes, the Group is currently organised into two operating divisions — equipment and leadframe. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Equipment — manufacture and marketing of semiconductor machines and tools

Leadframe — manufacture and marketing of semiconductor materials

(i) Segment information about these businesses for the year ended 31 December 2003 is presented below:

Income statement

		HK\$'000 港幣千元
Revenue	收益	
Equipment	設備	2,165,189
Leadframe	引線框架	439,634
		2,604,823
Result	業績	
Equipment	設備	579,573
Leadframe (Note)	引線框架(附註)	3,685
		583,258
Unallocated corporate income	未分配之公司收入	3,934
Profit from operations	經營溢利	587,192
Finance costs	財務費用	(64)
Profit before taxation	除稅前溢利	587,128
Taxation	稅項	(51,255)
Net profit for the year	本年度淨溢利	535,873

Note: The amount has been arrived at after deduction of factory relocation costs of HK\$5.8 million (see note 7).

備註：已扣除廠房遷移開支港幣五百八十萬元(見附註7)。

Balance sheet

資產負債表

		Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Assets	資產			
Segment assets	分部資產	1,623,479	313,411	1,936,890
Unallocated corporate assets	未分配之公司資產			544,985
Consolidated total assets	綜合資產總額			2,481,875
Liabilities	負債			
Segment liabilities	分部負債	405,581	73,568	479,149
Unallocated corporate liabilities	未分配之公司負債			87,224
Consolidated total liabilities	綜合負債總額			566,373

5 BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

業務及地域分部(續)

(A) Business segments (continued)

(甲) 業務分部(續)

Other information

其他資料

		Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Capital additions	資產增額	77,058	83,455	160,513
Depreciation	折舊	113,949	39,516	153,465
Factory relocation costs	廠房遷移開支	—	5,835	5,835
Loss on disposal of property, plant and equipment	出售/處理物業、廠房及 設備之虧損	7,768	17,691	25,459

(ii) Segment information about these businesses for the year ended 31 December 2002 is presented below:

(二) 截至二零零二年十二月三十一日止年度有關之業務分部資料呈列如下：

Income statement

收益報表

		HK\$'000 港幣千元
Revenue	收益	
Equipment	設備	1,459,107
Leadframe	引線框架	386,909
		1,846,016
Result	業績	
Equipment	設備	278,018
Leadframe (Note)	引線框架(備註)	17,811
		295,829
Unallocated corporate income	未分配之公司收入	6,520
Profit from operations	經營溢利	302,349
Finance costs	財務費用	(168)
Profit before taxation	除稅前溢利	302,181
Taxation	稅項	(17,477)
Net profit for the year	本年度淨溢利	284,704

Note: The amount has been arrived at after deduction of factory relocation costs of HK\$20 million (see note 7).

備註：已扣除廠房遷移開支港幣二千萬元(見附註7)。

Balance sheet

資產負債表

		Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Assets	資產			
Segment assets	分部資產	1,391,892	246,502	1,638,394
Unallocated corporate assets	未分配之公司資產			484,886
Consolidated total assets	綜合資產總額			2,123,280
Liabilities	負債			
Segment liabilities	分部負債	241,803	73,115	314,918
Unallocated corporate liabilities	未分配之公司負債			52,290
Consolidated total liabilities	綜合負債總額			367,208

5 BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

業務及地域分部(續)

(A) Business segments (continued)

Other information

Capital additions
Depreciation
Factory relocation costs
Loss (gain) on disposal of property,
plant and equipment

(B) Geographical segments

The Group's operations are principally carried out in the People's Republic of China (the "PRC"), including Hong Kong and Mainland China, Singapore and Malaysia.

(i) An analysis of the Group's turnover and profit from operations by location of operations is as follows:

(甲) 業務分部(續)

其他資料

資產增額
折舊
廠房遷移開支
出售/處理物業、廠房及
設備之虧損(收益)

(乙) 地域分部

本集團之業務主要在中華人民共和國(「中國」)，包括香港及中國大陸，新加坡及馬來西亞。

(一) 本集團之營業額及經營溢利按營運地區分析如下：

		Equipment 設備 HK\$'000 港幣千元		Leadframe 引線框架 HK\$'000 港幣千元		Consolidated 綜合 HK\$'000 港幣千元	
Capital additions	資產增額	38,752		62,030		100,782	
Depreciation	折舊	121,748		34,631		156,379	
Factory relocation costs	廠房遷移開支	—		20,000		20,000	
Loss (gain) on disposal of property, plant and equipment	出售/處理物業、廠房及 設備之虧損(收益)	237		(104)		133	

Location of operation 營運地區		Turnover 營業額		Profit from operations 經營溢利	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
The PRC	中國	1,239,808	1,170,263	230,998	222,803
Singapore and Malaysia	新加坡及馬來西亞	1,365,015	675,753	352,260	73,026
		2,604,823	1,846,016	583,258	295,829
Unallocated corporate income	未分配之公司收入			3,934	6,520
Profit from operations	經營溢利			587,192	302,349

5 BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

業務及地域分部 (續)

(B) Geographical segments (continued)

(乙) 地域分部 (續)

(ii) A geographical breakdown of the Group's turnover by geographical market is as follows:

(二) 本集團之營業額按市場地域分部細列如下：

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Location of market	市場地區		
Taiwan	台灣	516,805	433,557
Mainland China	中國大陸	415,053	274,826
Korea	韓國	346,325	168,100
Malaysia	馬來西亞	293,096	228,090
Singapore	新加坡	222,378	138,085
Philippines	菲律賓	213,680	98,951
Thailand	泰國	175,931	108,530
Hong Kong	香港	175,238	134,316
United States of America	美國	76,557	115,476
Japan	日本	71,148	68,799
Europe	歐洲	53,228	42,167
Others	其他	45,384	35,119
		2,604,823	1,846,016

Contribution to profit by geographical market has not been presented as the contribution to profit from each market is substantially in line with the overall Group ratio of profit to turnover.

地域分區市場對溢利貢獻未有呈報，因每一地域分區之溢利貢獻與集團之溢利營業額比率大致相符。

(iii) The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

(三) 以下為按有關資產所處地域分析之分部資產賬面值及物業、廠房及設備之增額：

		Carrying amount of segment assets 分部資產賬面金額		Additions to property, plant and equipment 物業、廠房及設備增額	
		31.12.2003 二零零三年 十二月三十一日 HK\$'000 港幣千元	31.12.2002 二零零二年 十二月三十一日 HK\$'000 港幣千元	Year ended 31.12.2003 二零零三年 止之年度 HK\$'000 港幣千元	Year ended 31.12.2002 二零零二年 止之年度 HK\$'000 港幣千元
The PRC	中國	1,818,710	1,564,526	134,704	77,294
Singapore and Malaysia	新加坡及馬來西亞	660,812	557,085	25,809	23,488
		2,479,522	2,121,611	160,513	100,782

財務報表附註(續)

6 RESEARCH AND DEVELOPMENT EXPENSES, NET

The Group received research and development grants from government sources. The amount of grants received which has been offset against the research and development expenses during the year amounted to HK\$1,214,000 (2002: HK\$1,389,000).

Included in research and development expenses is depreciation on property, plant and equipment of HK\$6,057,000 (2002: HK\$6,246,000) and rental of land and buildings under operating leases of HK\$2,117,000 (2002: HK\$1,480,000).

研究及發展淨支出

集團獲政府給予研究及發展津貼。於年內收到並已在研究及發展開支賬內沖銷之金額共達港幣1,214,000元(二零零二年：港幣1,389,000元)。

研究及發展支出包括物業、廠房及設備之折舊為港幣6,057,000元(二零零二年：港幣6,246,000元)，及以營業租約租用的土地及樓宇租金為港幣2,117,000元(二零零二年：港幣1,480,000元)。

7 FACTORY RELOCATION COSTS

廠房遷移開支

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
<i>The amounts comprise:</i>	<i>費用包括：</i>		
Factory relocation and closure costs	廠房搬遷及關閉費用	5,835	512
Provision for termination of employees	預提員工離職費	—	15,000
Impairment loss on property, plant and equipment	物業、廠房及設備之減值	—	4,488
		5,835	20,000

The amounts represent costs for relocation of a Group's factory in Hong Kong to Mainland China.

此費用為集團其中一個廠房由香港遷往中國大陸之開支。

8 PROFIT FROM OPERATIONS

經營溢利

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
<i>Profit from operations has been arrived at after charging:</i>	<i>經營溢利已扣除：</i>		
Auditors' remuneration	核數師酬金	2,804	2,417
Depreciation	折舊	153,465	156,379
Loss on disposal of property, plant and equipment	出售/處理物業、廠房及設備之虧損	25,459	133
Minimum lease payments for land and buildings under operating leases	土地及樓宇之營業租約之最低租金	35,768	33,791
Staff costs, including directors' remuneration	僱員費用，包括董事酬金	556,957	537,026
<i>and after crediting:</i>	<i>並已計入：</i>		
Interest income	利息收入	3,934	6,520

9 DIRECTORS' EMOLUMENTS

董事酬金

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Fees to independent non-executive Directors	非執行董事袍金	600	300
<i>Other emoluments to executive Directors:</i>	<i>執行董事其他酬金：</i>		
– Salaries and other benefits	– 薪金及其他利益	4,943	4,743
– Performance related incentive payments	– 有關表現之獎金	4,423	2,334
– Pension contribution	– 退休金供款	831	829
Directors' remuneration	董事酬金	10,797	8,206

In additions to the above, 205,000 (2002: 205,000) shares of the Company were issued to certain executive Directors during the year under the Employee Share Incentive Scheme. The market value of these shares at the date of issue amounted to HK\$6,437,000 (2002: HK\$3,331,000).

The emoluments of the Directors, excluding the share incentive benefits, were within the following bands:

除上述外，本公司於本年度根據僱員股份獎勵計劃向若干執行董事發行205,000股(二零零二年：205,000股)本公司股份。該等股份於發行日之市值為港幣6,437,000元(二零零二年：港幣3,331,000元)。

董事之酬金幅度如下(不包括股份獎勵計劃之得益)：

		Number of directors 董事人數	2003 二零零三年	2002 二零零二年
HK\$nil to HK\$1,000,000	無 — 港幣 1,000,000元	3	3	
HK\$1,500,001 to HK\$2,000,000	港幣 1,500,001元 — 港幣 2,000,000元	1	1	
HK\$6,000,001 to HK\$6,500,000	港幣 6,000,001元 — 港幣 6,500,000元	—	1	
HK\$8,000,001 to HK\$8,500,000	港幣 8,000,001元 — 港幣 8,500,000元	1	—	

財務報表附註(續)

10 EMPLOYEES' EMOLUMENTS

The five highest paid individuals included two (2002: two) Directors, details of whose remuneration are set out in note 9. The emoluments of the remaining three (2002: three) individuals were as follows:

僱員薪酬

五位最高薪酬之人士包括兩位董事(二零零二年：兩位)，有關其酬金之詳情載於財務報表附註第9項。餘下三位人士(二零零二年：三位)之酬金如下：

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他利益	4,381	3,971
Performance related incentive payments	有關表現之獎金	2,704	1,918
Pension contribution	退休金供款	399	496

In addition to the above, 170,000 (2002: 170,000) shares of the Company were issued to the relevant highest-paid employees during the year under the Employee Share Incentive Scheme. The market value of these shares at the date of issue amounted to HK\$5,338,000 (2002: HK\$2,763,000).

除上述外，本公司於本年度根據僱員股份獎勵計劃向有關最高薪酬之人士發行170,000股(二零零二年：170,000股)本公司股份。該等股份於發行日之市值為港幣5,338,000元(二零零二年：港幣2,763,000元)。

Their emoluments, excluding the share incentive benefits, were within the following bands:

有關僱員薪酬幅度如下(不包括上述股份獎勵計劃之得益)：

		Number of employees 僱員人數	
		2003 二零零三年	2002 二零零二年
HK\$1,500,001 to HK\$2,000,000	港幣 1,500,001元 — 港幣 2,000,000元	1	1
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001元 — 港幣 2,500,000元	—	2
HK\$2,500,001 to HK\$3,000,000	港幣 2,500,001元 — 港幣 3,000,000元	2	—

11 RETIREMENT BENEFITS SCHEME CONTRIBUTIONS

The Group has retirement plans covering a substantial portion of its employees. The principal plans are defined contribution plans. The plans for employees in Hong Kong are registered under the Occupational Retirement Schemes Ordinance (“ORSO Scheme”) and a Mandatory Provident Fund Scheme (“MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group in funds under the control of trustees, and in the case of Singapore by the Central Provident Fund Board of Singapore.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 12.5% of the employee's basic salary, depending on the length of services with the Group.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employees.

The employees of the Group in the Mainland China and Singapore are members of state-managed retirement benefit schemes operated by the relevant governments. The Group is required to contribute certain percentage of payroll costs to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

The amount charged to the income statement which amounted to HK\$35,611,000 (2002: HK\$32,441,000) represents contributions payable to the plans by the Group at rates specified in the rules of the plans less forfeitures of HK\$849,000 (2002: HK\$545,000) arising from employees leaving the Group prior to completion of qualifying service period.

At the balance sheet date, forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years amounted to HK\$375,000 (2002: nil).

退休福利計劃供款

本集團設有一項適用於其大部份僱員之退休計劃，其中之主要計劃為界定之供款計劃。香港員工之退休計劃包括一個在職業退休計劃條例下註冊的退休計劃及一個於二零零零年十二月在強制性公積金計劃條例下成立的強制公積金計劃。該計劃之資產與本集團之資產分開持有，並由信託人以基金託管，而在新加坡之供款則由新加坡中央公積金局監管。

職業退休計劃之資金來自僱員及本集團雙方之每月供款，比率由僱員底薪之5%至12.5%不等，視乎在本集團之服務年資而定。

至於強積金計劃之成員，本集團向強積金計劃所作之供款為有關工資成本之5%，而僱員之供款比率亦相同。

本集團在中國大陸及新加坡之僱員均為有關政府設立之國家管理退休福利計劃之成員，本集團須向有關計劃供款，作為退休福利所需資金，供款比率為工資成本之若干百分比。本集團對該等計劃僅有之責任只是作出指定之供款。

在收益報表扣除之款項港幣35,611,000元（二零零二年：港幣32,441,000元），乃指本集團按該等計劃指定之比率而支付之供款，減除僱員於完成合資格服務年期前離開本集團而沒收之款項港幣849,000元（二零零二年：港幣545,000元）。

於資產負債表結算日，因僱員退出退休金計劃而產生可供未來年度減少須支付供款之沒收款項為港幣375,000元（二零零二年：零）。

財務報表附註(續)

12 FINANCE COSTS

The amount represents interest on bank borrowings wholly repayable within five years.

財務費用

須於五年內全部償還的銀行貸款利息款項。

13 TAXATION

稅項

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Current tax	本期稅項		
Hong Kong	香港	46,511	23,734
Other jurisdictions	其他司法權區	5,322	1,961
		51,833	25,695
Under(over)provision in prior years	往年度備撥不足(過多)		
Hong Kong	香港	143	(1,548)
Other jurisdictions	其他司法權區	940	—
		1,083	(1,548)
Deferred tax (note 24)	遞延稅項(附註24)		
Current year	本期	(2,617)	(6,670)
Attributable to changes in tax rates	因稅率變更之影響	956	—
		(1,661)	(6,670)
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司之稅項	51,255	17,477

Hong Kong Profits Tax has been calculated at 17.5% (2002: 16%) of the estimated assessable profit for the year.

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

The Group's profit arising from the manufacture of semiconductor equipment and materials in Singapore is non-taxable under a tax incentive covering certain new products under the Manufacturing Headquarters ("MH") status granted by the Singapore tax authority. The tax exemption applies to profits arising for a period of 10 years from 1 January 2001, subject to the fulfilment of certain criteria during the period.

香港利得稅是按本年度估計應課稅溢利以稅率17.5% (二零零二年：16%) 計算。

其他司法權區之稅項乃根據有關司法權區之現行稅率計算。

集團新加坡分部獲當地政府頒發「生產總部」榮譽，根據新加坡稅務當局授與之稅務獎勵計劃，本集團在新加坡生產之若干半導體設備及物料新產品所產生之溢利毋須課稅。自二零零一年一月一日起十年內，在新加坡分部履行若干條件下，該等優惠將為有效。

13 TAXATION (CONTINUED)

The charge for year can be reconciled to the profit before taxation per income statement as follows:

稅項(續)

收益表中除稅前溢利與是年度之稅項支出對照如下:

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	587,128	302,181
Tax at the domestic income tax rate of 17.5% (2002: 16%)	以本地所得稅率17.5% (二零零二年: 16%) 計算之稅項	102,747	48,349
Tax effect of expenses that are not deductible in determining taxable profit	評定應課稅溢利時不可扣減的開支對稅項之影響	1,518	1,002
Tax effect of income that is not taxable in determining taxable profit	評定應課稅溢利時無須繳稅的收入對稅務之影響	(2,455)	(4,256)
Tax effect of tax losses not recognised	未予以確認稅項虧損對稅務之影響	6,733	3,860
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司稅率差異之稅務影響	(7,042)	(14,408)
Effect of tax exemption under the MH status	「生產總部」地位而獲稅項豁免之影響	(53,368)	(14,917)
Increase in opening deferred tax liability resulting from changes in tax rates	因稅率變化引致年初遞延稅項負債增加	956	—
Under(over)provision in prior years	往年度備撥不足(過多)	1,083	(1,548)
Others	其他	1,083	(605)
Taxation for the year	本年度稅項	51,255	17,477

14 DIVIDENDS

股息

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Interim dividend paid of HK\$0.36 (2002: HK\$0.36) per share on 383,331,500 (2002: 381,567,500) shares	中期股息每股港幣0.36元(二零零二年: 港幣0.36元)派發予383,331,500股(二零零二年: 381,567,500股)	137,999	137,364
Proposed final dividend of HK\$0.84 (2002: HK\$0.64) per share on 385,018,000 (2002: 383,331,500) shares	建議末期股息每股港幣0.84元(二零零二年: 港幣0.64元)派發予385,018,000股(二零零二年: 383,331,500股)	323,415	245,332
		461,414	382,696

The final dividend of HK\$0.84 (2002: HK\$0.64) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

董事會建議派付末期股息每股港幣0.84元(二零零二年: 港幣0.64元), 須待股東週年大會上獲通過後, 方可分派。

15 EARNINGS PER SHARE

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

每股溢利

每股基本及攤薄溢利乃根據下列數據計算：

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Earnings for the purpose of basic and diluted earnings per share	計算每股基本及攤薄溢利之股東應佔溢利	535,873	284,704
			Number of shares (in thousand) 股份之數量 (千位計)
Weighted average number of shares for the purpose of basic earnings per share	計算每股基本溢利之加權平均股數	383,410	381,650
Effect of dilutive potential shares from the Employee Share Incentive Scheme	來自僱員股份獎勵制度之潛在攤薄影響	1,479	1,528
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄溢利之加權平均股數	384,889	383,178

16 PROPERTY, PLANT AND EQUIPMENT

物業、廠房及設備

		Leasehold land and buildings 租約土地 及樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租約物業 裝修 HK\$'000 港幣千元	Plant and machinery 機器 設備 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Group	集團					
Cost	成本值					
At 1 January 2003	於二零零三年一月一日	222,759	167,701	1,305,333	68,827	1,764,620
Currency realignment	貨幣調整	15,747	24	8,283	330	24,384
Additions	增額	418	50,551	101,541	8,003	160,513
Disposals	出售/處理	—	(30,210)	(150,072)	(3,178)	(183,460)
At 31 December 2003	於二零零三年十二月三十一日	238,924	188,066	1,265,085	73,982	1,766,057
Depreciation and impairment	折舊及減值					
At 1 January 2003	於二零零三年一月一日	109,248	138,032	754,765	53,472	1,055,517
Currency realignment	貨幣調整	9,520	14	8,150	265	17,949
Provided for the year	是年度撥備	10,266	15,700	119,369	8,130	153,465
Eliminated on disposals	出售/處理時撇除	—	(30,206)	(124,505)	(2,815)	(157,526)
At 31 December 2003	於二零零三年十二月三十一日	129,034	123,540	757,779	59,052	1,069,405
Net book values	賬面淨值					
At 31 December 2003	於二零零三年十二月三十一日	109,890	64,526	507,306	14,930	696,652
At 31 December 2002	於二零零二年十二月三十一日	113,511	29,669	550,568	15,355	709,103

**16 PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)**

The carrying value of leasehold land and building shown above comprises:

物業、廠房及設備(續)

上述租約土地及樓宇之賬面值：

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
<i>Land and buildings outside Hong Kong:</i>	於香港以外之土地及樓宇：		
— Long leases	— 長期租約	10,595	10,601
— Medium-term leases (Note)	— 中期租約(附註)	99,295	102,910
		109,890	113,511

Note: The amount includes an amount of HK\$96,813,000 (2002: HK\$100,359,000) relating to a building situated in Singapore on a piece of land leased from the Singapore Housing & Development Board on the payment of a yearly rental. The lease has a term of 30 years from 1 May 1990 and is renewable upon expiry for a further term of 30 years.

附註：包括一幢位於新加坡之樓宇價值港幣96,813,000元(二零零二年：港幣100,359,000元)，其座落之土地由新加坡房屋及發展委員會批租，需按年繳付租金，租約期由一九九零年五月一日起，為期三十年，並可續約三十年。

17 INTEREST IN SUBSIDIARIES

附屬公司之權益

		The Company 公司	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
<i>Unlisted shares:</i>	非上市股份：		
At Directors' valuation	按董事估值	83,155	83,155
At cost	按成本值	63,441	63,441
		146,596	146,596
Loans to subsidiaries	貸款予附屬公司	248,586	248,769
		395,182	395,365

Shares in the subsidiaries acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in 1988 are stated at Directors' valuation. Other investments in subsidiaries are stated at cost.

The Directors' valuation of the investments in subsidiaries is based on the underlying net tangible asset values of the subsidiaries attributable to the Group as at the date of acquisition, and after netting off the receipt by the Company of dividends from the pre-reorganisation profit of the subsidiaries acquired.

Loans to subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the Directors, repayment of the amounts will not be demanded by the Company within the twelve months from the balance sheet date. Accordingly, the amounts are shown as non-current assets in the balance sheet.

根據為籌備本公司股份於一九八八年在香港聯合交易所有限公司上市而進行之集團重組所購入之附屬公司按董事估值列賬。於附屬公司之其他投資按成本列賬。

董事對附屬公司投資之估值乃根據於收購附屬公司當日日本集團所佔該等附屬公司之有形資產淨值及已扣除本公司從附屬公司之集團重組前溢利所收取之股息。

借予附屬公司之貸款為無抵押、免息及無固定還款期。董事會認為，本公司將不會於自結算日起計十二個月內要求附屬公司還款，因此，該筆金額於資產負債表內列作非流動資產。

財務報表附註(續)

17 INTEREST IN SUBSIDIARIES (CONTINUED)

Details of the principal subsidiaries at
31 December 2003 are as follows:

附屬公司之權益(續)

於二零零三年十二月三十一日
之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊/成立之地方	Nominal value of issued share capital 已發行股本之賬面值		Proportion of nominal value of issued ordinary share/registered capital held by the Company 本公司所持 已發行普通股份/ 註冊股本賬面值之比例		Principal activities 主要業務
		Fixed-rate participating shares 分享固定利息股份	Ordinary shares/ registered capital 普通股份/註冊股本	Directly 直接	Indirectly 間接	
ASM Asia Limited 先進半導體器材有限公司	Hong Kong 香港	HK\$27,000 港幣27,000元	HK\$1,000 港幣1,000元	100%	—	Providing purchasing services to group companies 提供採購服務予集團內公司
ASM Assembly Automation Limited 先進自動器材有限公司	Hong Kong 香港	HK\$100,000 港幣100,000元	HK\$1,000 港幣1,000元	100%	—	Manufacture and sale of semiconductor equipment 製造及出售半導體器材
ASM Assembly Equipment Bangkok Limited	Thailand 泰國	—	Baht7,000,000 泰銖7,000,000	—	100%	Agency and marketing service 代理及市場推廣
ASM Assembly Equipment (M) Sdn. Bhd.	Malaysia 馬來西亞	—	MYR10,000 10,000馬來西亞元	—	100%	Agency and marketing service 代理及市場推廣
ASM Semi-conductor Materials (Shenzhen) Co., Ltd. 先進半導體材料 (深圳)有限公司	PRC 中國	—	US\$11,000,000 11,000,000美元	—	100%	Manufacture of semiconductor materials 製造半導體物料
ASM Assembly Equipment Trading (Shanghai) Co., Limited 先進自動器材國際貿易 (上海)有限公司	PRC 中國	—	US\$200,000 200,000美元	—	100%	Trading in semiconductor equipment 買賣半導體器材
ASM Assembly Materials Limited 先進半導體物料科技 有限公司	Hong Kong 香港	HK\$2,000,000 港幣2,000,000元	HK\$10,000 港幣10,000元	100%	—	Trading and manufacture of semiconductor materials 買賣及製造半導體物料
ASM Assembly Products B.V.	Netherlands 荷蘭	—	DFL 40,000 荷蘭盾40,000	100%	—	Trading in semiconductor equipment 買賣半導體器材
ASM Assembly Technology Co., Limited	Japan 日本	—	YEN10,000,000 10,000,000日元	100%	—	Trading in semiconductor equipment 買賣半導體器材
ASM Pacific (Bermuda) Limited	Bermuda 百慕達	—	US\$120,000 120,000美元	—	100%	Insurance services to group companies 集團內公司之保險服務
ASM Pacific International Marketing Limited	Cayman Islands 開曼群島	—	HK\$100 港幣100元	100%	—	Investment holding 投資控股
ASM Pacific Investments Limited 先進太平洋投資有限公司	Hong Kong 香港	—	HK\$2 港幣2元	100%	—	Investment holding, agency and marketing services 投資控股、代理及市場推廣
ASM Pacific KOR Limited	Hong Kong 香港	—	HK\$500,000 港幣500,000元	100%	—	Marketing services in Korea 在韓國作市場推廣
ASM Technology Singapore Pte Limited	Singapore 新加坡	—	S\$10,000,000 10,000,000新加坡元	100%	—	Manufacture and sale of semiconductor equipment and materials 製造及出售半導體器材 及物料
ASM Technology (M) Sdn. Bhd.	Malaysia 馬來西亞	—	MYR7,000,000 7,000,000馬來西亞元	100%	—	Manufacture of semiconductor equipment and materials 製造半導體器材及物料

17 INTEREST IN SUBSIDIARIES (CONTINUED)

Details of the principal subsidiaries at
31 December 2003 are as follows:

附屬公司之權益(續)

於二零零三年十二月三十一日
之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊/成立之地方	Nominal value of issued share capital 已發行股本之賬面值		Proportion of nominal value of issued ordinary share/registered capital held by the Company 本公司所持 已發行普通股份/ 註冊股本賬面值之比例		Principal activities 主要業務
		Fixed-rate participating shares 分享固定利息股份	Ordinary shares/ registered capital 普通股份/註冊股本	Directly 直接	Indirectly 間接	
Capital Equipment Distribution Limited	Guernsey, Channel Islands 海峽群島根西島	—	HK\$1,000 港幣1,000元	—	100%	Investment holding and provision of manufacturing and marketing infrastructure in Mainland China and Asia 投資控股及在中國大陸及 亞洲提供製造及市場推廣基礎
Shenzhen ASM Micro Electronic Technology Co., Limited 深圳先進微電子科技 有限公司	PRC 中國	—	(Note 1) (附註 1)	—	(Note 1) (附註 1)	Manufacture of parts of semiconductor equipment and materials 製造半導體器材配件及物料
Shenzhen ASM Precision Machinery Manufactory Limited 深圳先進精密機械製造 有限公司	PRC 中國	—	(Note 2) (附註 2)	—	(Note 2) (附註 2)	Manufacture of parts of semiconductor equipment 製造半導體器材配件

Note 1: Under a joint venture agreement, the Group has committed to contribute 100% of the registered capital of HK\$292,300,000 in Shenzhen ASM Micro Electronic Technology Co., Limited ("MET"), a co-operative joint venture company established in the PRC with a term of 10 years commencing October 1994. At 31 December 2003, the Group has paid up approximately HK\$223,043,000 as registered capital of MET. The Group is to bear the entire risk and liabilities of MET and, other than a fixed annual amount attributable to assets contributed by the PRC joint venture partner, is entitled to the entire profit or loss of MET. On cessation of the joint venture company, the Group will be entitled to all assets other than those contributed by the PRC joint venture partner and those irremovable building improvements.

附註1：依照合資經營合約，本集團注資於中國註冊成立之合作經營公司深圳先進微電子科技有限公司（「微電子科技」）合作期由一九九四年十月起，為期十年，佔該公司註冊股本港幣292,300,000元之100%。在二零零三年十二月三十一日，本集團已支付約港幣223,043,000元作為微電子科技的註冊資本。然而，根據合資經營合約，除中國合資經營股東就其所投資資產應佔之每年定額款項外，本集團將負擔微電子科技全部風險及負債，並可享有或承擔微電子科技之全部溢利或虧損。合資經營公司於停業後，除中國合資經營股東所投資之資產及不可移動之建築物裝修外，本集團可享有微電子科技之所有其他資產。

17 INTEREST IN SUBSIDIARIES (CONTINUED)

Note 2: Under a joint venture agreement, the Group has contributed 95% of the registered capital of HK\$125,000,000 in Shenzhen ASM Precision Machinery Manufactory Limited, a co-operative joint venture company in the PRC with a term of 10 years commencing October 1990. On 28 June 2000, the term was approved to extend for further five years to October 2005. Under the joint venture agreement, the Group will be entitled to 100% of the joint venture company's profit after deducting a fixed annual amount attributable to assets contributed by the PRC joint venture partner. On cessation of the joint venture company, the Group will be entitled to all assets other than those contributed by the PRC joint venture partner and those irremovable building improvements.

All the principal subsidiaries operate predominantly in their respective place of incorporation/establishment unless specified otherwise under the heading "principal activities".

The fixed-rate participating shares of the subsidiaries are held by ASM International. These shares carry no voting rights, no rights to participate in a distribution of profits, and very limited rights on a return of capital.

No loan capital has been issued by any of the subsidiaries at any time during the year or is outstanding at the end of the year.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

附屬公司之權益(續)

附註2：依照合資經營合約，本集團注資於中國註冊成立之合作經營公司深圳先進精密機械製造有限公司(合作期由一九九零年十月起，為期十年，於二零零零年六月二十八日，獲當局批准延長五年至二零零五年十月)，佔該公司註冊股本港幣125,000,000元之95%。然而，根據合資經營合約，本集團將享有合資經營公司之全部溢利，惟須扣除中國合資經營股東就其所投資資產應佔之每年定額款項。合資經營公司於停業後，除中國合資經營股東所投資之資產及不可移動之建築物裝修外，本集團可享有該公司之所有其他資產。

除在「主要業務」項內另有說明外，所有主要附屬公司均於其個別之註冊/成立之地方經營其主要業務。

附屬公司之分享固定利息股份均由ASM International所持有，該等股份不享有投票之權利，亦無權享有分派之溢利，並在股本退還時只享有非常有限之權利。

各附屬公司在是年度概無發行貸款股本，或在年結時無未償還之貸款股本。

董事會認為上表列出本集團之附屬公司，對本集團之業績或資產有重要影響。董事會認為載列其他附屬公司之詳情會使篇幅過於冗長。

18 INVENTORIES

存貨

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Raw materials	原料	148,293	127,332
Processed materials	經加工原料	109,860	142,512
Work in progress	在製品	188,888	143,123
Finished goods	製成品	82,501	92,836
		529,542	505,803

At 31 December 2003, inventories amounting to HK\$27,003,000 (2002: HK\$20,959,000) were stated at their net realisable value.

於二零零三年十二月三十一日存貨按可變現淨值列賬共港幣27,003,000元(二零零二年：港幣20,959,000元)。

19 TRADE AND OTHER RECEIVABLES

貿易及其他應收賬款

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Trade receivables	貿易應收賬款	682,650	404,356
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	52,558	32,456
Amounts due from ASM International group companies — trade (Note)	ASM International集團公司所欠款項 — 貿易(附註)	5,042	4,324
		740,250	441,136
<i>An aging analysis of trade receivables is as follows:</i>			
Not yet due	尚未到期	541,220	256,720
Overdue within 30 days	逾期30天	113,766	105,590
Overdue within 31 to 60 days	逾期31至60天	27,664	18,281
Overdue within 61 to 90 days	逾期61至90天	—	15,260
Overdue over 90 days	逾期超過90天	—	8,505
		682,650	404,356

Credit policy:

Payment terms with customers are mainly on credit together with deposits. 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. Each customer has a maximum credit limit.

Note:

Amounts due from ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.

信貸政策：

客戶付款方法主要是信貸加訂金。發票通常在發出後三十至六十天內到期付款，惟若干信譽良好的客戶則除外，其付款期會延長至三至四月。每一客戶均訂有最高信貸限額。

附註：

ASM International 集團公司所欠款項均為無抵押，無利息及根據一般貿易條款規定償還。

20 TRADE AND OTHER PAYABLES

貿易及其他應付賬款

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Trade payables	貿易應付賬款	334,161	141,486
Other payables and accrued charges	其他應付賬款及應計費用	152,041	174,211
Amounts due to ASM International group companies — trade (Note)	欠ASM International 集團公司款項 — 貿易(附註)	432	100
		486,634	315,797
<i>An aging analysis of trade payables is as follows:</i>	<i>貿易應付賬款賬齡分析如下：</i>		
Not yet due	尚未到期	194,627	75,136
Overdue within 30 days	逾期30天	97,049	43,362
Overdue within 31 to 60 days	逾期31至60天	37,518	15,473
Overdue within 61 to 90 days	逾期61至90天	4,406	3,514
Overdue over 90 days	逾期超過90天	561	4,001
		334,161	141,486
Note: Amounts due to ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.		附註： 欠ASM International集團公司款項均為無抵押、無利息及根據一般貿易條款規定償還。	

21 SHARE CAPITAL

股本

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
<i>Issued and fully paid:</i>	已發行及繳足股本：		
Shares of HK\$0.10 each	每股面值港幣0.10元股份		
– At 1 January	– 於一月一日	38,333	38,157
– Shares issued under the Employee Share Incentive Scheme	– 根據僱員股份獎勵制度發行之股份	169	176
– At 31 December	– 於十二月三十一日	38,502	38,333
The authorised share capital of the Company is HK\$50 million, comprising 500 million shares of HK\$0.10 each.		本公司之法定股本為港幣五千萬，分為五億股，每股面值港幣0.10元。	
During the year, 1,686,500 shares were issued, for cash at par, to eligible employees and members of management under the Employee Share Incentive Scheme.		於年內，本公司根據僱員股份獎勵制度，向合資格之僱員及管理階層成員按面值以現金發行1,686,500股。	
On 24 February 2004, the Group resolved to contribute HK\$180,000 to the Employee Share Incentive Scheme enabling the trustees of the scheme to subscribe for a total of 1,800,000 shares at par in the Company upon the expiry of a defined qualification period.		於二零零四年二月二十四日，本集團議決供款港幣180,000元，使僱員股份獎勵制度之信託人於指定之合格期間屆滿時，得以按面值認購本公司股份共1,800,000股。	

22 EMPLOYEE SHARE INCENTIVE SCHEME

The Group has an Employee Share Incentive Scheme (the “Scheme”) which is for the benefit of the Group’s employees and members of management and has a life of 10 years starting from December 1989.

On 25 June 1999, at an extraordinary general meeting of the Company, the shareholders approved to extend the period of the Scheme for a further term of 10 years up to 23 March 2010 and allow up to 5% of the issued share capital of the Company from time to time, excluding any shares of the Company subscribed for or purchased pursuant to the Scheme since 23 March 1990, to be subscribed for or purchased pursuant to the Scheme during the extended period.

On 18 February 2003, the directors resolved to contribute HK\$180,000 to the Scheme, enabling the trustees of the Scheme to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2002 upon expiration of the defined qualification period. 1,686,500 of these shares entitlements were issued on 15 December 2003 and the market value of these shares at the date of issue amounted to HK\$52,956,100. The 113,500 unallotted shares were cancelled by the Company on the same day.

On 24 February 2004, the Directors resolved to contribute HK\$180,000 to the Scheme enabling the trustees to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2003 upon the expiration of a defined qualification period.

The costs on the Scheme are recognised as expenses in the period in which the relevant employees’ services are rendered and are calculated with reference to the nominal value of shares expected to be issued under the Scheme.

僱員股份獎勵制度

本集團制訂僱員股份獎勵制度，專為本集團僱員及管理階層成員之利益而設，期限為十年，於一九八九年十二月開始。於一九九九年六月二十五日舉行之公司股東特別大會上，股東批准該計劃延長十年，為期至二零一零年三月二十三日止，以及在延長期間內根據該計劃認購或購買之股份數目限額為本公司已發行股本百分之五（不包括自一九九零年三月二十三日根據該計劃認購或購買之任何股數在內）。

董事會於二零零三年二月十八日議決向該制度供款港幣180,000元，以使該制度之信託人能就本集團僱員及管理階層成員於指定合格期間屆滿時即二零零二年十二月三十一日止年度所提供之服務，為其受益認購合共1,800,000股本公司股份。於二零零三年十二月十五日已發行1,686,500股，於發行日該項股份其市場值為港幣52,956,100元。在當日公司已註銷其中未被發行的113,500股。

董事會於二零零四年二月二十四日議決向該制度供款港幣180,000元，以使該制度之信託人於指定合格期間屆滿時，能就本集團僱員及管理階層成員截至二零零三年十二月三十一日止年度所提供之服務，為其受益認購合共1,800,000股本公司股份。

僱員股份獎勵制度之費用均於相關僱員提供服務期內確認為支出，並根據該制度按預期發行股份之賬面值計算。

23 OTHER RESERVES

其他儲備

		The Company 公司	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Share premium	股份溢價		
At 1 January and 31 December	於一月一日及十二月三十一日	126,528	126,528
Special reserve	特別儲備		
At 1 January and 31 December	於一月一日及十二月三十一日	56,144	56,144
Accumulated profits	累積溢利		
At 1 January	於一月一日	668,543	644,568
Net profit for the year	本年度淨溢利	606,140	406,671
Dividends (note 14)	股息(附註14)	(461,414)	(382,696)
At 31 December	於十二月三十一日	813,269	668,543
Total other reserves	其他儲備總額	995,941	851,215

The special reserve represents the difference between the nominal amount of the share capital issued by the Company and the book value of the underlying net assets of subsidiaries acquired as a result of the Group's reorganisation in 1988 in preparation for the Company's listing on The Stock Exchange of Hong Kong Limited, after netting off the receipt by the Company of dividends from the pre-reorganisation profit.

The Company's reserves available for distribution to shareholders, calculated in accordance with generally accepted accounting principles in Hong Kong, amounted to HK\$1,136,684,000 (2002: HK\$913,875,000), as in accordance with the Company's Articles of Association, dividends can only be distributed out of profits of the Company.

本公司之特別儲備乃本公司已發行股本面值，與一九八八年本集團重組以使本公司在香港聯合交易所有限公司上市所購入各附屬公司之賬面資產淨值之差額，及經已扣除本公司從集團重組前溢利所收取之股息。

本公司之可供分派予股東儲備港幣1,136,684,000元(二零零二年：港幣913,875,000元)乃根據香港普遍採用之會計原則計算。根據本公司之公司組織章程細則所規定，只可從溢利中分派股息。

財務報表附註(續)

24. DEFERRED TAXATION

A summary of the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods is as follows:

遞延稅項

於本年及去年資產負債表中確認的主要遞延稅項負債及資產及其變動概述如下：

		Accelerated tax depreciation 加速折舊免稅額 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Group	集團				
At 1 January 2002	於二零零二年一月一日	27,265	(8,835)	(3,214)	15,216
(Credit) charge to income for the year	本年度收入之(抵免)支出	(3,914)	(2,971)	215	(6,670)
Exchange differences	貨幣調整	—	—	(11)	(11)
At 31 December 2002 and 1 January 2003	於二零零二年十二月三十一日及 二零零三年一月一日	23,351	(11,806)	(3,010)	8,535
(Credit) charge to income for the year	本年度收入之(抵免)支出	(3,232)	(118)	733	(2,617)
Exchange differences	貨幣調整	6	—	(6)	—
Effect of change in tax rate charge to income statement	因稅率變動於收益表內 之支出	2,314	(1,107)	(251)	956
At 31 December 2003	於二零零三年十二月三十一日	22,439	(13,031)	(2,534)	6,874

The following is the analysis of the deferred tax balances for balance sheet presentation purpose:

以下為遞延稅項結餘按資產負債表列賬所作之分析：

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Deferred tax liabilities	遞延稅項負債	9,227	10,204
Deferred tax assets	遞延稅項資產	(2,353)	(1,669)
		6,874	8,535

At 31 December 2003, the Group has unused tax losses of HK\$99,457,000 (2002: HK\$89,429,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$13,031,000 (2002: HK\$11,806,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$17,774,000 (2002: HK\$8,156,000) that will expire until 2008. Other losses may be carried forward indefinitely.

在二零零三年十二月三十一日，本集團有港幣99,457,000元(二零零二年：港幣89,429,000元)的可用於抵銷未來應課稅溢利的稅務虧損。當中就該虧損確認了港幣13,031,000元(二零零二年：港幣11,806,000元)的遞延稅項資產。剩餘的稅務虧損，因為未來溢利的不可預見性，所以未能確認為遞延稅項資產。另外，未確認的稅務虧損中有港幣17,774,000元(二零零二年：港幣8,156,000元)的虧損將於二零零八年到期。其他虧損可以無限定期地結轉後期。

25 CONTINGENT LIABILITIES

或然負債

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Guarantees given	提供擔保	913	1,056

The Company has given guarantees to banks in respect of general banking facilities granted to subsidiaries. These facilities were not utilised by the subsidiaries as at 31 December 2003 and 2002.

公司就附屬公司向銀行取得一般銀行融資擔保。於二零零二年及二零零三年十二月三十一日附屬公司並未動用所獲擔保。

26 CAPITAL COMMITMENTS

資本承擔

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	已簽約但未於財務報表內備撥之有關購買物業、廠房及設備之資本支出	35,805	21,145
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for	已批准但尚未簽約之有關購買物業、廠房及設備之資本支出	212,995	138,673
		248,800	159,818

The Company had no significant capital commitments at the balance sheet date.

公司在資產負債表結算日並無重大資本承擔。

27 OPERATING LEASE COMMITMENTS

At 31 December 2003, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

營業租約承擔

於二零零三年十二月三十一日，本集團根據不可撤銷營業租約就土地及樓宇之未來最低租約付款承擔為：

		The Group 集團	
		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Within one year	一年內	27,076	33,997
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	37,081	43,047
Over five years	超過五年	38,173	40,968
		102,330	118,012

Operating lease payments represent rentals payable by the Group for certain of its manufacturing plants, office properties and quarters. Except for the lease in respect of a piece of land rented from the Singapore Housing & Development Board (details of which are set out in note 16), other leases are negotiated for an average terms of two to five years.

營業租約付款為本集團就若干廠房、辦公室及宿舍之應付租金。除了一幅向新加坡房屋及發展委員會租用的土地(其詳情列於附註第16項)外，其他租約平均每兩年至五年釐定一次。

公司在資產負債表結算日並無營業租約承擔。

The Company had no operating lease commitments at the balance sheet date.

28 POST BALANCE SHEET EVENT

Subsequent to 31 December 2003, the Group acquired the entire interest of a subsidiary from ASM International at a consideration of approximately HK\$0.9 million.

結算日後事項

二零零三年十二月三十一日後，集團收購了ASM International一家附屬公司全部股權，作價約90萬港元。

29 RELATED PARTY TRANSACTIONS

During the year, the Group paid an annual management fee of HK\$1,500,000 (2002: HK\$1,500,000) to ASM International under a consultancy agreement between ASM International and the Company. Pursuant to the agreement, ASM International acts as a consultant, introduces new business and provides assistance in business development, general management support and services, international expertise and market information to the Group. The agreement, which commenced on 5 December 1988, was for an initial period of three years and is terminable thereafter by six months' notice in writing by either party.

The Group also trades with ASM International group of companies in its normal course of business and in the opinion of the Directors of the Company, the transactions were carried out at market price. Sales to ASM International group of companies during the year amounted to HK\$9,206,000 (2002: HK\$46,544,000).

關連交易

根據一項由ASM International與本公司簽訂之管理協議，集團於年內向ASM International支付管理年費港幣1,500,000元（二零零二年：港幣1,500,000元）。根據該協議，ASM International擔任顧問，為本集團介紹新業務及提供業務發展之協助、一般管理支援及服務、國際專業知識及市場資訊。該協議由一九八八年十二月五日起生效，初期為時三年，其後可由任何一方以六個月書面通知而終止。

本集團與ASM International集團旗下機構在日常商業交易中進行貿易。根據董事意見，此等交易是以市場價格進行。年內售與ASM International集團旗下機構之銷售額共達港幣9,206,000元（二零零二年：港幣46,544,000元）。

Five Year Financial Summary

五年財務摘要

For the year ended 31 December
截至十二月三十一日止年度

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	1999 一九九九年 HK\$'000 港幣千元
Results	業績					
Turnover	營業額	2,604,823	1,846,016	1,560,227	3,989,130	1,890,869
Profit before taxation	除稅前溢利	587,128	302,181	249,126	1,175,215	349,145
Taxation	稅項	(51,255)	(17,477)	(17,880)	(95,032)	(18,995)
Net profit for the year	本年度淨溢利	535,873	284,704	231,246	1,080,183	330,150

At 31 December
十二月三十一日

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元 (restated) (重列後)	2001 二零零一年 HK\$'000 港幣千元 (restated) (重列後)	2000 二零零零年 HK\$'000 港幣千元	1999 一九九九年 HK\$'000 港幣千元
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	699,005	710,772	758,025	768,794	677,378
Current assets	流動資產	1,782,870	1,412,508	1,407,483	2,129,135	1,305,344
Current liabilities	流動負債	(557,146)	(357,004)	(320,925)	(787,902)	(718,707)
Net current assets	流動資產淨值	1,225,724	1,055,504	1,086,558	1,341,233	586,637
Non-current liabilities	非流動負債	(9,227)	(10,204)	(15,536)	(16,427)	(9,532)
Shareholders' funds	股東權益	1,915,502	1,756,072	1,829,047	2,093,600	1,254,483

ASM PACIFIC TECHNOLOGY LIMITED

12/F Watson Centre
16-22 Kung Yip Street
Kwai Chung, Hong Kong
Telephone (852) 2424 2021
Facsimile (852) 2481 3367

SUBSIDIARIES

ASM Asia Limited
ASM Assembly Automation Limited
ASM Assembly Materials Limited
ASM Technology Singapore Pte. Limited
ASM Technology (M) Sdn.Bhd.
ASM Precision Machinery
Manufactory Ltd., Shenzhen

