

ASM PACIFIC TECHNOLOGY LIMITED

2004 Annual Report and Accounts 年報



Directors*Executive Directors:*

Arthur H. del Prado
Lam See Pong, Patrick
Fung Shu Kan, Alan

Independent Non-executive Directors:

Orasa Livasiri
Tang Koon Hung, Eric
Lee Shiu Hung, Robert

Principal Bankers

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

Auditors

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111 Connaught Road Central
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Secretary

Lam See Pong, Patrick

Registered Office

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Grand Cayman
Cayman Islands

Principal Place of Business

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Share Registrars and Branch Register Office

Secretaries Limited
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董事*執行董事：*

Arthur H. del Prado
林師龐
馮樹根

獨立非執行董事：

Orasa Livasiri
鄧冠雄
李兆雄

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

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秘書

林師龐

註冊辦事處

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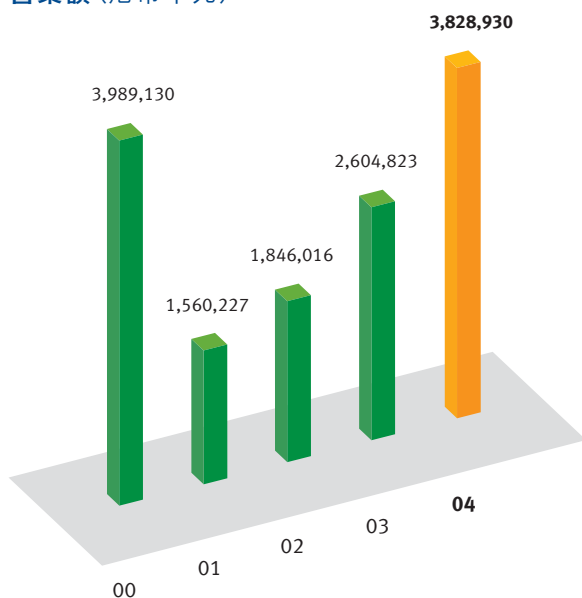
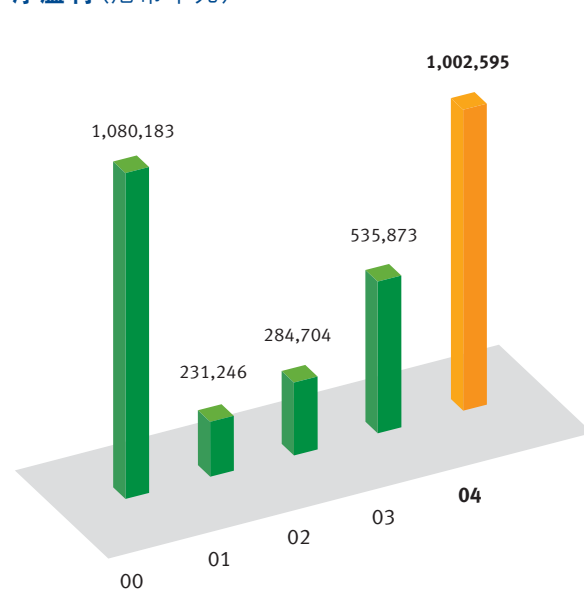
股份登記及股東名冊分冊登記處

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 2004

截至二零零四年十二月三十一日止年度

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Turnover	營業額	3,828,930	2,604,823
Cost of sales	銷貨成本	(2,097,617)	(1,461,851)
Gross profit	毛利	1,731,313	1,142,972
Other operating income	其他經營收益	9,278	4,724
Selling expenses	銷售費用	(291,733)	(227,915)
General and administrative expenses	一般管理費用	(123,876)	(108,394)
Research and development expenses, net	研究及發展淨支出	(262,585)	(218,360)
Factory relocation costs	廠房遷移開支	—	(5,835)
Profit from operations	經營溢利	1,062,397	587,192
Finance costs	財務費用	(15)	(64)
Profit before taxation	除稅前溢利	1,062,382	587,128
Taxation	稅項	(59,787)	(51,255)
Net profit for the year	本年度淨溢利	1,002,595	535,873
Dividends	股息	788,002	461,414
Earnings per share	每股溢利		
— Basic	— 基本	HK\$2.61 港幣2.61元	HK\$1.40 港幣1.40元
— Diluted	— 攤薄	HK\$2.60 港幣2.60元	HK\$1.39 港幣1.39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\$3,828,930,000 in the fiscal year ended 31 December 2004, representing an increase of 47.0% as compared with HK\$2,604,823,000 for the previous year. The Group's consolidated net profit after tax for the year is HK\$1,002,595,000, which is 87.1% higher than the previous year's net profit of HK\$535,873,000. Basic earnings per share for the year amounted to HK\$2.61 (2003: HK\$1.40).

Dividend

An interim dividend of HK\$0.45 (2003: HK\$0.36) and a special dividend of HK\$0.55 per share were paid in August 2004. 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 consistently generated significant positive cash flow from operations in each of the past five years. In view of our strong liquidity and rising equity base, the Board of Directors has decided to recommend a final dividend of HK\$1.05 (2003: HK\$0.84) per share payable on or around 29 April 2005, making a total dividend payment of HK\$2.05 (2003: HK\$1.20) per share for the year ended 31 December 2004, inclusive of HK\$0.55 per share of special dividend. This translates into a 78.6% dividend payout ratio for the current year profit; representing a prudent decision to return current excessive cash holdings to our shareholders while continuing to operate the Group with the optimum shareholders' funds.

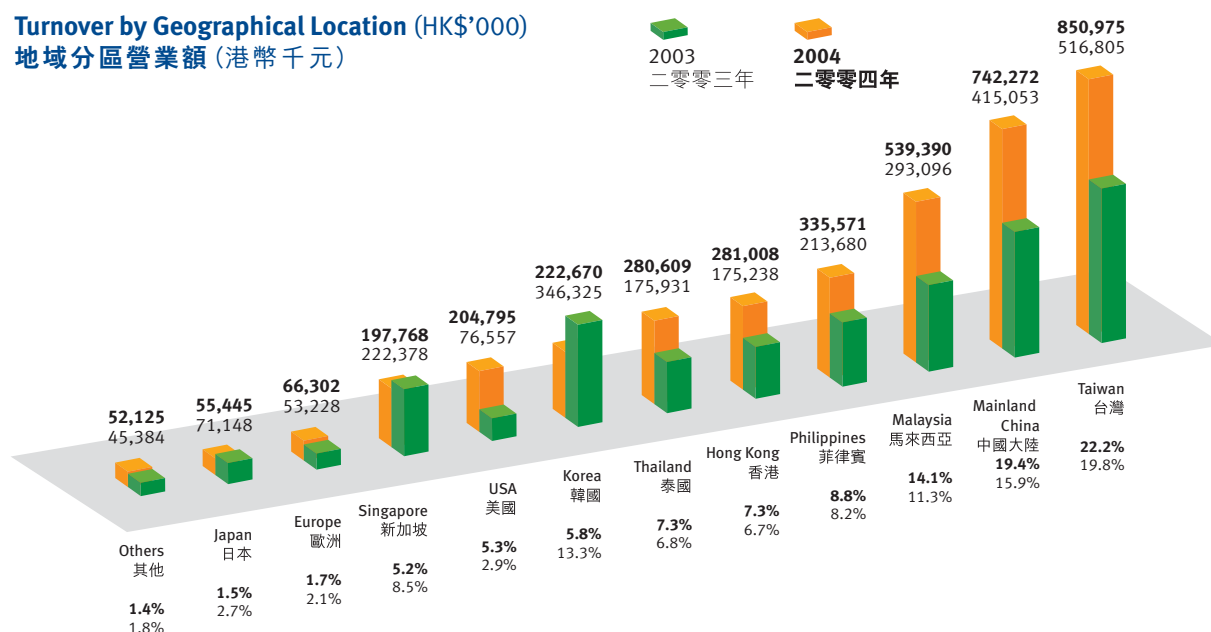
業績

謹此欣然報告，ASM Pacific Technology Limited 及其附屬公司（「集團」或「ASM」）於截至二零零四年十二月三十一日止年度錄得營業額為港幣3,828,930,000元，與上年度港幣2,604,823,000元比較，增加百分之四十七。本年度集團的綜合除稅後淨溢利為港幣1,002,595,000元，較上年度淨溢利港幣535,873,000元增加百分之八十七點一。是年度每股基本溢利為港幣2.61元（二零零三年：港幣1.40元）。

派息

中期股息每股港幣0.45元（二零零三年：港幣0.36元）及特別股息每股港幣0.55元已於二零零四年八月派發。憑藉過去數年在微電子市場所建立的穩固基礎，集團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。集團在短期內沒有重大現金開支，並於過去五年持續從營運產生正現金流量。在擁有充裕的流動資金和股本增加的情況下，董事會現建議派發末期股息每股港幣1.05元（二零零三年：港幣0.84元），並於二零零五年四月二十九日左右派發。連同每股港幣0.55元之特別股息，集團截至二零零四年十二月三十一日止年度全年合計每股派息為港幣2.05元（二零零三年：港幣1.20元）。本年度派息率為百分之七十八點六，充份顯示集團決定將過剩現金回饋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）

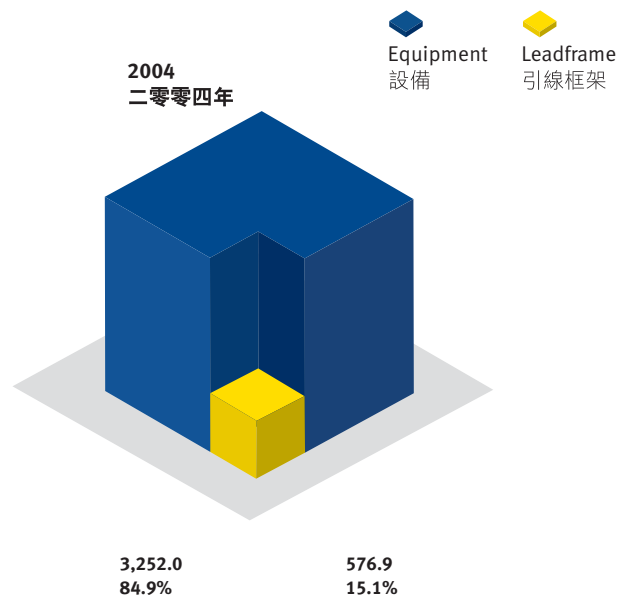


Review

Although gaining wide-spread acceptance in recent years, information technology (IT) planning tools and out-sourcing strategy have really made their presence felt over the last twelve months. Every sector of the electronics food chain monitored their projected demands and inventory levels, making prudent decisions to quickly revise their production schedules upward or downward as needed. The four quarters of 2004 were as different as the four seasons of the year. Buoyed by optimistic projections of electronic end-product demands at the beginning of the year, the semiconductor industry promptly reacted and aggressively installed capacity for the latest BGA and chip scale package (CSP), generating strong requirements for die and wire bonders used in stacked die and fine pitch bonding. For most companies, the decent beginning of the year order backlogs were followed by higher outputs in the second quarter. Unfortunately, when electronics companies adjusted their outputs to optimize their inventory levels, the inflection point for assembly equipment demands clearly occurred in the middle of the third quarter, with the equipment market turning from across-the-board boom to selected purchases addressing specific capability and package requirements. During the fourth quarter, every company was anxiously looking forward for spring to come.

Compared with previous years, 2004 overall was a year of continued recovery and excellent growth for both the semiconductor and its equipment industries, both in terms of unit volume and dollar sales. With the healthy world economic conditions and increasing popularity of hand-held electronic goods, the semiconductor industry expanded by 24 – 29% in revenue while the assembly and packaging equipment market increased by 44 – 49% in 2004, according to the year-end estimates by various industry analysts. Disregarding the incorrect mid-year adjustments by various analysts that reflected the prevailing optimism at the time, both the semiconductor and assembly equipment industries performed basically in line with previous projections at the beginning of the year.

Turnover by Products (HK\$Million) 產品分類營業額 (港幣百萬元)



業務回顧

資訊科技規劃軟件及企業外判模式雖然於近年已廣被接納，然而真正被獲得廣泛採用實為過去十二個月始出現之情況。整個電子生產鏈內每個領域之企業均密切監察其預估需求及存貨水平，按需要審慎決定並迅速調整其生產計劃，因此二零零四年的四個季度便如四季般呈現不同的市場狀況。鑑於年初業內對電子產品需求的樂觀預測，半導體行業積極投入提升最新型BGA及晶體度包裝的產能，因而對應用在大量管芯及微距焊線上之管芯焊機及焊線機的需求大增。於年初大部份企業未完成之訂單高企，故第二季度之產量亦較高。但不幸地，當電子企業降低其產量以完善化存貨水平時，裝嵌設備行業的需求亦於第三季度中期受到影響，設備市場由全面性的迅速增長轉為對特定性能及包裝要求的選擇性採購。於第四季度，所有企業均急切地期待著春季的來臨。

相較過去數年，二零零四年整體而言是半導體及其設備行業持續復甦、產量及銷售額均強勁增長的一年。在利好的全球經濟環境及手提電子產品日益普及的情況下，綜合各行業分析員的年終預測，二零零四年半導體行業的收入增長為百分之二十四至二十九，裝嵌及包裝設備市場則增長百分之四十四至四十九。撇除年中部份分析員按當時樂觀市況所作出的不正確預測調整，半導體行業及裝嵌設備行業的表現基本上均合乎年初的市場預測。

Review continued

Consistent with our results over the last five years, ASM once again outperformed its industry peers and gained market share, maintaining its number one position in the assembly and packaging equipment industry. We achieved a Group turnover of US\$491.6 million and net profit of HK\$1,002.6 million, a growth of 47.0% (2003: 41.1%) and 87.1% (2003: 88.2%) respectively, with both Group turnover and net profit representing the second highest numbers in ASM's corporate history. In fact, capitalizing on the strong market environment during the first half of 2004, the Group achieved new heights in revenues and profitability over the six-month period, surpassing previous peaks in year 2000. For the whole year, return on capital employed and on sales was 48.8% and 27.5% respectively; both are ASM's second highest on record. With outputs catching up on demands starting the second quarter and weaker inflows of orders during the second half year, book-to-bill ratio was 0.89 for the year and our ending order backlog as of 31 December 2004 was US\$63 million (US\$119 million as of 31 December 2003).

In 2004, sales attributable to our five largest customers combined were 28.0% of the total, with only one customer exceeding 10%, clear evidence of the success of our continuing diversified market strategy. We also enjoyed a good geographical spread mirroring the investment climate of the industry, with Taiwan being our largest (22.2%) market and followed by China (19.4%). For the latter, shipments (US\$95.3 million) were substantially (78.8%) higher than the preceding year, creating another new record for the territory.

A comparison of the revenue peaks and valleys of our leading competitors in 2004 clearly illustrates the importance of offering diversified products to serve broad application markets in a rapidly changing economic environment. ASM has structured its business strategy on such a foundation, resulting in our financial performance repeatedly outshining our competitors at challenging times. Our equipment business, which represented 84.9% of the Group's turnover in 2004, grew 50.2% to US\$417.5 million, achieving a higher growth rate than our major competitors. We further enlarged the 2004 revenue gap between ourselves and our closest rival to US\$108 million or 34.9%, larger than the 18.5% and 4.7% gaps of the two preceding calendar years. Such a strong financial performance clearly reflects ASM's leadership position in the two largest market segments – the wire and die bonder areas – and the growing acceptance of other ASM products and services.

業務回顧 續

貫徹集團於過去五年的卓越表現，ASM再度超越同儕並提升市場佔有率，繼續佔據裝嵌及包裝設備業內第一位。集團錄得營業額四億九千一百六十萬美元及純利十億零二百六十萬港元，增長幅度分別達百分之四十七（二零零三年：百分之四十一點一）及百分之八十七點一（二零零三年：百分之八十八點二），是ASM有史以來的第二高。事實上，受惠於二零零四年上半年利好的市場環境，集團於此半年期內的營業額及純利均創歷史新高，超越二零零零年所創之紀錄。集團是年度的資本回報率及銷售利潤率分別為百分之四十八點八及百分之二十七點五，兩者同是集團有史以來的第二高。由於第二季度開始產量逐漸追上需求及下半年度新增訂單數目較少，本年度的訂貨對付運比率為零點八九，於二零零四年十二月三十一日的未完成訂單總值為六千三百萬美元（於二零零三年十二月三十一日為一億一千九百萬美元）。

於二零零四年，我們的五大客戶共佔集團營業額百分之二十八，其中只有一個客戶的銷售額佔超過百分之十，足以證明集團堅持市場多元化之策略是成功的。此外，集團的業務廣泛分佈各地，足以反映業內的投資氣候。當中台灣是集團最主要的市場，佔營業額百分之二十二點二，中國市場緊隨其後佔百分之十九點四。集團於中國市場的付運量（九千五百三十萬美元）較上年度大幅上升百分之七十八點八，再次創新紀錄。

集團以於二零零四年最高及最低的收益水平與主要競爭對手相比較，清楚反映在瞬息萬變的經濟環境下，提供多元化產品及服務以應付不同應用市場是十分重要的。ASM在此基礎上所制定的業務策略正是集團在艱巨市況下仍能超越對手成功要點。二零零四年設備業務佔集團營業額百分之八十四點九，較去年增長百分之五十點二達至四億一千七百五十萬美元，增長幅度超越業內主要競爭對手。此外，於二零零四年我們進一步拉闊與最接近的競爭對手之收益差距至一億零八百萬美元或百分之三十四點九，高於過去兩年的百分之十八點五及百分之四點七。集團獲此佳績，充份反映集團於兩大主要市場 – 焊線機及管芯焊機 – 的領導地位，及客戶對ASM其他產品及服務的接受程度也日益提升。

Review continued

Heavy market demands coupled with capacity expansion and operational improvements in both our new China factory and Singapore plants resulted in 31.2% growth of our leadframe business to US\$74.1 million in 2004, representing 15.1% of the Group's turnover. Both our stamped and QFN etched frames made good inroads in our target markets, growing faster than the leadframe industry as a whole which increased by 14.3% last year according to SEMI's January 2005 report. The strategic realignment of our leadframe operation continued as planned, with our 280,000 sq.ft. factory in Pasir Gudang, Johor Bahru, Malaysia ready for occupation by end of 2004. We have been relocating our machine part production and post-plating activities to this new Malaysian plant since the beginning of the year, to be followed by the plating operation during the first half of 2005. Upon the successful transfer of all plating activities from our Singapore plant to this new Malaysian factory, we intend to add stamping production to the new facility to effectively address the stamped frame business in Malaysia and Singapore markets.

Tech companies increasingly have to deliver solutions that respond to the end users' demands. Our customers' unrelenting needs for ever lower assembly and packaging costs, new package types like QFN, stacked die and flip chip, and the ceaseless push of the technology envelope on fine pitch wire bonding, thin die attachment and ultra thin molded packages call for innovative solutions and strong R&D commitments from equipment suppliers.

Last year we launched our Twin Eagle wire bonder (35 microns capability) featuring two bonding heads, delivering a productivity gain of 80 – 100% depending on applications. It requires only 30% more floor space than a single head wire bonder, making our Twin Eagle the highest throughput and the lowest cost-of-ownership bonding machine in the world today. Concurrently, another new model wire bonder, the Eagle 60 AP, capable of 30 microns linear pad pitch bonding and 10% faster than our Eagle 60, also migrated to volume production towards end of the year. In addition, we provide a process solution to pick ultra thin (down to 50 microns) die with our IC die bonder. We also offer a new IC die bonder catering for smaller die sizes with a 30% productivity enhancement over our universal platform. Besides our flip chip bonder for eutectic solder process, ASM also offers a complete solution for the small input/output (I/O) flip chip devices with gold or copper stud bumping and thermosonic attachment process. All these new products and solutions could not have been developed in such a short time without our 600 R&D staff located in Hong Kong and Singapore, and an ever-increasing R&D expenditure that amounted to HK\$262.6 million (2003: HK\$218.4 million), representing 8.1% of our current year's equipment sales.

業務回顧 續

受惠於龐大的市場需求、集團的產能擴充與中國及新加坡廠房的營運能力提升，引線框架業務於二零零四年度之營業額增加百分之三十一點二至七千四百一十萬美元，佔集團營業額百分之十五點一。集團的沖壓框架及QFN蝕片框架均成功打入目標市場，並較整體引線框架行業增長迅速。據SEMI二零零五年一月發表的報告顯示，引線框架市場去年整體的增長率為百分之十四點三。集團引線框架營運的策略性調整按計劃順利推行，其於馬來西亞Pasir Gudang, Johor Bahru佔地達280,000平方呎的新廠房亦如期於二零零四年底正式落成。集團已於二零零五年初開始將機件生產部份及電鍍後工序遷往馬來西亞廠房，而電鍍工序亦將於二零零五年上半年內搬遷至上址。隨著集團成功將新加坡廠房的所有電鍍工序遷往此馬來西亞新廠房，我們計劃進一步在這新廠房增設沖壓生產設備，令集團能更具效益地應付馬來西亞及新加坡之沖壓框架市場。

愈來愈多科技企業需因應最終客戶的需要提供適當方案。客戶對裝嵌及包裝成本持續下降、新的包裝模式如QFN、大量管芯及覆晶、與及微距焊線、微細管芯焊接及超微細鑄模包裝的技術突破等要求，促使設備供應商須提供創新解決方案及作出大量的研發投入。

去年，我們推出配備雙焊接器的Twin Eagle焊線機（具備35微米焊線能力）。此焊線機的生產力可因應不同的應用模式提升百分之八十至一百，而其所佔面積較目前之單焊接器焊線機僅增加百分之三十，令Twin Eagle成為現時世界上生產量最高及最具成本效益的焊線機。另一新型號的焊線機Eagle 60 AP，備有30微米直線墊距焊接能力，其速度較Eagle 60快百分之十，亦已於年底進入量產階段。此外，集團的集成電路管芯焊機為客戶提供技術方案以處理超微細（低至50微米）的管芯。我們亦推出新型號集成電路管芯焊機，適用於微型管芯，其焊接能力較現有產品快百分之三十。除共熔焊接技術的覆晶焊機以外，ASM亦為小型輸入/輸出(I/O)覆晶設備提供配備金或銅釘頭沖壓、易熔焊料及熱能超聲波覆晶技術的全面解決方案。集團能於短時間內成功研發此等產品及方案，全賴香港及新加坡共六百名研發人員的努力，及不斷增加投入的研發開支所致。本年度，集團的研發開支為二億六千二百六十萬港元（二零零三年：二億一千八百四十萬港元），佔設備銷售額的百分之八點一。

Review continued

Although we had to deal with a much wider range of products than in the past and a record production run rate during the first six months of the year, together with the investments for the new Malaysian plant, we made aggressive capital expenditure amounting to HK\$299.8 million in 2004. Over the years, we have continued to streamline our working capital management. Last year, we saw the fruits of our past efforts and achieved record inventory turnover of 7.06 times (2003: 5.03 times), with our ending inventory HK\$554.8 million only slightly increased by 4.8% in order to deal with the much higher revenue. Coupled with our good collection efforts, the small addition in operating capital requirement during 2004 resulted in a record free cash flow of HK\$957.6 million (2003: HK\$392.6 million) and a return on invested capital of 67.2% (2003: 39.7%).

Liquidity and Financial Resources

The Group's shareholders' funds increased to HK\$2,177,465,000 as at 31 December 2004 (2003: HK\$1,915,502,000). As there were no long term borrowings, gearing of the Group was zero, the same as for the past five years.

Although HK\$706.9 million was paid as dividends and HK\$299.8 million was spent in capital investments during the twelve-month period, due to good control of working capital and strong positive cash flow from operation, cash on hand as of 31 December 2004 increased by 48.8% to HK\$763,359,000 (2003: HK\$513,078,000). In fact, a good portion of the capital investments were funded by the current year's depreciation of HK\$182.1 million.

There was no bank borrowing as of 31 December 2004. Current ratio was 3.47. Account receivables have been tightly monitored during the year, and together with higher revenues resulted in a major improvement to 57.0 days sales outstanding (2003: 96.4 days)

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

業務回顧 續

於回顧年度的首六個月，由於我們需要應付更廣闊的產品系列及歷年最高的生產率，連同建設馬來西亞新廠房的投資金額，集團二零零四年的資本性開支為二億九千九百八十萬港元。多年來，我們一直致力於改良集團的營運資金管理，而集團的努力於去年顯著發揮成效，存貨週轉率為七點零六週次（二零零三年：五點零三週次）。儘管營業額大幅上升，期末存貨亦僅輕微上升百分之四點八至五億五千四百八十萬港元。憑藉集團良好的收款能力及營運資金需求輕微上升的情況下，集團二零零四年錄得自由現金流量（Free Cash Flow）達九億五千七百六十萬港元（二零零三年：三億九千二百六十萬港元），而投入資本回報率則達百分之六十七點二（二零零三年：百分之三十九點七）。

流動資金及財務狀況

於二零零四年十二月三十一日，集團的股東資金上升至港幣2,177,465,000元（二零零三年：港幣1,915,502,000元）。如過去五年一樣，集團並沒有長期借貸，負債比率為零。

儘管派發了七億零六百九十萬港元的股息，及於十二個月內投入了二億九千九百八十萬港元作資本性投資，由於營運資金控制得宜及營運現金流入強勁，於二零零四年十二月三十一日，集團的手頭現金增加百分之四十八點八至港幣763,359,000元（二零零三年：港幣513,078,000元）。事實上，集團主要的資本性投資乃由是年度一億八千二百一十萬港元的折舊所支付。

於二零零四年十二月三十一日，集團並沒有任何銀行借貸。流動比率為三點四七。於年內，集團嚴格監控應收賬款水平，加上營業額上升，應收賬款週轉率大幅改善至五十七天（二零零三年：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之日元應付賬款。

Human Resources

ASM places special emphasis on both recruiting and keeping first-class employees, not only through competitive remuneration packages but also by a total commitment to rigorous staff development opportunities and training programs. In general, salary review is conducted annually. In addition to salary payments, other benefits include contributions to provident fund schemes and medical subsidies. Discretionary bonus and bonus shares may be granted to eligible staff based on the Group's financial results and individual performance.

As at 31 December 2004, the total headcount of the Group worldwide was approximately 6,800 people.

Prospects

According to Semiconductor Industry Association (SIA), sales of semiconductors for consumer devices in 2004 were for the first time in industry history greater than sales for corporate gear. With the consumer a more important driver for the semiconductor market, in future the health of the chip sector will be tied more to macroeconomic factors. As outlook in consumer spending remains positive and semiconductor content is rising in numerous end products, most industry analysts (VLSI Research, Dataquest, WSTS, SIA, iSuppli) forecast a moderate single-digit (0 – 9%) growth for the semiconductor industry in 2005, after a splendid 2004 that hit record revenues of US\$217 billion, to be followed by higher growth rate in 2006. According to the 2004 Electronic Trend Publication, IC unit volume is projected to have compound annual growth rate (CAGR) of 10.55% over the 2003 – 2008 period.

To meet the constant challenges of higher performance, diversified functionalities, cost reduction and product miniaturization, more and more IC packages are being designed with finer line width, stacked die, chip scale form factor (e.g. QFN) and system in package (SIP), necessitating the latest generation of assembly equipment. For the assembly equipment market, the rate of change this year will depend on the timing of the recovery of the IC packaging segment in adding capacity-related equipment. Most pundits (VLSI Research, Dataquest, SEMI) currently project a negative growth for 2005 ranging from 2 – 22% and expect a double-digit increase again in 2006.

人力資源

集團為招攬及保留人才不遺餘力。除與員工訂立具競爭力的薪酬制度外，集團亦為員工提供嚴謹的培訓計劃及發展機會。整體而言，集團每年會進行一次薪金調整。除薪金外，集團亦提供退休供款計劃及醫療津貼等其他福利。此外，視乎集團的業績及個人表現，集團將按需要分發花紅及紅股予個別應嘉許之員工。

於二零零四年十二月三十一日，集團全球聘用約六千八百名員工。

展望

根據美國半導體行業協會 (SIA) 的預測，應用於消費品之半導體銷售於二零零四年歷史性首次超越企業市場。隨著消費市場成為推動半導體行業的更重要動力，未來，晶片行業的發展將更受宏觀經濟所影響。鑑於消費市場前景維持樂觀，再加上半導體於各項消費產品之應用日益增加，大部份行業分析員 (VLSI Research、Dataquest、WSTS、SIA及iSuppli) 均預測半導體行業在二零零四年錄得破紀錄的二千一百七十億美元收益的高峰期後，於二零零五年將維持溫和的單位數字增長 (介乎零至百分之九)，而二零零六年的增長率將較零五年高。根據二零零四年電子時報 (Electronic Trend Publication) 預測，集成電路產量於二零零三至零八年的複合年增長率將達百分之十點五五。

因應市場對高性能、多元化功能、減低成本及產品體積的需求，越來越多的集成電路組合在設計上均應用了更微細的管線闊度、多層管芯、晶積度尺寸 (如QFN) 及組裝系統 (SIP)，令市場對新一代裝嵌設備的需求更加殷切。至於裝嵌設備市場方面，二零零五年的增長率將視乎集成電路包裝行業何時進入需求復甦期，擴展其產能相關設備而定。大部份專家 (VLSI、Dataquest及SEMI) 預測二零零五年將出現百分之二至二十二之負增長，而二零零六年則再次呈現雙位數字的增長。

Prospects continued

In the recent years, the assembly equipment industry has been characterized by its quick swings upwards or downwards responding to end-market inventory-level adjustments.

To ensure that ASM can flexibly cope with such sudden surges or a prolonged slowdown, management has instructed our manufacturing and marketing teams to carefully evaluate our raw materials pipe-line and work-in-progress (WIP) and take appropriate actions. Although it is premature to draw any conclusions, unlike the previous quarter we have seen some rush orders for capacity-related equipment like wire bonders in the recent weeks. Hopefully this may indicate that we have passed the trough and the turning point has arrived sooner than the sceptics' projection of the second half of the year.

Although it is more challenging to manage and develop multiple products serving diversified market segments, over the years we have persisted with this business philosophy to build a thriving company more resilient to industry fluctuation than our competitors. Our differentiated, exciting new wire and die bonders (as mentioned in the Review Section) with unmatched cost-of-ownership and process capability, e.g. 30 microns pad pitch and copper wire bonding, should propel ASM forward by gaining new customers in the industry's biggest and second largest product market segments. The good progress we made in recent years on flip chip bonders, encapsulation equipment, integrated test handlers and other chip size/scale (CSP) assembly equipment have laid a solid foundation for growth, empowering ASM to aggressively pursue future market opportunities. Leading customers have shown their recognition of our long-term commitment to leadframes - as evident in our new China and Malaysian plants - and demonstrated enthusiasm to expand business with us.

The key to reinforcing our strategic partnerships with customers lies in our ability to provide them with integrated business solutions over and above our state-of-the-art products. By supporting clients with different packaging and factory automation solutions using ASM equipment and leadframes, such as image sensor assembly, QFN packaging, high brightness LED, copper wire bonding, etc., we are offering them unparalleled value propositions that have repeatedly unlocked doors not accessible by a standalone product field evaluation. And facing new challenges such as bonding on low k dielectric, fine line width, copper interconnect and thin wafers, our customers appreciate ASM's continued process enhancements to answer their needs. Our innovative solution-selling strategy markedly differentiates us from all our competitors, enabling us to further expand our business.

展望 續

近年，裝嵌設備行業的表現隨著最終市場存貨水平的調整而急速起伏不定。為確保ASM可彈性地應付市場的迅速起伏，管理層已指示生產及市場推廣團隊就市場情況審慎評估集團的原料及在製品水平，並採取相應措施。有別於過去的季度，近數星期內我們與產能相關的設備如焊線機的急購訂單增加。儘管現時要作出結論仍言之尚早，但我們期望這情況象徵半導體行業已走出谷底，其復甦期可較有疑慮之分析員所預測之下半年度提早來臨。

儘管管理及開發多元化產品以迎合不同市場的挑戰較大，集團多年內一直貫徹此經營理念，促使集團蓬勃發展，並較主要競爭對手更能經得起行業起伏的考驗。我們獨特的新型號焊線機及管芯焊機（參照業務回顧部份所述）具備對手難以媲美的成本效益及產能，如30微米墊距及銅線焊接技術。這些新產品有助集團於業內最大及第二大的產品市場上爭取新客戶。近年集團於覆晶焊接、塑封工序設備、整合式測試分類機及管芯級塑封設備領域上所取得的成績為集團奠定穩固基礎，更令ASM可更充份把握未來的發展機會。集團位於中國的廠房及馬來西亞的新廠房顯示我們對引線框架業務的長期投入，而我們的主要客戶亦對此表示認同，並熱切希望與集團加強合作。

能提供綜合包裝解決方案及最先進產品的能力為集團鞏固與主要客戶之策略性夥伴關係的關鍵。透過應用ASM的設備及引線框架，集團為他們提供不同的包裝解決方案及生產自動化方案，包括影像感應組件、QFN包裝、高亮度LED及銅線焊接元件等。我們為客戶所提供獨一無二的價值已多次證明能有效開啟那些不接受單一產品測試之客戶的大門。面對低k電介體焊接、更微細的管線闊度、銅線焊接及更薄晶片等新挑戰，ASM繼續為客戶提供工序提升方案以滿足此等需要，並廣受讚賞。我們嶄新的解決方案銷售模式亦令集團於芸芸競爭對手中脫穎而出，有助集團業務的進一步拓展。

Prospects continued

To further strengthen our R&D analytical equipment and information technology infrastructure, the rapid prototyping of parts to support our equipment product development, and equipping our Malaysian plants with tooling, stamping and plating capabilities, capital investment of HK\$200 million was planned for 2005. Management believes that our aggressive and consistent investments for the future in facilities, process and product developments will lead the Company to higher ground and yield a corresponding return.

With the wealth of process and enabling technologies accumulated over the years, a track record of successful execution of our customer-centred business strategy and the most efficient cost structure in our industry, ASM is well-positioned to compete in the market place. Our 34.9% revenue lead over the closest competitor in 2004 further crystallized our premier position in the industry. The lengthy battle for market share in a dynamic market environment naturally favours the combatant who possesses richer resources and a greater abundance of world-class products. It is management's belief that ASM will continue to out-perform our industry peers in both strong and soft market scenarios.

Appreciation

During the last year our company has, as promised, refused to rest on its laurels and produced not only better solutions for its customers but exceptional results for its shareholders. This has only been possible because the men and women of many different nationalities in many countries who constitute the ASM family have continued to turn in outstanding performances in their work every day. Without them, we would not have a business, and on behalf of the Board I would again like to place on record our appreciation of their accomplishments during the past year. Because of them, we are number one in the assembly equipment industry – and I know I can speak for all of us at ASM when I say that we have every intention of retaining that position next year!

Arthur H. del Prado

Chairman

24 February 2005

展望 續

集團計劃二零零五年的資本性投資將為港幣二億元，將用於加強集團的研發分析設備及資訊科技基礎建設、提升部件樣品製作速度以支援集團的設備產品研發、及為馬來西亞廠房添置模具、沖壓及電鍍設施。管理層相信憑藉我們在設施、工序及產品發展方面的積極並貫徹如一的投資計劃，將有助推動集團業務更上一層樓、並帶來相應的回報。

憑藉集團多年來於技術及創新方面所積累的經驗、行之有效的客戶主導策略、及業內最具效益的成本架構，ASM已佔據有利位置，迎接市場上的種種競爭。二零零四年我們與最接近的競爭對手之收益差距拉闊至百分之三十四點九，進一步鞏固集團於業內的領導地位。爭取市場佔有率為長期的鬥爭，要在瞬息萬變的市場環境下獲勝，擁有更豐富的資源及更多元化的世界級產品對競爭者而言絕對有利。集團管理層深信，ASM無論在市場順景或逆景下亦將可繼續超越同儕。

致謝

去年，集團貫徹不會自滿及安於現狀的承諾，為客戶提供最佳的方案的同時，更為股東帶來理想的業績。這全賴ASM來自不同國家全體員工的不斷努力及卓越表現。集團董事會再次謹此為他們過去一年的付出致以衷心謝意。有賴所有員工的默默耕耘，ASM方能成為全球裝嵌設備行業之首，而本人及ASM的全體成員更充滿信心，矢志於來年再創佳績，繼續成為全球第一！

主席

Arthur H. del Prado

二零零五年二月二十四日

Overview

Rising demands for both equipment and leadframe products early in the year began a roller-coaster ride through the next four seasons, with big revenue changes from quarter to quarter. During the first six months, ASM registered record sales and profitability. Although the second half year was weaker, there was nevertheless a substantial growth in output in every product category during 2004. As a result, the Group achieved a 47.0% rise in turnover. Both our revenues and profitability attained levels similar to our record year of 2000, and were the second best in our corporate history. Benchmarking the performances of our leading competitors, such stellar results clearly reflected ASM's seamless execution of its winning strategies and continuously increasing momentum in the market place.

The semiconductor and equipment industries may just have walked through a splendid year in 2004, but analysts have projected a slower growth for our customers' business in 2005 and a negative growth of up to 22% for the assembly equipment industry itself, with a return to double-digit growth in 2006. While there have been some scattered signs of an improved market since the middle of the first quarter, the revenue change for the year will depend on when the inflection point for broad-base customer purchases of capacity-related equipment arrives. Management has taken steps to prepare the Company to cope flexibly with both sudden surges in demands and a prolonged slowdown.

As shown in the past, a slow market provides an opportune time to launch new products and conduct market assaults. Diversified products serving broad application markets are the best weapons to protect us against industry fluctuation. With our financial strengths and human talents, a strong portfolio of world-class products and an unparalleled cost structure, ASM fortunately has the resources to provide innovative, differentiated-value packaging solutions to win customers at this challenging time.

總覽

年初設備及引線框架產品需求不斷上升，但隨後四季需求時有升跌，每季的收入變化很大。ASM於上半年錄得創紀錄的銷量及盈利。儘管下半年業績表現轉弱，但二零零四年每一產品類別的產量均大幅增加。集團營業額亦因此上升百分之四十七。收入及盈利均達到二零零零年的創紀錄水平，亦是集團歷來第二佳的成績。與主要競爭對手的業績表現比較，此超卓業績清楚反映ASM充分執行其成功策略及不斷增加市場中的發展動力。

半導體及設備行業於二零零四年取得驕人成績，但分析員預測我們客戶的業務於二零零五年將會放緩，裝嵌設備行業將錄得高達百分之二十二之負增長；於二零零六年則回復雙位數字增長。儘管有一些零散跡象顯示市場自首季中旬已有所好轉，但來年的收入增長將取決於客戶何時恢復全面採購與產量相關的設備。管理層已採取步驟為公司作好準備，以具彈性之方式應付需求突然大幅增加及長時期的放緩。

一如以往，市況放緩是推出新產品及打入市場的適當時機。應用於廣大市場的多元化產品是確保我們免受行業變動影響的最佳武器。憑藉我們的財務優勢及人才、廣闊的世界級產品系列和超卓的成本結構，ASM幸而擁有提供創新、獨特價值包裝解決方案的資源，以在這個艱難時刻贏取客戶。

Market and Product Development

Equipment Division

In a year with high fluctuation in demands and an estimated growth rate of 43 – 49% (per VLSI Research, SEMI and Dataquest) for the assembly equipment industry, ASM once again outperformed all its major competitors in turnover and revenue change. Building on our industry-largest market share, our equipment business grew 50.2% to US\$417.5 million, representing 84.9% of the Group's turnover in 2004 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, further widening the revenue gap between us and our closest rival to US\$108 million or 34.9%. This progressively enlarging chasm from the 18.5% and 4.7% of the two preceding calendar years clearly reflects ASM's growing market share.

New die, wire and flip chip bonders were introduced during 2004, emphasizing total solutions in stacking thin die, particle-controlled image sensors assembly, QFN packaging and high brightness LED applications. Our Eagle 60 AP gold ball bonder, which continues to push the fine pitch wire bonding technology envelope and achieves a 10% productivity gain over its predecessor, has migrated to volume manufacturing. The innovative dual-head Twin Eagle wire bonder offers approximately twice the output of a single-head machine, thereby providing customers the world's best cost-of-ownership proposition.

Picking thin dies (down to 50 microns) and stacking them in several layers create challenges and opportunities for IC die bonders. Our relentless pursuit for continuous improvement has resulted in a 30% higher throughput die bonder specially catering for smaller dies. Furthermore, in addition to providing a 300 mm. eutectic-solder-reflow-process flip chip bonder, we have launched a thermosonic-attachment-process flip chip bonder to complement our stud bumping machine addressing the low input/output (I/O) devices.

The underlying strength of our equipment business lies not just in our leadership position in the die and wire bonder market segments, but also in our host of product offerings in encapsulation, solder ball placement, package singulation and test handling: these are all looking at larger share opportunities in medium-size market sectors. With continuous product enhancements and market development efforts, we fully expect these products to produce even more valuable dividends in the not too distant future.

市場及產品發展

設備系列

過去一年裝嵌設備業需求起伏很大，估計增長率介乎百分之四十三至四十九（根據VLSI Research、SEMI及Dataquest），ASM在營業額及收入增長方面再次超越所有主要競爭對手。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五十點二，達四億一千七百五十萬美元，佔集團二零零四年營業額百分之八十四點九，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，並進一步拉闊與最接近的競爭對手之收入差距至一億零八百萬美元或百分之三十四點九。這個差距從前兩年百分之十八點五及百分之四點七逐步擴大，清楚反映ASM的市場佔有率不斷增長。

集團於二零零四年推出了新的管芯、焊線及覆晶焊接機，著重為層疊式薄芯、粒子操控影像感應裝嵌、QFN包裝及高亮度LED應用提供全面解決方案。我們的Eagle 60 AP金球焊接機除不斷提升微距焊線技術水平外，其生產力更較原有產品高出百分之十，並已進行量產。創新的雙頭Twin Eagle焊線機的產量約為單頭焊接機的兩倍，從而為客戶提供全球最具成本效益的商品。

處理細薄管芯（低至五十微米）並將若干層管芯堆疊於一起為集成電路管芯焊接機同時帶來挑戰及機遇。由於集團對追求持續改善鍥而不捨，結果特別為較小的管芯開發出生產力高百分之三十的管芯焊接機。此外，除提供三百毫米易熔焊料重熔程序覆晶焊接機外，我們推出了一款熱能超聲波焊接程序覆晶焊接機，以配合滿足低輸入/輸出（I/O）裝置需要的釘頭沖壓機。

集團在設備業務方面的基本優勢不僅在於我們在管芯及焊線機市場的領導地位，同時亦在於我們在塑封工序、焊球放置、包裝切割及測試處理等方面提供眾多的產品：所有這些產品均著眼於在中型市場進佔更大的佔有率。隨著集團不斷改進產品及發展市場，我們確切預期這些產品於不久將來將提供更具價值的回報。

Market and Product Development continued

Leadframe Division

Thanks to increased market demands, capacity expansion and operational improvements in both our new China stamped frames factory and Singapore etched frames plant, ASM generated a 31.2% gain in leadframe turnover last year, achieving US\$74.1 million leadframe revenue representing 15.1% of the Group's total sales. This compares favourably with the SEMI January 2005 report estimating the leadframe industry to have grown 14.3% in 2004, and is evidence of our progress in strengthening our leadframe market position through strategic realignment.

Super fine pitch etching and stamping, precision plating and bleed control, moisture sensitivity level MSL = 1 and the continued drive for cost reduction pose challenges to our leadframe business, demanding concerted development efforts and capital investment in more capable machinery. However, the migration to lead-free electronics and QFN packaging represent real opportunities for ASM. Palladium-plated leadframes have facilitated our market penetration into strategic integrated device manufacturers (IDMs), while we have leveraged on our total packaging solution and etching know-how to build a strong market position on QFN frames.

New strip plating machines to support our etched frames will be installed in the first six months of 2005. Thereafter, we will equip our Malaysian plant with stamping capabilities to be close to some of our target stamped frames customers in Malaysia and Singapore. Concurrently, we also aim at broadening our product offerings with fine pitch, high leadcount TQFP and power leadframes from our China factory, generating higher business volume to shoulder the necessary overhead.

Capacity and Plant Development

To cope with the soaring demands during the first six months of 2004, we increased our production manpower and made major purchases of CNC machines for our China factory. As a result, capital investment in 2004 amounted to HK\$299.8 million, in line with the revised budget announced in July.

Our 280,000 sq.ft. Malaysian factory in Pasir Gudang, Johor Bahru was completed according to plan. We relocated our machine part production and post-plating operation to this new plant at the beginning of the year. It is our intention to further extend our Malaysian plant's capabilities to cover both design and manufacturing activities supporting our Singapore factory.

We have budgeted HK\$200 million for capacity and plant development in 2005. Similar to the previous year, this will be used for acquiring new analytical equipment, hardware and software to support R&D, logistics and information systems, stamping presses and dies, plating lines and post-plating set-up, CNC machinery for producing parts, and in addition, fund the remaining investments going into our recently available Malaysian plant.

市場及產品發展 續

引線框架系列

由於市場需求增加、生產力提升和設於中國的新沖壓式框架廠房及新加坡的蝕片框架廠房業務改善，ASM去年來自引線框架業務的營業額上升百分之三十一點二達七千四百一十萬美元，佔集團總銷售額百分之十五點一。與SEMI二零零五年一月份報告估計引線框架業於二零零四年增長百分之十四點三比較，成績相當理想，同時證明集團在透過策略性重組鞏固其引線框架市場方面已取得進展。

對超微距浸蝕及沖壓、精密電鍍及漏鑄控制、濕度敏感性水平MSL=1及削減成本的不斷要求，均為集團的引線框架業務帶來挑戰，需要協調地作出開發和投資於產能更高的機械。然而，轉用無鉛電子產品及QFN包裝為ASM締造實質的機會。鍍鈀引線框架有助我們打入策略性集成裝置製造商 (IDMs) 市場，同時我們亦利用全面包裝解決方案及浸蝕技術在QFN框架市場上建立穩固地位。

支援蝕片框架的嶄新片式電鍍機 (strip plating machines) 將於二零零五年上半年安裝。此後，集團將為馬來西亞廠房添置沖壓裝置，以更佳地供應我們在馬來西亞及新加坡的若干目標沖壓框架客戶。同時，集團亦旨在通過產自中國廠房的微距焊點、高針數TQFP及電源引線框架，增加業務量以承擔基本運作成本。

生產力及廠房發展

為應付二零零四年上半年需求劇增，我們增加了生產人手及為中國廠房大量購置電腦數控機床。結果，二零零四年資本性投資達港幣二億九千九百八十萬元，與七月份宣佈的經修訂預算相符。

位於Pasir Gudang, Johor Bahru面積達二十八萬平方呎的馬來西亞廠房如期落成。我們已於年初將機件生產及電鍍後工序遷移至此新廠房。集團擬進一步為馬來西亞廠房添置設計及生產能力，為新加坡廠房提供支援。

集團已在預算中撥出港幣二億元，作為二零零五年生產力及廠房發展方面的用途。與去年一樣，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、電鍍生產線及電鍍後裝置、生產部件的電腦數控機床，並為最近落成的馬來西亞廠房的其餘投資提供資金。

Research and Development

The electronics industry is characterized by its continuous drive for greater miniaturization, faster speed, more efficient electrical and thermal performances, and higher functionalities with lower cost for each new generation of product. To support device manufacturers meeting these challenges, equipment suppliers increasingly have to deliver customized solutions that answer to the end users' specific needs. ASM now has multiple platforms in practically every major equipment category: die bonder, wire bonder, flip chip bonder, encapsulation, ball placement, package singulation and test handler.

Companies in the equipment industry compete not only on current product offerings but also in innovation rate and time-to-market of new and better products. To ensure the long term success of the Company and to come up with more products fulfilling customers' diversified needs, we have enlarged our research and development team based in Hong Kong and Singapore to approximately 600 people. In 2004, our net R&D expenditure also increased by 20.3% to HK\$262.6 million (2003: HK\$218.4 million), representing 8.1% of our equipment sales and in line with our R&D funding guidelines.

Drawing on ASM's advanced enabling technologies such as motion control, vision systems, optics, materials and reliability, our product development strategies are polarized into on the one hand a relentless drive for superior performance – higher speed, more capable process, improved reliability and user-friendliness – and on the other for customized solutions combining lower cost, lower output and smaller footprint, multiple-chip attachment, ultra-thin or transparent epoxy encapsulation, wafer level package handling, etc. To fulfil the former, we have in the pipeline a series of die, wire and flip chip bonders, and package singulation systems to be launched later this year. As for the latter, we have either completed or are further developing additional equipment for image sensor, photonic devices, smart cards, high brightness LED, RFID, SIP, MCM, WLP, etc. It is ASM's firm belief – validated by our history – that a strong portfolio of world-class products is key to staying ahead in this dynamic industry.

研究及發展

電子業的特色是對提升纖細度、增加速度、更具效率的電熱性能、性能較高但成本較低的新一代產品不斷提出要求。為支持裝置製造商應付這些挑戰，設備供應商越來越須提供度身訂造的解決方案，以滿足最終用戶的特定需要。ASM目前差不多在每一主要設備類別均擁有多種平台：管芯焊接機、焊線機、覆晶焊接機、塑封工序、焊球放置、包裝切割及測試處理器。

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。為確保公司業務取得長遠成功，以及提供更多產品滿足客戶的多元化需要，我們已將駐香港及新加坡的研究發展隊伍擴充至約六百人。於二零零四年，集團的研究發展淨開支亦增加百分之二十點三至港幣二億六千二百六十萬元（二零零三年：港幣二億一千八百四十萬元），佔銷售設備收入百分之八點一，與集團的預算指引相符。

利用ASM先進技術（如機動控制、視頻系統、光學系統、材料及可靠性等），我們的產品發展策略分為兩方面，一方面是對卓越性能的持續追求 – 增加速度、提升程序性能、提高可靠性及易用程度，另一方面是結合成本及產量較低與體積較小的封裝設備、多片焊接、超薄或透明環氧塑封工序、晶片包裝處理等提供度身訂造的解決方案。為達到前一個目標，我們現正生產一系列管芯、焊線及覆晶焊接機以及包裝切割系統，預計於今年較後時間推出。至於後一個目標，我們已為影像感應組件、光子器件、智能卡、高亮度LED、RFID、SIP、MCM、WLP等完成或進一步開發輔助設備。ASM堅信，要在此瞬息萬變的行業中處於領先地位，廣闊的世界級產品系列扮演著舉足輕重的角色，這從我們過去的歷史可以獲得明證。

Financial

Riding on increased demands for assembly equipment and leadframes in 2004, ASM expanded its turnover 47.0% to US\$491.6 million and achieved 87.1% earnings growth, with earnings in excess of HK\$1 billion. Even though the turnover and the spectrum of ASM products expands year on year, we only needed to slightly increase (4.8% or HK\$25.3 million) our total inventory to HK\$554.8 million in 2004, attaining a record inventory turnover of 7.06 times. Receivables have been closely monitored, resulting in 57.0 days sales outstanding. Bad debt exposure, if any, is immaterial and well covered by provisions made in conformity with the Company's policy. As such, an impressive cash conversion cycle of 119.9 days, a free cash flow of HK\$957.6 million and a return on invested capital of 67.2% were achieved in 2004.

Notwithstanding that HK\$706.9 million was paid as dividends, HK\$42.5 million was spent in repurchase of 1,548,000 shares of Company shares and HK\$299.8 million spent in capital investments during the twelve-month period, cash on hand as of 31 December 2004 was increased by 48.8% to HK\$763.4 million (2003: HK\$513.1 million), with the majority of the capital investments being funded by the current year's depreciation of HK\$182.1 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, essentially the same situation as during the past few years. Due to low interest rates in recent times, net interest income only amounted to HK\$7.9 million for the year. With rigorous control over our current assets and liabilities, the current ratio stood comfortably at 3.47. The Group's shareholders' funds increased 13.7% to HK\$2,177.5 million as of 31 December 2004 (2003: HK\$1,915.7 million). Order backlog amounted to US\$63 million on the same date.

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 working capital management. With no short term need for major cash outlay while we continue our organic growth strategy, we aim to continue our policy of operating the Group with the optimum shareholder fund and returning any excessive cash holdings to our shareholders.

財務

由於二零零四年裝嵌設備及引線框架需求增加，ASM營業額增加百分之四十七，達四億九千一百六十萬美元，盈利增長百分之八十七點一，盈利超過港幣十億元。即使營業額及ASM產品範圍按年增加，然而我們於二零零四年僅須把總存貨量輕微增加（百分之四點八或港幣二千五百三十萬元）至港幣五億五千四百八十萬元，達到七點零六次的存貨週轉率。在嚴謹的監控下，應收賬款週轉率達至五十七天。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。因此二零零四年錄得相當理想的資金周轉週期，達一百一十九點九天，自由現金流量達港幣九億五千七百六十萬元，投入資本回報率達百分之六十七點二。

雖然在過去十二個月期間派發了港幣七億零六百九十萬元股息，以港幣四千二百五十萬元回購1,548,000股公司股份並斥資港幣二億九千九百八十萬元作為資本性投資，二零零四年的手頭現金仍增加百分之四十八點八，達港幣七億六千三百四十萬元（二零零三年：港幣五億一千三百一十萬元），而主要的資本性投資乃由是年港幣一億八千二百一十萬元的折舊所支付。

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零，兩者在過去四年基本上均為零。由於近期利率低企，年內的淨利息收入只有港幣七百九十萬元。集團嚴格監控流動資產及流動負債，令流動比率處於三點四七的充裕水平。於二零零四年十二月三十一日，集團的股東資金增加百分之十三點七，至港幣二十一億七千七百五十萬元（二零零三年：港幣十九億一千五百七十萬元）。於同一日期的積存訂單為六千三百萬美元。

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、謹慎的投資計劃及嚴格的營運資金管理。由於短期內並無重大現金支出，加上集團繼續推動本體增長之策略，管理層旨在繼續其政策，預留適當的股東資金作集團營運之用，而將剩餘現金回饋予股東。

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 2004.

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\$1.05 (2003: HK\$0.84) per share, which together with the interim dividend of HK\$0.45 (2003: HK\$0.36) per share and a special dividend of HK\$0.55 (2003: nil) per share paid during the year, makes a total dividend for the year of HK\$2.05 (2003: HK\$1.20) per share.

Details of the results of the Group and appropriations of the Company are set out in the consolidated income statement on page 26 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\$187 million and invested approximately HK\$113 million on building new manufacturing facilities in Malaysia and 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 2004 are set out in note 17 to the financial statements.

Issue of shares

On 15 December 2004, 1,798,500 shares were issued 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」)截至二零零四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1.05元(二零零三年：港幣0.84元)，連同年內已派付中期股息每股港幣0.45元(二零零三年：港幣0.36元)及每股港幣0.55元之特別股息(二零零三年：無)，是年度之全年股息每股為港幣2.05元(二零零三年：港幣1.20元)。

有關本集團業績及本公司分配之詳細資料載於第26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。集團斥資約港幣一億八千七百萬元購置機器設備，並投資約港幣一億一千三百萬元以興建位於馬來西亞的新廠房及提升生產、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

有關本公司於二零零四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

於二零零四年十二月十五日，已根據僱員股份獎勵制度，按面值發行1,798,500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
Tang Koon Hung, Eric (appointed on 6 September 2004)
Lee Shiu Hung, Robert (appointed on 23 December 2004)
Paulus Cornelis van den Hoek
(resigned on 23 December 2004)

In accordance with Articles 113, 114 and 117 of the Company's Articles of Association, Arthur H. del Prado, Tang Koon Hung, Eric and Lee Shiu Hung, Robert retire and, being eligible, offer themselves 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 56, is the Managing Director of the Company. Mr. Lam is also the Vice President of Asian Operations of ASM International and a 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 Masters 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 International's operation in South East Asia.

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
鄧冠雄（於二零零四年九月六日獲委任）
李兆雄（於二零零四年十二月二十三日獲委任）
Paulus Cornelis van den Hoek
（於二零零四年十二月二十三日辭任）

Arthur H. del Prado先生，鄧冠雄先生及李兆雄先生根據本公司組織章程細則第一百一十三條，第一百一十四條及第一百一十七條依章告辭董事職位，而彼等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直至根據本公司之公司組織章程細則規定輪流辭任為止。

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），現年五十六歲，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 International在東南亞的業務。

Directors continued

Fung Shu Kan, Alan, Executive Director, aged 54, is the Financial Director of the Group in charge of financial planning and control. He obtained his Diploma and Masters 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 49, 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.

Tang Koon Hung, Eric, Independent Non-executive Director, aged 59, was appointed to the Board on 6 September 2004. Mr. Tang holds a Degree in Industrial Engineering and a Degree in Masters in Business Administration. He qualified as a chartered accountant in Canada and is also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tang has held various positions in auditing, accounting and finance with major corporations in Canada and Hong Kong. He is currently the Head of Internal Audit of MTR Corporation Limited.

Lee Shiu Hung, Robert, Independent Non-executive Director, aged 72, was appointed to the Board on 23 December 2004. Mr. Lee is a Certified Public Accountant with over 40 years of practical experience in auditing, accounting and finance, taxation and general management. He was engaged in private practice in the name of Robert S.H. Lee & Co., Certified Public Accountants since 1984 until his retirement in 2000. Mr. Lee previously held senior executive positions in multinational groups, including Jardine Matheson & Co. Limited and Hutchison International Limited. He was a President of the Society of Chinese Accountants & Auditors, Hong Kong in 1983/84 and a President of the Australian Society of Certified Practising Accountants (CPA Australia) Hong Kong Branch in 1986/87. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, CPA Australia; the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.

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.

董事 續

馮樹根(執行董事)，現年五十四歲，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)，現年四十九歲，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。

鄧冠雄(獨立非執行董事)，現年五十九歲，於二零零四年九月六日獲委任加入董事會。鄧先生持有工業工程學士學位及工商管理碩士學位。彼於加拿大獲得特許會計師資格，也是香港會計師公會會員。鄧先生曾在加拿大及香港數間大機構擔任審計、會計及財務等職位。他現任地鐵有限公司之內部審核主管。

李兆雄(獨立非執行董事)，現年七十二歲，於二零零四年十二月二十三日獲委任加入董事會。李先生為註冊會計師，於審計、會計及財務、稅務及一般管理有逾四十年之實務經驗。彼自一九八四年以李兆雄會計師樓之名義私人執業，直至二零零零年退休。李先生曾於數間跨國公司，包括怡和集團及和記洋行集團，擔任高級行政人員。彼於一九八三年至八四年曾擔任香港華人會計師公會會長及於一九八六至八七年曾擔任澳洲會計師公會香港分會會長。李先生為香港會計師公會、澳洲會計師公會、英國 Institute of Chartered Secretaries and Administrators 及香港公司秘書公會資深會員。

僱員股份獎勵制度

本集團制訂僱員股份獎勵制度(「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，股東批准該制度延長十年，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制度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制度認購或購買之任何股數在內)。

Employee Share Incentive Scheme continued

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 expiration of the defined qualification period. 205,000 of these share entitlements were allocated to certain Directors.

On 24 February 2005, 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 2004 upon the expiration of a defined qualification period. 205,000 of the share entitlements have been allocated to certain Directors.

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 2004 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:

Long positions

(a) Shares of HK\$0.10 each of the Company:

僱員股份獎勵制度 續

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。

董事會於二零零五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二零零四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。

董事股份權益

於二零零四年十二月三十一日，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及其相聯法團擁有的詳細股本權益如下：

好倉

(a) 每股港幣0.10元之本公司股份：

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	Arthur H. del Prado	(Note 1)	(附註1)	207,427,500	53.84%
Lam See Pong, Patrick (Note 2)	林師龐(附註2)	Beneficial owner	實益持有人	2,970,000	0.77%
Fung Shu Kan, Alan	馮樹根	Beneficial owner	實益持有人	316,000	0.08%
Tang Koon Hung, Eric	鄧冠雄	Beneficial owner	實益持有人	8,000	0.002%

Directors' interests in shares continued

(b) Share options of ASM International:

	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價	At 1 January 2004 於二零零四年 一月一日	Exercised during the year 已於本年度 行使	At 31 December 2004 於二零零四年 十二月三十一日
Arthur H. del Prado	18 December 1999 一九九九年十二月十八日	18 December 2000 – 18 December 2004 二零零零年十二月十八日至 二零零四年十二月十八日	US\$15.44 15.44美元	25,000	25,000	—
	19 December 2001 二零零一年十二月十九日	19 December 2002 – 19 December 2006 二零零二年十二月十九日至 二零零六年十二月十九日	US\$19.32 19.32美元	250,000	—	250,000
Lam See Pong, Patrick 林師龐	4 April 2001 二零零一年四月四日	31 December 2001– 4 April 2006 二零零一年十二月三十一日至 二零零六年四月四日	US\$15.44 15.44美元	100,000	—	100,000
Fung Shu Kan, Alan 馮樹根	4 April 2001 二零零一年四月四日	31 December 2001 – 4 April 2006 二零零一年十二月三十一日至 二零零六年四月四日	US\$15.44 15.44美元	7,000	—	7,000

Notes:

- As at 31 December 2004, Arthur H. del Prado, member of his immediate family and a foundation controlled by him together held about 21.77% 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 2004. 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, ASM Assembly Materials Limited and ASM Asia 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 2004, Lam See Pong, Patrick beneficially owns 395,300 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 2004, 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 續

(b) ASM International之認股權：

	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價	At 1 January 2004 於二零零四年 一月一日	Exercised during the year 已於本年度 行使	At 31 December 2004 於二零零四年 十二月三十一日
Arthur H. del Prado	18 December 1999 一九九九年十二月十八日	18 December 2000 – 18 December 2004 二零零零年十二月十八日至 二零零四年十二月十八日	US\$15.44 15.44美元	25,000	25,000	—
	19 December 2001 二零零一年十二月十九日	19 December 2002 – 19 December 2006 二零零二年十二月十九日至 二零零六年十二月十九日	US\$19.32 19.32美元	250,000	—	250,000
Lam See Pong, Patrick 林師龐	4 April 2001 二零零一年四月四日	31 December 2001– 4 April 2006 二零零一年十二月三十一日至 二零零六年四月四日	US\$15.44 15.44美元	100,000	—	100,000
Fung Shu Kan, Alan 馮樹根	4 April 2001 二零零一年四月四日	31 December 2001 – 4 April 2006 二零零一年十二月三十一日至 二零零六年四月四日	US\$15.44 15.44美元	7,000	—	7,000

附註：

- 於二零零四年十二月三十一日，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二十一點七七。於二零零四年十二月三十一日，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、先進半導體物料科技有限公司及先進半導體器材有限公司之分享固定利息股份，而該三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。
- 於二零零四年十二月三十一日，林師龐實益持有395,300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，於二零零四年十二月三十一日，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 and the share options of ASM International disclosed above, 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 2004, 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 shareholder 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	公司	207,427,500	53.84%
Advanced Semiconductor Materials (Netherlands Antilles) N.V.	Beneficial owner	實益持有人	207,427,500	53.84%
Schroder Investment Management (S'pore) Limited	Investment manager	投資經理	22,249,395	5.78%

Save as disclosed above, as at 31 December 2004, 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 and connected transactions

During the year, the Group had entered into certain transactions with the ASM International group of companies, details of which are set out in note 30 to the financial statements.

Independent non-executive Directors of the Company confirmed that the connected transactions have been entered into by the Group in the ordinary and usual course of business, on normal commercial terms, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

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及以上所述之ASM International之認股權外，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、本公司之控股公司、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

於二零零四年十二月三十一日，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：

	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
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除本文所披露者外，於二零零四年十二月三十一日，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及關連交易

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30項。

本公司之獨立非執行董事已確認該等本集團所進行的關聯交易屬本集團的日常業務，按照一般商務條款進行及該等交易是根據有關交易的協議條款進行，而交易條款公平合理，並符合本公司股東的整體利益。

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是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

During the year ended 31 December 2004, the Company repurchased on the Stock Exchange, a total of 1,548,000 shares of HK\$0.1 each at an aggregate price of HK\$42,485,000 (the highest/lowest price per share paid: HK\$28.90/26.55). The repurchased shares were cancelled upon repurchase and accordingly, the issued share capital of the Company was reduced by HK\$155,000 thereof. The premium payable on repurchase of HK\$42,330,000 was charged against the share premium and an amount of HK\$155,000 for shares cancelled was transferred from accumulated profits to the capital redemption reserve. Taken into account of the current market condition and the cash position of the Company, the directors considered that the repurchases of shares were in the best interest of the Company.

Save as disclosed above, neither the Company nor any of the subsidiaries has purchased, sold or redeemed any of the Company's shares during the year under review.

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 five largest customers of the Group were less than 30% of the Group's turnover for the year under review.

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\$154,000.

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。

購買、出售或贖回股份

於截至二零零四年十二月三十一日止年度，本公司在聯交所合共回購1,548,000股每股面值港幣0.10元之股份，價格總值港幣42,485,000元(每股最高/最低價：港幣28.90元/港幣26.55元)。該等股份於回購時註銷，因此，本公司之已發行股本減少港幣155,000元。回購應付之溢價港幣42,330,000元已於股本溢價中扣除，而已註銷股份金額港幣155,000元則自累積溢利轉撥往資本贖回儲備。董事考慮到目前的市場環境及公司的現金狀況，認為股本回購是符合公司的最佳利益。

除上文披露者外，本公司或任何附屬公司概無於本年內購買、出售或贖回本公司之任何股份。

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，本集團之五家最大客戶合共所佔本集團年內總營業額少於百分之三十。

是年度，本集團之五家最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154,000元。

Corporate governance

Throughout the year ended 31 December 2004, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange which were then in force.

The Company has received, from each of the independent non-executive directors, an annual confirmation of the independence pursuant to Rule 3.13 of the Listing Rules on the Stock Exchange. The Company considers all of the independent non-executive directors are independent.

Sufficiency of public float

The Company has maintained a sufficient public float throughout the year ended 31 December 2004.

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 2005

公司監管

本公司於截至二零零四年十二月三十一日止年度一直已遵守在該期間實行之聯交所證券上市規則（「上市規則」）附錄14所載之最佳應用守則。

本公司已收到每位獨立非執行董事根據聯交所上市規則第三章第十三節所規定的確認其獨立性的書面確認。本公司認為全部獨立非執行董事確屬獨立人士。

充足的公眾持股量

本公司於截至二零零四十二月三十一日止年度內已維持充足的公眾持股量。

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

二零零五年二月二十四日

To the Shareholders of ASM Pacific Technology Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 26 to 66 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 Institute of Certified Public 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 2004 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 2005

致ASM Pacific Technology Limited全體股東

(於開曼群島註冊成立之有限公司)

本核數師行已完成審核載於第26至第66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二零零四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，二零零五年二月二十四日

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

		Notes 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Turnover	營業額	4	3,828,930	2,604,823
Cost of sales	銷貨成本		(2,097,617)	(1,461,851)
Gross profit	毛利		1,731,313	1,142,972
Other operating income	其他經營收益		9,278	4,724
Selling expenses	銷售費用		(291,733)	(227,915)
General and administrative expenses	一般管理費用		(123,876)	(108,394)
Research and development expenses, net	研究及發展淨支出	6	(262,585)	(218,360)
Factory relocation costs	廠房遷移開支	7	—	(5,835)
Profit from operations	經營溢利	8	1,062,397	587,192
Finance costs	財務費用	12	(15)	(64)
Profit before taxation	除稅前溢利		1,062,382	587,128
Taxation	稅項	13	(59,787)	(51,255)
Net profit for the year	本年度淨溢利		1,002,595	535,873
Dividends	股息	14	788,002	461,414
Earnings per share	每股溢利	15		
– Basic	— 基本		HK\$2.61 港幣2.61元	HK\$1.40 港幣1.40元
– Diluted	— 攤薄		HK\$2.60 港幣2.60元	HK\$1.39 港幣1.39元

At 31 December 2004

於二零零四年十二月三十一日

		Notes 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 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	781,822	696,652
Deferred tax assets	遞延稅項資產	24	1,999	2,353
			783,821	699,005
Current assets	流動資產			
Inventories	存貨	18	554,830	529,542
Trade and other receivables	貿易及其他應收賬款	19	642,223	740,250
Bank balances and cash	銀行結餘及現金		763,359	513,078
			1,960,412	1,782,870
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	20	461,284	486,634
Taxation	應付稅項		103,099	70,512
			564,383	557,146
Net current assets	流動資產淨值		1,396,029	1,225,724
			2,179,850	1,924,729
Capital and reserves	資本及儲備			
Share capital	股本	21	38,527	38,502
Dividend reserve	股息儲備		404,532	323,415
Other reserves	其他儲備		1,734,406	1,553,585
Shareholders' funds	股東資金		2,177,465	1,915,502
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	2,385	9,227
			2,179,850	1,924,729

The financial statements on pages 26 to 66 were approved and authorised for issue by the Board of Directors on 24 February 2005 and are signed on its behalf by:

Arthur H. del Prado
Director

Lam See Pong, Patrick
Director

第26頁至第66頁之財務報表經於二零零五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

At 31 December 2004

於二零零四年十二月三十一日

	Notes 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Interest in subsidiaries	附屬公司權益	17 484,211	395,182
Current assets	流動資產		
Trade and other receivables	貿易及其他應收賬款	760	654
Amounts due from subsidiaries	附屬公司所欠款項	606,767	781,846
Bank balances and cash	銀行結餘及現金	455,492	290,576
		1,063,019	1,073,076
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	663	592
Amounts due to subsidiaries	附屬公司應收款項	288,033	109,808
		288,696	110,400
Net current assets	流動資產淨值	774,323	962,676
Net assets	資產淨值	1,258,534	1,357,858
Capital and reserves	資本及儲備		
Share capital	股本	21 38,527	38,502
Dividend reserve	股息儲備	404,532	323,415
Other reserves	其他儲備	23 815,475	995,941
Shareholders' funds	股東資金	1,258,534	1,357,858

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 2004

截至二零零四年十二月三十一日止年度

		Capital							Total 總額
		Share capital 股本	Share premium 股本溢價	redemption reserve 資本贖回儲備	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Accumulated profits 累積溢利	Dividend reserve 股息儲備	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1 January 2003	於二零零三年 一月一日	38,333	126,528	—	70,944	(79,262)	1,354,197	245,332	1,756,072
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
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	—	—	—	—	6,719	—	—	6,719
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 and 1 January 2004	於二零零三年 十二月三十一日 及二零零四年 一月一日	38,502	126,528	—	70,944	(72,543)	1,428,656	323,415	1,915,502
Shares issued under the Employee Share Incentive Scheme	根據僱員股份 獎勵制度發 行之股份	180	—	—	—	—	—	—	180
Repurchase of shares	回購之股份	(155)	—	155	—	—	(155)	—	(155)
Premium paid on repurchase of shares	回購之股份之 已付溢價	—	(42,330)	—	—	—	—	—	(42,330)
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	—	—	—	—	8,558	—	—	8,558
Net profit for the year	本年度淨溢利	—	—	—	—	—	1,002,595	—	1,002,595
Interim dividend declared	派付中期股息	—	—	—	—	—	(172,561)	172,561	—
Special dividend declared	派付特別股息	—	—	—	—	—	(210,909)	210,909	—
Final dividend proposed	建議末期股息	—	—	—	—	—	(404,532)	404,532	—
Dividends paid	已派付股息	—	—	—	—	—	—	(706,885)	(706,885)
At 31 December 2004	於二零零四年 十二月三十一日	38,527	84,198	155	70,944	(63,985)	1,643,094	404,532	2,177,465

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量變動表

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

	Note 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Operating activities	營運活動		
Profit before taxation	除稅前溢利	1,062,382	587,128
Adjustments for:	調整：		
Depreciation	折舊	182,114	153,465
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	32,247	25,459
Staff compensation in terms of issue of shares	發行股份作為僱員薪酬	180	169
Interest income	利息收入	(7,923)	(3,934)
Interest expense	利息支出	15	64
Operating cash flows before movements in working capital	未計營運資金之營運現金流量	1,269,015	762,351
Increase in inventories	存貨之增加	(23,714)	(19,832)
Decrease (increase) in trade and other receivables	貿易及其他應收賬款之減額(增加)	104,749	(293,815)
(Decrease) increase in trade and other payables	貿易及其他應付賬款之(減額)增加	(31,653)	169,238
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	2,864	(8,951)
Cash generated from operations	營運所得之現金	1,321,261	608,991
Income taxes paid	支付所得稅	(33,557)	(19,971)
Interest paid	支付利息	(15)	(64)
Net cash from operating activities	營運活動淨現金收入	1,287,689	588,956
Investing activities	投資項目		
Interest received	利息收入	7,923	3,934
Purchase of a subsidiary	收購一間附屬公司	1,730	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	865	475
Purchase of property, plant and equipment	購買物業、廠房及設備	(299,779)	(160,513)
Net cash used in investing activities	投資項目之淨現金支出	(289,261)	(156,104)
Financing activities	融資項目		
Dividends paid	派付股息	(706,885)	(383,331)
Repurchase of shares	回購之股份	(42,485)	—
Repayment of bank loans	償還銀行貸款	—	(3,482)
Net cash used in financing activities	融資項目之淨現金支出	(749,370)	(386,813)

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net increase in cash and cash equivalents	現金及現金等額之增加	249,058	46,039
Cash and cash equivalents at beginning of the year	年初之現金及現金等額	513,078	465,569
Effect of foreign exchange rate changes	外幣匯率轉變引致之影響	1,223	1,470
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	763,359	513,078

For the year ended 31 December 2004

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 (the “Stock Exchange”). 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 Potential impact arising from the recently issued accounting standards

In 2004, the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) issued a number of new or revised Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) (hereinafter collectively referred to as “new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004.

In April 2004, the HKICPA issued HKFRS 2 “Share-based Payment” which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The principal impact of HKFRS 2 on the Group is in relation to the expensing of directors’ and employees’ shares of the Company granted under Employee Share Incentive Scheme (“Scheme” – see note 22 for details), which are calculated with reference to the market value of shares at the date of grant. Currently, 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.

The Group intends to follow the transitional provisions set out in HKFRS 2. In relation to shares granted on or before 7 November 2002 and shares granted after 7 November 2002 and vested before 1 January 2005, the Group does not intend to recognise and expense those shares with reference to the market value of shares at the date of grant. However, in relation to shares granted after 7 November 2002 and vested on or after 1 January 2005, such shares should be accounted for in accordance with HKFRS 2.

截至二零零四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（「聯交所」）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。

最近頒佈的會計準則所帶來的潛在影響

香港會計師公會於二零零四年頒佈了一系列新訂或修訂的香港會計準則及香港財務報告準則（以下全部簡稱「新訂香港財務報告準則」），該等準則於二零零五年一月一日或之後開始的會計年度生效。於截至二零零四年十二月三十一日年度的財務報告內，本集團沒有提早採用這些新訂香港財務報告準則。

香港會計師公會於二零零四年頒佈了香港財務報告準則二「以股本為基準之付款」。要求集團以股票或股權換購貨品或換取服務或以某數量之股票或股權換取等值之其他資產，均需確認為開支。香港財務報告準則二對本集團之主要影響為根據僱員股份獎勵制度（「制度」詳情見附註22）授予董事及僱員之股票需要以授予當日之市場價格計算，作為開支。現時，該制度之費用以預期將會發行之股票之票面價，確認為有關僱員提供服務期間之開支。

本集團制度遵照香港財務報告準則二所列出的過渡期條款，於二零零二年十一月七日或之前所授予的股權，及二零零二年十一月七日之後授予並於二零零五年一月一日或之前可行使的股權，不以授予當日之市場價格計算，確認為開支。惟於二零零二年十一月七日之後授予及於二零零五年一月一日或之後可行使的股權，應根據香港財務報告準則二列賬。

2 Potential impact arising from the recently issued accounting standards continued

The adoption of HKFRS 2 would have a significant impact on the results of operations and financial position of the Group for accounting periods beginning on or after 1 January 2005. However, it has no significant effect on the results for the year ended 31 December 2004 or prior accounting periods.

In relation to other new HKFRSs, the Group does not expect that their issuance will have a material effect on how the results of operations and financial position of the Group are prepared and presented.

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.

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.

最近頒佈的會計準則所帶來的潛在影響 續

採用香港財務報告準則二，將對本集團於二零零五年一月一日或之後開始會計年度的業績及財政狀況有重大之影響。惟此準則對本集團於截至二零零四年十二月三十一日止或之前的會計年度的業績並無重要的影響。

本集團認為其他新頒佈的香港財務報告準則，不會對本集團的財務表現及財政狀況之編製及呈列方式構成重大的影響。

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。

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。

3 Significant accounting policies continued

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the standard cost method, which closely approximate 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. An 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

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。

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。

本集團研究及開發活動所獲之政府津貼已在該等開支計入收益報表時同期確認入賬。

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在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 is 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.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight line basis over the term of the relevant leases.

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份資產價值時作調減。

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。

租約

倘租約之條款將有關資產擁有權之一切風險及回報大部份賦予本集團，則該等租約列為財務租約。所有其他租約則列為經營租約，其每年之租金乃以直線法按其租約計入收益報表內。

3 Significant accounting policies continued

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 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.

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

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票面值計算。

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 2004 is presented below:

Income statement

		HK\$'000 港幣千元
Turnover	營業額	
Equipment	設備	3,252,042
Leadframe	引線框架	576,888
		3,828,930
Result	業績	
Equipment	設備	992,139
Leadframe	引線框架	62,335
		1,054,474
Unallocated corporate income	未分配之公司收入	7,923
Profit from operations	經營溢利	1,062,397
Finance costs	財務費用	(15)
Profit before taxation	除稅前溢利	1,062,382
Taxation	稅項	(59,787)
Net profit for the year	本年度淨溢利	1,002,595

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		
Unallocated corporate assets	未分配之公司資產		
	1,578,976	292,517	1,871,493
Consolidated total assets	綜合資產總額		872,740
			2,744,233
Liabilities	負債		
Segment liabilities	分部負債		
Unallocated corporate liabilities	未分配之公司負債		
	381,316	79,339	460,655
Consolidated total liabilities	綜合負債總額		106,113
			566,768

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	231,568	68,211	299,779
Depreciation	折舊	115,354	66,760	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	32,060	187	32,247

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

(二) 截至二零零三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
Turnover	營業額	
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 (備註)	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

(A) Business segments continued

Other information

Capital additions
Depreciation
Factory relocation costs
Loss 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:

業務及地域分部 續

(甲) 業務分部 續

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
77,058	83,455	160,513
113,949	39,516	153,465
—	5,835	5,835
7,768	17,691	25,459

(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：

Location of operation 營運地區	Turnover 營業額		Profit from operations 經營溢利	
	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
The PRC 中國	1,992,532	1,239,808	549,981	230,998
Singapore and Malaysia 新加坡及馬來西亞	1,836,398	1,365,015	504,493	352,260
	3,828,930	2,604,823	1,054,474	583,258
Unallocated corporate income 未分配之公司收入			7,923	3,934
Profit from operations 經營溢利			1,062,397	587,192

5 Business and geographical segments continued

業務及地域分部 續

(B) Business 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：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Location of market	市場地區		
Taiwan	台灣	850,975	516,805
Mainland China	中國大陸	742,272	415,053
Malaysia	馬來西亞	539,390	293,096
Philippines	菲律賓	335,571	213,680
Hong Kong	香港	281,008	175,238
Thailand	泰國	280,609	175,931
Korea	韓國	222,670	346,325
United States of America	美國	204,795	76,557
Singapore	新加坡	197,768	222,378
Europe	歐洲	66,302	53,228
Japan	日本	55,445	71,148
Others	其他	52,125	45,384
		3,828,930	2,604,823

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	
		31.12.2004 二零零四年 十二月三十一日 HK\$'000 港幣千元	31.12.2003 二零零三年 十二月三十一日 HK\$'000 港幣千元	Year ended 31.12.2004 二零零四年 十二月三十一日 止之年度 HK\$'000 港幣千元	Year ended 31.12.2003 二零零三年 十二月三十一日 止之年度 HK\$'000 港幣千元
The PRC	中國	2,022,703	1,818,710	188,894	134,704
Singapore and Malaysia	新加坡及馬來西亞	719,531	660,812	110,885	25,809
		2,742,234	2,479,522	299,779	160,513

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\$992,000 (2003: HK\$1,214,000).

Included in research and development expenses is depreciation on property, plant and equipment of HK\$5,927,000 (2003: HK\$6,057,000) and rental of land and buildings under operating leases of HK\$2,606,000 (2003: HK\$2,117,000).

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992,000元（二零零三年：港幣1,214,000元）。

研究及發展支出包括物業、廠房及設備之折舊為港幣5,927,000元（二零零三年：港幣6,057,000元），以及營業租約租用的土地及樓宇租金為港幣2,606,000元（二零零三年：港幣2,117,000元）。

7 Factory relocation costs

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

廠房遷移開支

此費用為集團結束其中一間位於香港之廠房及其遷往中國大陸之開支。

8 Profit from operations

經營溢利

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
<i>Profit from operations has been arrived at after charging:</i>	經營溢利已扣除：		
Auditors' remuneration	核數師酬金	3,685	2,804
Depreciation	折舊	182,114	153,465
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	32,247	25,459
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	32,551	35,768
Staff costs, including directors' remuneration	僱員費用，包括董事酬金	747,686	556,957
<i>and after crediting:</i>	並已計入：		
Interest income	利息收入	7,923	3,934

9 Directors' emoluments

董事酬金

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Fees to independent non-executive Directors	非執行董事袍金	704	600
Other emoluments to executive Directors:	執行董事其他酬金：		
– Salaries and other benefits	– 薪金及其他利益	7,551	4,943
– Performance related incentive payments	– 有關表現之獎金	2,850	4,423
– Pension contribution	– 退休金供款	851	831
Directors' remuneration	董事酬金	11,956	10,797

In addition to the above, 205,000 (2003: 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\$5,771,000 (2003: HK\$6,437,000).

除上述外，本公司於本年度根據僱員股份獎勵制度向若干執行董事發行205,000股（二零零三年：205,000股）本公司股份。該等股份於發行日之市值為港幣5,771,000元（二零零三年：港幣6,437,000元）。

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

董事之酬金幅度如下（不包括股份獎勵制度之得益）：

		Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
HK\$nil to HK\$1,000,000	無 — 港幣 1,000,000元	5	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\$8,000,001 to HK\$8,500,000	港幣 8,000,001元 — 港幣 8,500,000元	—	1
HK\$9,000,001 to HK\$9,500,000	港幣 9,000,001元 — 港幣 9,500,000元	1	—

10 Employees' emoluments

The five highest paid individuals included two (2003: two) Directors, details of whose remuneration are set out in note 9. The emoluments of the remaining three (2003: three) individuals were as follows:

僱員薪酬

五位最高薪酬之人士包括兩位董事（二零零三年：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（二零零三年：三位）之酬金如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他利益	6,223	4,381
Performance related incentive payments	有關表現之獎金	1,342	2,704
Pension contribution	退休金供款	388	399

In addition to the above, 180,000 (2003: 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\$5,067,000 (2003: HK\$5,338,000).

除上述外，本公司於本年度根據僱員股份獎勵制度向有關最高薪酬之人士發行180,000股（二零零三年：170,000股）本公司股份。該等股份於發行日之市值為港幣5,067,000元（二零零三年：港幣5,338,000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制度之得益）：

		Number of employees 僱員人數	
		2004 二零零四年	2003 二零零三年
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元 — 港幣2,000,000元	—	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
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元 — 港幣3,500,000元	1	—

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\$39,781,000 (2003: HK\$35,611,000) represents contributions payable to the plans by the Group at rates specified in the rules of the plans less forfeitures of HK\$830,000 (2003: HK\$849,000) arising from employees leaving the Group prior to completion of qualifying service period.

At the balance sheet date, there were no forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years (2003: HK\$375,000).

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39,781,000元（二零零三年：港幣35,611,000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830,000元（二零零三年：港幣849,000元）。

於資產負債表結算日，並無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（二零零三年：港幣375,000元）。

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

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Current tax	本期稅項		
Hong Kong	香港	61,347	46,511
Other jurisdictions	其他司法權區	7,016	5,322
		68,363	51,833
(Over)underprovision in prior years	往年度備撥(過多)不足		
Hong Kong	香港	(86)	143
Other jurisdictions	其他司法權區	(2,028)	940
		(2,114)	1,083
Deferred tax (note 24)	遞延稅項(附註24)		
Current year	本期	(6,462)	(2,617)
Attributable to changes in tax rates	因稅率變更之影響	—	956
		(6,462)	(1,661)
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司之稅項	59,787	51,255

Hong Kong Profits Tax has been calculated at 17.5% (2003: 17.5%) 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.

Certain subsidiaries of the Group operating in the PRC are eligible for certain tax holidays and concessions and were exempted from PRC Income Taxes for the year.

香港利得稅是按本年度估計應課稅溢利以稅率17.5% (二零零三年：17.5%) 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。

集團於中國經營之部份附屬公司因獲免稅期及稅務優惠而豁免本年度的中國所得稅。

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：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	1,062,382	587,128
Tax at the domestic income tax rate of 17.5% (2003: 17.5%)	以本地所得稅率17.5% (二零零三年：17.5%) 計算之稅項	185,917	102,747
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	4,032	1,518
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	(7,324)	(2,455)
Tax effect of tax losses not recognised	未予以確認稅項虧損對稅務之影響	14,530	6,733
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	(41,718)	(7,042)
Effect of tax exemption under the MH status	「生產總部」地位而獲稅項豁免之影響	(90,114)	(53,368)
Effect of tax exemption granted to PRC subsidiaries	中國附屬公司獲得稅項豁免之影響	(5,028)	—
(Over)underprovision in prior years	往年度備撥(過多)不足	(2,114)	1,083
Others	其他	1,606	1,083
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
Taxation for the year	本年度稅項	59,787	51,255

14 Dividends

股息

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Interim dividend paid of HK\$0.45 (2003: HK\$0.36) per share on 383,470,000 (2003: 383,331,500) shares	中期股息每股港幣0.45元(二零零三年：港幣0.36元)派發予383,470,000股(二零零三年：383,331,500股)	172,561	137,999
Special dividend paid of HK\$0.55 (2003: nil) per share on 383,470,000 (2003: nil) shares	特別股息每股港幣0.55元(二零零三年：無)派發予383,470,000股(二零零三年：無)	210,909	—
Proposed final dividend of HK\$1.05 (2003: HK\$0.84) per share on 385,268,500 (2003: 385,018,000) shares	建議末期股息每股港幣1.05元(二零零三年：港幣HK\$0.84元)派發予385,268,500股(二零零三年：385,018,000股)	404,532	323,415
		788,002	461,414

The final dividend of HK\$1.05 (2003: HK\$0.84) 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1.05元(二零零三年：港幣0.84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：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 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	1,002,595	535,873
		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	384,313	383,410
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	1,451	1,479
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	385,764	384,889

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 2004	於二零零四年一月一日	238,924	188,066	1,265,085	73,982	1,766,057
Currency realignment	貨幣調整	573	124	658	187	1,542
Additions	增額	92,937	15,913	187,022	3,907	299,779
Disposals	出售	(755)	(4,050)	(118,662)	(6,324)	(129,791)
Reclassification	重新分類	—	(15,547)	66,357	(50,810)	—
At 31 December 2004	於二零零四年十二月三十一日	331,679	184,506	1,400,460	20,942	1,937,587
Depreciation and impairment	折舊及減值					
At 1 January 2004	於二零零四年一月一日	129,034	123,540	757,779	59,052	1,069,405
Currency realignment	貨幣調整	230	120	423	152	925
Provided for the year	是年度撥備	8,714	16,751	153,217	3,432	182,114
Eliminated on disposals	出售時撇除	—	(1,717)	(91,032)	(3,930)	(96,679)
Reclassification	重新分類	—	(784)	43,362	(42,578)	—
At 31 December 2004	於二零零四年十二月三十一日	137,978	137,910	863,749	16,128	1,155,765
Net book values	賬面淨值					
At 31 December 2004	於二零零四年十二月三十一日	193,701	46,596	536,711	4,814	781,822
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

16 Property, plant and equipment continued

物業、廠房及設備 續

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

上述租約土地及樓宇之賬面值：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 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	100,407	10,595
— Medium-term leases (Note)	— 中期租約(附註)	93,294	99,295
		193,701	109,890

Note: The amount includes an amount of HK\$90,760,000 (2003: HK\$96,813,000) 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90,760,000元(二零零三年：港幣96,813,000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	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
<i>Unlisted shares:</i>	<i>非上市股份：</i>		
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	337,615	248,586
		484,211	395,182

Shares in the subsidiaries acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares on the Stock Exchange 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聯交所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。

17 Interest in subsidiaries continued

Details of the principal subsidiaries at
31 December 2004 are as follows:

附屬公司之權益 續

於二零零四年十二月三十一日
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 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* 先導自動器材國際貿易 (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 of semiconductor materials 買賣半導體物料
ASM Assembly Products B.V.	Netherlands 荷蘭	—	EUR 18,151 歐元 18,151	100%	—	Trading in semiconductor equipment 買賣半導體器材
ASM Assembly Technology Co., Limited	Japan 日本	—	JPY10,000,000 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 and agency services 投資控股及代理服務
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 Pacific Assembly Products, Inc.	United States of America 美國	—	US\$60,000 60,000美元	—	100%	Trading in semiconductor equipment 買賣半導體器材

17 Interest in subsidiaries continued

Details of the principal subsidiaries at
31 December 2004 are as follows:

附屬公司之權益 續

於二零零四年十二月三十一日
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 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 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
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
Edgeward Development Limited	Guernsey, Channel Islands 海峽群島根西島	—	US\$10,000 10,000美元	—	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 製造半導體器材配件
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

17 Interest in subsidiaries continued

Note 1:

Under a joint venture agreement, the Group has committed to contribute 100% of the registered capital of HK\$322,300,000 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. On 23 February 2004, the term was approved to extend for a further period of five years to October 2009. At 31 December 2004, the Group has paid up approximately HK\$310,829,000 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.

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 ("PMM"), 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 a further period of five years to October 2005. On 1 April 2004, the Group applied for the de-registration of PMM and approval to merge the operations of PMM with MET. Such application is still in progress up to the date of this report. 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.

* Established as a wholly foreign owned enterprise in the PRC.

附屬公司之權益 續

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」）佔該公司註冊股本港幣322,300,000元之100%。合作期由一九九四年十月起，為期十年。於二零零四年二月二十三日，該合資經營合約之合作期已獲當局批准再延長五年至二零零九年十月。於二零零四年十二月三十一日，本集團已支付約港幣310,829,000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。

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佔該公司註冊股本港幣125,000,000元之95%。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，該合資經營合約之合作期獲當局批准延長五年至二零零五年十月。於二零零四年四月一日，本集團為深圳先進精密機械製造有限公司申請撤銷註冊，並將其經營業務和微電子科技合併。截至本報告發佈日，有關申請仍在審批階段。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。

*在中國成立為外商獨資企業。

17 Interest in subsidiaries continued

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 debt security 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

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證券，或在年結時無未償還之貸款證券。

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	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Raw materials	原料	157,334	148,293
Work in progress	在製品	326,062	298,748
Finished goods	製成品	71,434	82,501
		554,830	529,542

Included above are raw materials of HK\$4,388,000 (2003: HK\$1,822,000), work in progress of HK\$1,522,000 (2003: HK\$23,912,000) and finished goods of HK\$29,331,000 (2003: HK\$1,269,000) which are carried at net realisable value.

以上包括按可變現淨值計算之原料港幣4,388,000元(二零零三年：港幣1,822,000元)，在製品港幣1,522,000元(二零零三年：港幣23,912,000元)及製成品港幣29,331,000元(二零零三年：港幣1,269,000元)

19 Trade and other receivables

貿易及其他應收賬款

		The Group 集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Trade receivables	貿易應收賬款	597,164	682,650
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	44,466	52,558
Amounts due from ASM International group companies — trade (Note)	ASM International集團公司所欠款項 — 貿易(附註)	593	5,042
		642,223	740,250
<i>An aging analysis of trade receivables is as follows:</i>			
	貿易應收賬款賬齡分析如下：		
Not yet due	尚未到期	380,045	541,220
Overdue within 30 days	逾期30天	132,935	113,766
Overdue within 31 to 60 days	逾期31至60天	56,985	27,664
Overdue within 61 to 90 days	逾期61至90天	19,331	—
Overdue over 90 days	逾期超過90天	7,868	—
		597,164	682,650
Credit policy:		信貸政策：	
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 pre-set maximum credit limit.		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。	
Note:		附註：	
Amounts due from ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.		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	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Trade payables	貿易應付賬款	193,448	334,161
Other payables and accrued charges	其他應付賬款及應計費用	267,428	152,041
Amounts due to ASM International group companies — trade (Note)	欠ASM International 集團公司款項 — 貿易(附註)	408	432
		461,284	486,634
<i>An aging analysis of trade payables is as follows:</i>			
Not yet due	尚未到期	93,201	194,627
Overdue within 30 days	逾期30天	55,543	97,049
Overdue within 31 to 60 days	逾期31至60天	39,275	37,518
Overdue within 61 to 90 days	逾期61至90天	5,334	4,406
Overdue over 90 days	逾期超過90天	95	561
		193,448	334,161
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

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 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	38,502	38,333
Shares repurchased and cancelled	回購及註銷之股份	(155)	—
Shares issued under the Employee Share Incentive Scheme	根據僱員股份獎勵制度發行之股份	180	169
At 31 December	於十二月三十一日	38,527	38,502

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, 1,798,500 shares were issued 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發行1,798,500股。

On 24 February 2005, 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.

於二零零五年二月二十四日，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。

During the year, the Company repurchased its own shares on the Stock Exchange as follows:

於本期間，本公司在聯交所回購本公司股份如下：

Month of repurchase 回購之月份	Number of shares of HK\$0.10 each 每股面值港幣 0.10元股份之數目	Price per share		Aggregate consideration paid HK\$'000 已付總代價 港幣千元
		Highest HK\$ 每股最高價 港幣	Lowest HK\$ 每股最低價 港幣	
June 2004 二零零四年六月	1,548,000	28.90	26.55	42,485

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against the share premium. An amount equivalent to the nominal value of the shares cancelled was transferred from accumulated profits to the capital redemption reserve.

以上股份已於回購時註銷，本公司之已發行股本已相應地減少有關股份的票面值。回購應付之溢價已於股本溢價中扣除。相等於已註銷股份的票面值金額則自累積溢利轉撥往資本贖回儲備。

22 Employee Share Incentive Scheme

The Scheme 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 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 expiration of the defined qualification period. 1,798,500 of these shares entitlements were issued on 15 December 2004 and the market value of these shares at the date of issue amounted to approximately HK\$50,628,000. The 1,500 unallotted shares were cancelled by the Company on the same date.

On 24 February 2005, 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 2004 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

此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，股東批准該制度延長十年，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制度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制度認購或購買之任何股數在內）。

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。於二零零四年十二月十五日已發行1,798,500股，於發行日該項股份之市場值為港幣50,628,000元。在當日公司已註銷其中未被發行的1,500股。

董事會於二零零五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二零零四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	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Share premium	股份溢價		
At 1 January	於一月一日	126,528	126,528
Premium paid on repurchase of shares (note 21)	回購股份之 已付溢價(附註21)	(42,330)	—
At 31 December	於十二月三十一日	84,198	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
Capital redemption reserve	資本贖回儲備		
Repurchase of shares (note 21) and at 31 December	回購之股份(附註21) 及於十二月三十一日	155	—
Accumulated profits	累積溢利		
At 1 January	於一月一日	813,269	668,543
Repurchase of shares (note 21)	回購之股份(附註21)	(155)	—
Net profit for the year	本年度淨溢利	649,866	606,140
Dividends (note 14)	股息(附註14)	(788,002)	(461,414)
At 31 December	於十二月三十一日	674,978	813,269
Total other reserves	其他儲備總額	815,475	995,941

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, 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 accounting principles generally accepted in Hong Kong, amounted to HK\$1,079,510,000 (2003: HK\$1,136,684,000), 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聯交所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，乃根據香港普遍採用之會計原則計算，合共港幣1,079,510,000元（二零零三年：港幣1,136,684,000）。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。

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 2003	於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 and 1 January 2004	於二零零三年十二月三十一日及二零零四年一月一日	22,439	(13,031)	(2,534)	6,874
(Credit) charge to income for the year	本年度收入之(抵免)支出	(19,473)	13,031	(20)	(6,462)
Exchange differences	貨幣調整	(3)	—	(23)	(26)
At 31 December 2004	於二零零四年十二月三十一日	2,963	—	(2,577)	386

24 Deferred taxation continued

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

遞延稅項 續

以下為遞延稅項結餘
按資產負債表列賬
所作之分析：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Deferred tax liabilities	遞延稅項負債	2,385	9,227
Deferred tax assets	遞延稅項資產	(1,999)	(2,353)
		386	6,874

At 31 December 2004, the Group has unused tax losses of HK\$139,233,000 (2003: HK\$99,457,000) available for offset against future profits. At 31 December 2004, no deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. At 31 December 2003, a deferred tax asset amounted to HK\$13,031,000 was recognised for such losses and no deferred tax asset was recognised in respect of the remaining tax losses due to the unpredictability of future profit stream. Included in unrecognised tax losses are losses of HK\$31,302,000 that will expire during the year 2009 to 2011 (2003: HK\$17,774,000 expiring during the year 2008 to year 2010). Other losses may be carried forward indefinitely.

在二零零四年十二月三十一日，本集團有港幣139,233,000元（二零零三年：港幣99,457,000元）的可用於抵銷未來應課稅溢利的稅務虧損。於二零零四年十二月三十一日，因為未來溢利的不可預見性，並無確認遞延稅項資產。於二零零三年十二月三十一日，當中就該虧損確認了港幣13,031,000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31,302,000元將於二零零九年至二零一一年到期（二零零三年：港幣17,774,000元的虧損將於二零零八年至二零一零年到期）。其他虧損可以無限期地結轉後期。

25 Purchase of a subsidiary

On 1 January 2004, the Group acquired 100% of the issued share capital of ASM Pacific Assembly Products, Inc. for a cash consideration of HK\$466,000. This transaction was accounted for using the purchase method of accounting.

收購一間附屬公司

本集團於二零零四年一月一日以現金代價港幣466,000元收購ASM Pacific Assembly Products, Inc.之全部已發行的股份。此交易以收購方式入賬。

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net assets acquired:	收購資產淨值：		
Inventories	存貨	165	—
Trade and other receivables	貿易及其他應收賬款	3,308	—
Bank balances and cash	銀行結餘及現金	2,196	—
Trade and other payables	貿易及其他應付賬款	(5,203)	—
		466	—
Cash consideration	現金代價	466	—
Net cash inflow arising on acquisition :	收購帶來的淨現金收入：		
Cash consideration	現金代價	(466)	—
Bank balances and cash acquired	收購的銀行結餘及現金	2,196	—
		1,730	—

The subsidiary acquired did not make any significant contribution to the results and cash flows of the Group during the year.

年內該附屬公司之收購並無對本集團的業績及現金流量帶來重大的貢獻。

26 Contingent liabilities

或然負債

		The Group 集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Guarantees given	提供擔保	715	913

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 2004 and 2003.

公司就附屬公司向銀行取得一般銀行融資擔保。於二零零三年及二零零四年十二月三十一日附屬公司並未動用所獲擔保。

27 Capital commitments

資本承擔

		The Group 集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 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	37,311	35,805
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	156,671	212,995
		193,982	248,800

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。

28 Operating lease commitments

At 31 December 2004, 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

於二零零四年十二月三十一日，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	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Within one year	一年內	25,915	27,076
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	46,714	37,081
Over five years	超過五年	29,314	38,173
		101,943	102,330

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.

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

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。

29 Share option schemes

ASM International has adopted various share option schemes for the primary purpose of providing incentives to the directors and eligible employees of ASM International and its subsidiaries. Under these schemes, key employees of ASM International and its subsidiaries may purchase a specific number of shares of ASM International. Options are priced at market value in Euros or US dollars on the date of grant, are generally vesting in equal parts over a period of five years and generally will expire after five or ten years.

A summary of the movements of share options of ASM International granted to the directors of the Company and eligible employees of the Company and its subsidiaries is as follows:

認股權計劃

ASM International採用以數種認股權計劃以獎勵ASM International及其附屬公司的董事及合資格員工。根據這些計劃，ASM International及其附屬公司的主要員工，可購買指定數量的ASM International股票。認股權定價為授予當日以歐元或美元為單位的市價。一般而言，該等認股權可於五年內以相等數額分期行使，並於五年或十年後到期。

有關ASM International認股權授予本公司董事及本公司和其附屬公司的合資格員工的變動概述如下：

		Held by directors 董事持有	Held by eligible employees 合資格員工 持有
At 1 January 2004	於二零零四年一月一日	382,000	319,700
Exercised during the year	於本年內行使	25,000	27,900
At 31 December 2004	於二零零四年十二月三十一日	357,000	291,800

The exercise prices of the above outstanding options are ranged from US\$15.44 to US\$19.32.

以上已發行認股權行使價格介乎15.44美元至19.32美元。

30 Related party transactions

- (a) During the year, the Group paid an annual management fee of HK\$1,500,000 (2003: 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.

- (b) During the year, the Group acquired the entire interest of a subsidiary from ASM International at a consideration of HK\$466,000.

- (c) On 16 March 2004, the Company entered into a management and production agreement (the "Agreement") with ASM International. The Agreement was commenced from the date of the Agreement for a term of one year and is terminable by three months' notice in writing by either party. Details of the Agreement are set out in the announcement dated 18 March 2004 made by the Company.

Pursuant to the Agreement, the Group provides management services (including services for administration and financial matters and provision of supporting personnel) to ASM International group companies in respect of the production facility of ASM International established in the Republic of Singapore, at a quarterly fee of HK\$375,000. Management service fee received during the year amounted to HK\$1,187,500 (2003: nil).

In addition, the Group also agrees to manufacture metal parts for ASM International at a cost-plus basis. The manufacture of metal parts for ASM International during the year amounted to HK\$1,996,000 (2003: nil).

- (d) During the year ended 31 December 2003, the Group traded with ASM International group companies amounting to HK\$9,206,000. The sales to ASM International group companies were in its normal course of business and in the opinion of the Directors of the Company, the transactions were carried out at market price. There was no such transaction for the year ended 31 December 2004.

關連交易

- (a) 根據一項由ASM International與本公司簽訂之管理協議，集團於本年度向ASM International支付管理費港幣1,500,000元（二零零三年：港幣1,500,000元）。根據該協議，ASM International擔任本集團顧問，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。

- (b) 於本年度，集團以港幣466,000元之代價向ASM International收購旗下一間附屬公司之所有權益。

- (c) 於二零零四年三月十六日，本公司與ASM International簽訂了一項管理及生產協議。該協議由簽訂日起生效，為期一年，可由任何一方以三個月書面通知而終止。協議之詳細內容已刊載於本公司於二零零四年三月十八日之公告。

根據該協議，本集團為ASM International集團公司於新加坡設立之生產設施提供管理服務（包括行政與財務事宜之服務及提供人事支援），每季費用為港幣375,000元。於本年度，本集團已收取之管理費為港幣1,187,500元（二零零三年：無）。

本集團更同意以成本加成基準為ASM International製造金屬配件。於本年度，本集團製造此等金屬配件總值為港幣1,996,000（二零零三年：無）。

- (d) 截至二零零三年十二月三十一日止，本集團與ASM International集團公司在日常商業交易中進行貿易共達港幣9,206,000元，而董事會認為售與ASM International集團公司之銷售額均以市場價格進行。截至二零零四年十二月三十一日本集團並無進行此等交易。

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

		2004 二零零四年 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	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Results	業績					
Turnover	營業額	3,828,930	2,604,823	1,846,016	1,560,227	3,989,130
Profit before taxation	除稅前溢利	1,062,382	587,128	302,181	249,126	1,175,215
Taxation	稅項	(59,787)	(51,255)	(17,477)	(17,880)	(95,032)
Net profit for the year	本年度淨溢利	1,002,595	535,873	284,704	231,246	1,080,183

At 31 December
十二月三十一日

		2004 二零零四年 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	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	783,821	699,005	710,772	758,025	768,794
Current assets	流動資產	1,960,412	1,782,870	1,412,508	1,407,483	2,129,135
Current liabilities	流動負債	(564,383)	(557,146)	(357,004)	(320,925)	(787,902)
Net current assets	流動資產淨值	1,396,029	1,225,724	1,055,504	1,086,558	1,341,233
Non-current liabilities	非流動負債	(2,385)	(9,227)	(10,204)	(15,536)	(16,427)
Shareholders' funds	股東權益	2,177,465	1,915,502	1,756,072	1,829,047	2,093,600

ASM Pacific Technology Limited

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Subsidiaries

ASM Asia Limited

ASM Assembly Automation Limited

ASM Assembly Materials Limited

ASM Technology Singapore Pte. Limited

ASM Technology (M) Sdn.Bhd.

ASM Micro Electronic Technology
Company Limited, Shenzhen

ASM Semi-conductor Materials (Shenzhen)
Company Limited