ASM

ASM Pacific Technology Limited

(STOCK CODE 股份代號 00522)

2005 ANNUAL REPORT AND ACCOUNTS 年報

30 YEARS of INNOVATION

三十年高科技拓新

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ASM

30

years of innovation has led to ASM becoming the world's leading semiconductor assembly and packaging equipment company

三十年之拓新使ASM於全球半導體裝嵌及包裝設備行業稱冠

Market Capitalization as of Mid Year (US$ Million)
年中市值 (百萬美元)

30 Years of Innovation
三十年高科技拓新

1975

With US$5,000 initial capital investment and as a manufacturer representative of molding compound and encapsulation mold, ASM was co-founded by the present chairman, Arthur H. del Prado and the present managing director, Patrick Lam as a wholly owned subsidiary of Dutch company ASM International.

ASM於1975年為本公司現任董事會主席Arthur H. del Prado先生及現任董事總經理林師龐先生以五千美元資本共同創立，為荷蘭ASM International之全資附屬公司，代理封裝模具及塑料。

1980

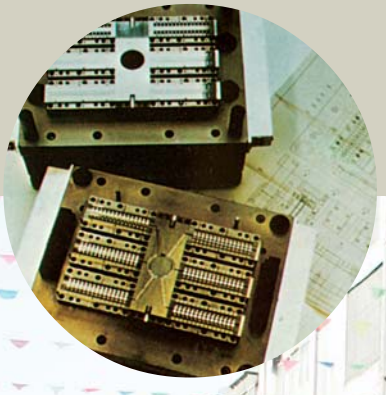
ASM Assembly Automation Ltd. (AAA), involved in manual wire bonder manufacturing, was acquired and reorganised with new key management and strengthened R&D functions.

ASM收購先進自動器材有限公司(手動焊線機製造廠)，重新改組主要管理層及加強研究及發展工作。

1981

ASM Assembly Materials Ltd (AAM) was acquired and after company restructuring, an automated leadframe stamping and plating factory was established.

ASM收購先進半導體物料科技有限公司，重組後成為自動化生產沖壓及電鍍之引線框架工廠。



1988

ASM was listed on the Hong Kong Stock Exchange with an initial market capitalization of US$75 million. The Group's automatic die bonder, model AD809, was awarded "The Federation of Hong Kong Industries Award for Good Design in Machinery and Equipment for Improving Manufacturing Process Category" in the 1988 Governor's awards for Hong Kong design competition organised by The Hong Kong Federation of Industries.

1988年底ASM於香港聯交所上市，當時市值達七千五百萬美元。集團之自動管芯焊接機AD809參加香港工業總會舉辦之香港總督設計比賽，榮獲「香港工業總會優異設計獎（改良生產工序機械設備類）」。

1989

ASM Precision Machinery Manufactory Ltd was established in Shenzhen, China for the fabrication of metal parts and subassemblies. An enlarged leadframe factory in Hong Kong with newly equipped clean room facilities came on stream towards the end of the year.

於中國深圳成立深圳先進精密機械製造廠，製造金屬零件及組裝。於年終時更擴充香港引線框架廠房，增加「潔淨室」生產設備。

1990

ASM Technology Singapore Pte Ltd was established as the second ASM R&D and business centre, facilitating ASM's market coverage in the southern region. Preparation for our own ASM building commenced and production of our new AB309 gold wire bonder was relocated to Singapore. The success of our China venture prompted our expansion in Shatoujiao, Shenzhen.

ASM Technology Singapore Pte Ltd.為ASM第二個研究及發展和業務中心，有助涵蓋ASM在亞洲南部之銷售市場。同時著手自建廠房，生產剛移師至新加坡的新產品AB309自動金線焊線機。同年，ASM在中國運作的成功更加速深圳沙頭角廠房的擴展。

30 Years of Innovation
三十年高科技拓新

1997

The stunning technological success of the gold wire bonder AB339 with 50 micron pad-pitch capability, puts ASM among the world's top three assembly equipment suppliers. Market acceptance of the ASM IDEALine provides a factory automation solution needed by the industry.

AB339金線焊線機（具50微米線距功能）獲得空前成功，令ASM成功躋身全球裝嵌設備業之首三名行列。同時推出之ASM IDEALine為業內提供所需生產自動化方案，廣為市場接受。

2000

With its record turnover ASM became the world's second largest semiconductor assembly equipment manufacturer.

以其創紀錄的銷售額，ASM躍升為全球第二大之半導體裝嵌設備製造商。

2002

ASM rose to become the world leader in the Semiconductor Assembly and Packaging Equipment Industry and is known for its process innovation, packaging development, factory automation, and total solution marketing strategies.

ASM成為全球半導體裝嵌及包裝設備業第一位，並以其技術創新、包裝研發、生產自動化及全方位解決方案等成功市場策略廣為知悉。

2004

Finance Asia Magazine voted ASM as one of the ten best managed companies in Asia.

ASM獲*Finance Asia*雜誌評選為十佳亞洲管理公司之一。

2003

ASM expands its factory operations in China occupying over 70,000 square metres of floor space, including a new stamped leadframe plant in Fu Yong, Shenzhen.

ASM擴展其在中國之生產能力，廠房面積達七萬平方米，包括在深圳福永之一間全新沖壓引線框架廠。

2005

ASM completes construction of its new 280,000 square feet Malaysian factory equipped with new strip plating lines for her etched leadframe production.

ASM完成建於馬來西亞之廿八萬平方呎新廠房，並添置新生產線以提升其蝕片引線框架產能。

Corporate Information
公司組織結構

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

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

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
Citibank
The Bank of Tokyo-Mitsubishi UFJ, Ltd

主要銀行

香港上海匯豐銀行有限公司
渣打銀行
花旗銀行
三菱東京UFJ銀行

Auditors

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

核數師

德勤 • 關黃陳方會計師行
香港干諾道中111號
永安中心26樓

Secretary

Lam See Pong, Patrick

秘書

林師龐

Registered Office

Caledonian House
George Town
Grand Cayman
Cayman Islands

註冊辦事處

Caledonian House
George Town
Grand Cayman
Cayman Islands

Principal Place of Business

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

主要營業地點

香港新界葵涌
工業街16-22號
屈臣氏中心12樓

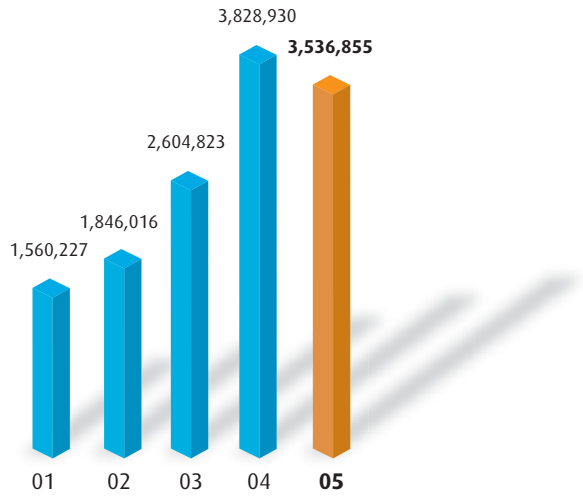
Share Registrars and Branch Register Office

Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

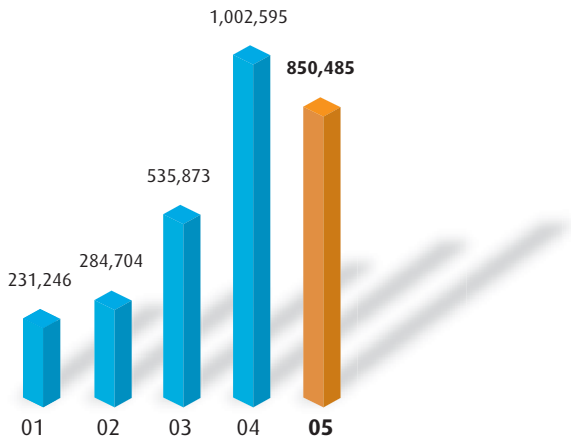
股份登記及股東名冊分冊登記處

秘書商業服務有限公司
香港皇后大道東28號
金鐘匯中心26樓

Financial Highlights
財務概要



Turnover (HK$'000)
營業額(港幣千元)



Profit (HK$'000)
溢利(港幣千元)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Turnover	營業額	**3,536,855**	3,828,930
Cost of sales	銷貨成本	**(1,926,077)**	(2,097,617)
Gross profit	毛利	**1,610,778**	1,731,313
Other income	其他收益	**21,283**	9,278
Selling expenses	銷售費用	**(316,950)**	(291,733)
General and administrative expenses	一般管理費用	**(143,534)**	(123,876)
Research and development expenses, net	研究及發展淨支出	**(267,638)**	(262,585)
Finance costs	財務費用	**(15)**	(15)
Profit before taxation	除稅前溢利	**903,924**	1,062,382
Income tax expense	所得稅開支	**(53,439)**	(59,787)
Profit for the year	本年度溢利	**850,485**	1,002,595
Dividends	股息	**772,865**	788,002
Earnings per share	每股溢利		
— Basic	— 基本	**HK$2.21** **港幣2.21元**	HK$2.61 港幣2.61元
— Diluted	— 攤薄	**HK$2.20** **港幣2.20元**	HK$2.60 港幣2.60元

Chairman's Statement
主席報告

Results

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a turnover amounting to HK$3,536,855,000 in the fiscal year ended 31 December 2005, representing a decrease of 7.6% as compared with HK$3,828,930,000 for the previous year. The Group's consolidated profit for the year is HK$850,485,000, which is 15.2% lower than the previous year's consolidated profit of HK$1,002,595,000. Basic earnings per share for the year amounted to HK$2.21 (2004: HK$2.61).

業績

謹此欣然報告，ASM Pacific Technology Limited及其附屬公司(「集團」或「ASM」)於截至二零零五年十二月三十一日止年度錄得營業額為港幣3,536,855,000元，與上年度港幣3,828,930,000元比較，下跌7.6%。本年度集團的綜合溢利為港幣850,485,000元，較上年度綜合溢利港幣1,002,595,000元下跌15.2%。是年度每股基本溢利為港幣2.21元(二零零四年：港幣2.61元)。

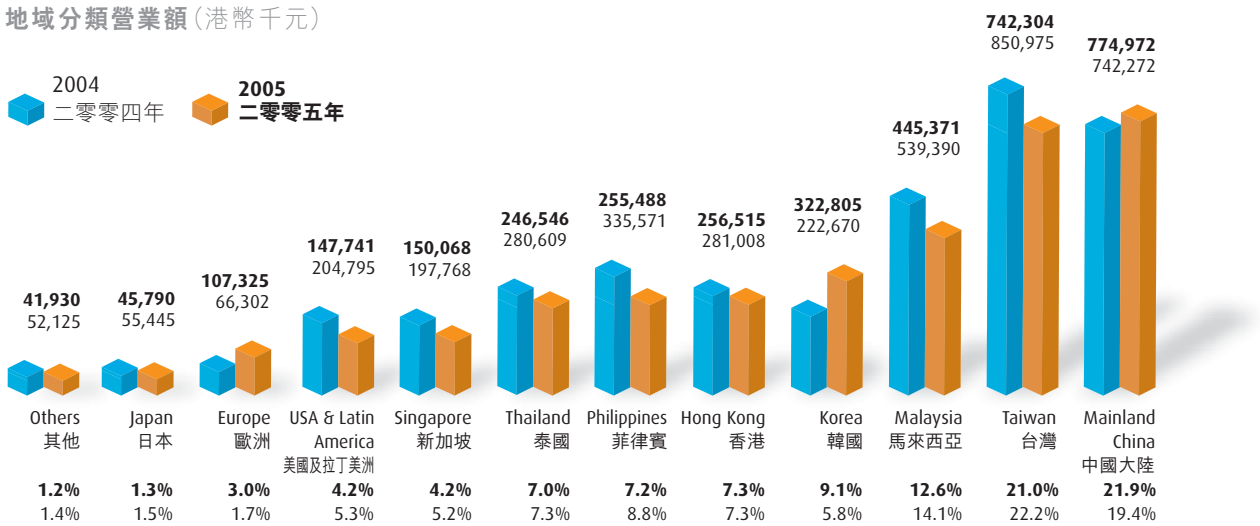
Dividend

An interim dividend of HK$0.50 (2004: HK$0.45) per share and first special dividend of HK$0.20 per share were paid in August 2005. 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 nine years. In view of our strong liquidity and rising equity base, the Board of Directors have decided to recommend a final and second special dividend of HK$1.00 (2004: HK$1.05) per share and HK$0.30 per share respectively payable on or around 28 April 2006, making a total dividend payment of HK$2.00 (2004: HK$2.05) per share for the year ended 31 December 2005, inclusive of HK$0.50 per share of special dividend. This translates into a 90.9% 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.

派息

中期股息每股港幣0.50元(二零零四年：港幣0.45元)及首次特別股息每股港幣0.20元已於二零零五年八月派發。憑藉多年來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，並於過去九年持續於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，董事會建議派發末期股息每股港幣1.00元(二零零四年：港幣1.05元)及第二次特別股息每股港幣0.30元，並將於二零零六年四月二十八日左右派發。連同每股港幣0.50元之特別股息，集團截至二零零五年十二月三十一日止年度全年合計每股派息為港幣2.00元(二零零四年：港幣2.05元)，本年度派息率為90.9%，充分顯示集團決定將現有剩餘現金回饋股東時已作出審慎考慮，並預留適量的股東資金作集團營運之用。

Turnover by Geographical Location (HK$'000)
地域分類營業額(港幣千元)



Review

Despite record energy prices and a series of natural disasters, the buoyant world economy and political stability have resulted in fairly strong consumer spending, especially for devices like cell phones, digital cameras, MP3 music players and digital televisions. The personal computer segment, which has the largest appetite for semiconductors, remained strong. As a result, worldwide demand for semiconductors increased in all end markets over the last twelve months. When the industry recovered and strengthened, most pundits revised their forecasts upward in the middle of the year. According to several leading industry analysts like SIA, Dataquest and VLSI Research, global semiconductor sales jumped 6.8 – 7.7% in 2005.

After experiencing growth in excess of 40% in 2004 and starting off the year from the trough of the business cycle, every major player in the semiconductor assembly and packaging equipment industry experienced negative growth in 2005. While the inflection point took place in March and inflows of orders strengthened over the months, major purchases of capacity-related equipment during the second-half could not offset the previous soft period. According to recent data released by SEMI, VLSI Research and Dataquest, the global assembly equipment market shrank by 11 – 19% as compared with 2004, in line with their projection of double-digit decline made a year ago.

Over the last few years, ASM has consistently outperformed its industry peers and this year was no different: we gained market share and maintained our number one position in the global assembly and packaging equipment market, achieving a Group turnover of US$454.9 million and net profit of HK$850.5 million. Both are ASM's third highest in history, although a minor reduction of 7.6% and 15.2% respectively as compared with 2004.

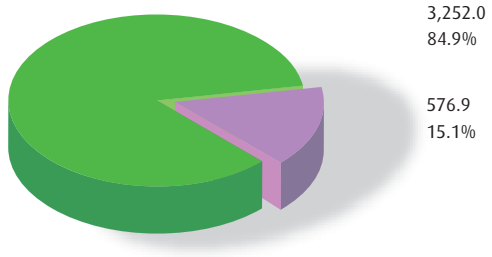
業務回顧

儘管去年能源價格屢創新高、並發生連串的自然災害，惟全球經濟蓬勃發展及穩定的政局仍促使強勁的消費意欲，尤其是手提電話、數碼相機、MP3機及數碼電視等產品。個人電腦行業對半導體產品的需求最大，其銷售持續強勁。因此，全球各個終端產品市場於過去十二個月內對半導體產品的需求亦錄得增長。鑒於行業持續復甦及向好，大部份專家在年中調高對市場前景的預測。根據業內多位權威分析員如美國半導體行業協會（SIA）、Dataquest及VLSI Research的分析顯示，全球半導體銷售於二零零五年錄得6.8%至7.7%的增長。

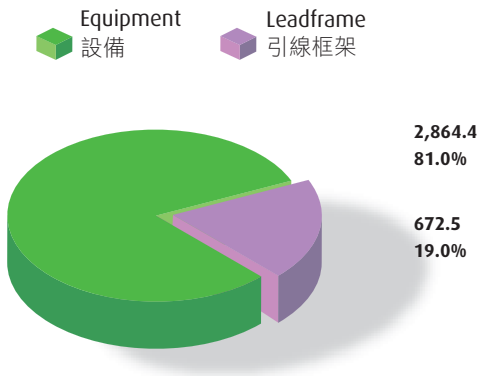
經歷過二零零四年錄得超過四成增長的高峰期及二零零五年初的行業低潮後，裝嵌及包裝設備行業的各主要企業於二零零五年均錄得負增長。儘管市場於三月情況轉好，而其後數月的訂單數目亦有所增加，惟產能相關設備於下半年的較大銷售未能抵銷之前蕭條期的疲弱表現。根據SEMI、VLSI Research及Dataquest 最新的資料顯示，全球裝嵌及包裝設備行業較二零零四年縮減了11% 至19%，符合他們一年前所作出的雙位數字下降之預測。

一如以往數年，ASM 今年持續超越同儕，市場佔有率持續增長，並穩佔全球裝嵌及包裝設備市場的第一位。集團錄得營業額4.549億美元及純利港幣8.505億元，兩者均為集團歷年成績的第三高，均較二零零四年分別輕微下跌7.6%及15.2%。

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



2004
二零零四年



2005
二零零五年

Review continued

Return on capital employed and on sales were 37.8% and 25.1% respectively, once again our third best on record. In a year of recovery with sequential improvements in quarterly bookings and billings, book-to-bill ratio was 1.09 for the year and our ending order backlog as of 31 December 2005 grew to US$102 million (US$63 million as of 31 December 2004).

In 2005, sales attributable to our five largest customers combined were 28.3% of the total, with no customer exceeding 10%, further evidence of the continuing success of our diversified market strategy. We also enjoyed a good geographical spread mirroring the investment climate of the industry, with China becoming our largest (21.9%) market, swopping positions with last year's leader Taiwan (21.0%) for the first time. Shipments of US$99.7 million to the former created another new record for that territory.

Over the years, ASM has built a solid business foundation based on diversified products serving broad application markets. Recent years' financial performances have clearly reflected the growing acceptance of our products by a larger pool of customers. With equipment revenue of US$368.4 million, equivalent to 81.0% of the Group's turnover in 2005, ASM was the top player in its industry, a premier position we have held since 2002. We maintained a gap of US$75 million between ourselves and our competitors, representing 25% delta as compared with our closest rival. Unfortunately we could not avoid the general industry setback, and our equipment business declined slightly by 11.9% over the last twelve months.

Our leadframe business made good progress last year. Improved market demands coupled with capacity expansion and operational improvements in our China, Singapore and Malaysian plants resulted in 16.8% growth of our leadframe business to US$86.5 million in 2005, representing our record leadframe revenue and 19.0% of the Group's turnover. Both our stamped and QFN etched frames made substantial inroads in target markets, growing faster than the leadframe industry as a whole which increased by 1.7% last year according to SEMI's November 2005 report. Clearly the strategic realignment of our leadframe operation has yielded its dividends. While the transfer of all etched frames plating activities to Malaysia has been slower than expected due to the lengthy customer qualification process, the enlarged operation, when completed during the first half of 2006, should further enhance ASM's cost-competitiveness and output of QFN frames.

業務回顧續

年內，資本回報率及銷售利潤率分別為37.8%及25.1%，兩者同是集團有史以來的第三高。隨著行業逐漸復甦，集團的季度訂貨及付運額亦持續提升，本年度的訂貨對付運比率為1.09，而集團於二零零五年十二月三十一日的未完成訂單總值增長至1.02億美元（於二零零四年十二月三十一日為6,300萬美元）。

於二零零五年，我們的五大客戶共佔集團營業額28.3%，所有客戶的個別銷售額佔集團營業額均不超過10%，持續證明集團市場多元化之策略的成功。此外，集團的業務廣泛分佈各地，當中中國市場佔營業額21.9%，首次超越佔營業額21.0%的台灣市場，成為集團最大的市場，足以反映業內的投資氣候。集團於中國市場的付運量達9,970萬美元，再創新紀錄。

過去數年，ASM 透過為多個應用市場提供多元化產品，建立了穩固的業務基礎。近年的業績亦清楚反映集團的產品獲愈來愈多客戶所接受。於二零零五年，集團設備業務的收益為3.684億美元，佔集團營業額81.0%，使ASM自二零零二年以來穩佔行業的領導地位。集團與競爭對手維持7,500萬美元之收益差距，並與集團最接近的競爭對手高出25%。然而，我們仍然未能在行業倒退的情況下免疫，集團的設備業務於過去十二個月輕微下跌11.9%。

我們的引線框架業務於去年取得良好進展。受惠於市場需求增長，並集團於中國、新加坡及馬來西亞引線框架廠房的產能擴充和營運能力提升，引線框架業務於二零零五年增長16.8%至8,650萬美元，創下歷年新高，佔集團營業額19.0%。集團的沖壓框架及QFN 蝕片均成功打入目標市場，其增長幅度更較整體引線框架行業為快。根據SEMI二零零五年十一月發表的報告顯示，去年引線框架行業整體的增長率為1.7%，顯示集團就引線框架業務所作出的策略性調整已取得成效。由於受客戶冗長的品質審核程序影響，令集團把所有蝕片框架電鍍工序遷往馬來西亞廠房的進程較預期緩慢。然而， 待集團於二零零六年上半年完成遷移後，我們預期經擴大後的產能將可進一步提升ASM的成本效益及QFN框架的產量。

Review continued

The ever-increasing demands of end-users mean that tech companies are continually driven to deliver solutions in response. Our customers' unrelenting needs for ever lower assembly and packaging costs, new package types like QFN, stacked die, stacked package, flip chip and system-in-package, and the ceaseless push of the technology envelope on fine pitch wire bonding, thin die attachment and ultra thin molded packages necessitate innovative solutions and strong R&D commitments from equipment suppliers.

To further enhance our market position in a competitive business environment, ASM's strategy has been to deliver the best value propositions to our customers. Satisfying the diversity of today's package types and applications require multiple platforms for almost every assembly process, such as our Twin Eagle and Eagle 60 AP gold wire bonders optimizing cost-of-ownership and ultra fine pitch technology respectively. Similarly, the launching last year of our ultra high speed I.C. die bonder catering for smaller die sizes complemented our standard platform in wafer size and throughput capabilities. The introduction of our Osprey molding system in mid-2005 for high density matrix substrates set a new benchmark for tooling cost and order leadtime, highly desirable for improving the asset utilization of the backend assembly process. Equipped with high performance linear motors, our new model of aluminum wire bonder that migrated to volume production last year not only solidified ASM's two-decade leadership in the chip-on-board application market, but offered customers a good solution for finer pitch, multi-die and high throughput requirements. 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$267.6 million last year (2004: HK$262.6 million), representing 9.3% of our current year's equipment sales.

While we had to deal with a much wider range of products than in the past and production run rates at the end of the year were much higher than the previous year, we continued to streamline our working capital management with positive results. Last year we achieved an inventory turnover of 6.08 times (2004: 7.06 times), with an ending inventory of HK$609.3 million to deal with the much higher revenue. Although capital investments amounting to HK$194.8 million were made in 2005, our sound working capital management resulted in a free cash flow of HK$619.7 million (2004: HK$957.6 million) and a return on invested capital of 55.1% (2004: 67.2%) last year.

業務回顧續

終端客戶不斷增加的需求促使科技企業需不斷提供適當的方案。客戶對裝嵌及包裝成本持續下降、新包裝模式如QFN、大量管芯、多層包裝、覆晶及組裝系統、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，促使設備供應商提供創新解決方案及投放大量資源於研發工作。

集團致力為顧客提供最佳方案，務求於競爭激烈的營商環境中進一步提升市場領導地位。為應付現今客戶對多元化包裝種類及應用需要，適用於任何裝嵌工序的複合應用亦應運而生，包括如集團具成本效益的Twin Eagle及配備超微細間距技術Eagle 60 AP金線焊線機。此外，集團去年推出專為更細小的管芯而設的超高速集成電路管線焊機，可配合集團標準晶片大小及產量的平台使用。同樣地，集團亦於二零零五年中推出專為高密度距陣基板而設的Osprey塑封工序設備系統，大大節省模具成本及交貨時間，對提升後勤裝嵌工序的設備使用率有莫大幫助。集團新型號的鋁線焊機配備高性能的線性馬達，已於去年進入量產階段。此舉不僅鞏固了集團於過去二十載在晶片直接封裝應用市場建立的領導地位，亦為客戶提供更佳方案，滿足他們對精密間距、多晶元及高產量的要求。集團能於短時間內成功研發此等新產品及方案，全賴我們於香港及新加坡共六百名研發人員的努力，以及不斷增加研發開支所致。年內，集團的研發開支為港幣2.676億元（二零零四年: 港幣2.626億元），佔設備銷售額的9.3%。

由於需要應付比以往更廣闊的產品系列及於年底時較去年更高的生產率，我們繼續致力改良集團的營運資金管理，並已取得成效。去年集團的存貨週轉率為6.08週次（二零零四年：7.06週次）。儘管營業額上升，期末存貨僅為港幣6.093億元。集團於二零零五年的資本性投資達港幣1.948億元，然而憑藉良好的營運資金管理，集團於二零零五年仍錄得自由現金流量（Free Cash Flow）達港幣6.197億元（二零零四年: 港幣9.576億元），而投入資本回報率則達55.1%（二零零四年: 67.2%）。

Liquidity and financial resources

The Group's shareholders' funds increased slightly to HK$2,393,534,000 as at 31 December 2005 (2004: HK$2,177,465,000). As there were no long term borrowings, gearing of the Group was zero, the same as for the past six years.

Although HK$674.2 million was paid as dividends and HK$194.8 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 2005 was HK$728,927,000 (2004: HK$763,359,000). In fact, a good portion of the capital investments were funded by the current year's depreciation of HK$154.4 million.

There was no bank borrowing as of 31 December 2005. Current ratio was 3.42, and a debt-equity ratio of 27.3%. With no short-term needs and an on-going positive cash flow from organic growth operation, these figures permit ASM management to recommend a sustained high level of dividend to return excessive cash holdings to our shareholders. While account receivables have been tightly monitored during the year, due to highest turnover in the last quarter of the year, it resulted in 88.2 days sales outstanding (2004: 57.0 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.

流動資金及財務狀況

於二零零五年十二月三十一日，集團的股東資金輕微上升至港幣2,393,534,000元（二零零四年：港幣2,177,465,000元）。如過去六年一樣，集團並沒有長期借貸，資本負債比率為零。

儘管派發了港幣6.742億元的股息，及於十二個月內投入了港幣1.948億元作為資本性投資，由於營運資金控制得宜及營運現金流入強勁，於二零零五年十二月三十一日，集團的手頭現金達港幣728,927,000元（二零零四年：港幣763,359,000元）。事實上，集團主要的資本性投資乃由是年度港幣1.544億元的折舊所支付。

於二零零五年十二月三十一日，集團並沒有任何銀行借貸，流動比率為3.42，股本負債比率則為27.3%。由於集團短期內沒有重大開支，並從營運活動持續產生正現金流量，ASM 管理層建議持續派發高息以回饋剩餘現金予集團的股東。於年內，集團嚴格監控應收賬款水平，加上第四季度的營業額是年內最高，導致應收賬款週轉率為88.2天（二零零四年：57.0天）。

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

Human resources

ASM places strong emphasis on both recruiting and retaining high calibre employees, not only through competitive remuneration packages but also by committing ourselves to specialized yet demanding staff development 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 of 31 December 2005, the total headcount of the Group worldwide was approximately 7,800 people.

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，集團亦為員工提供專門並優秀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。

於二零零五年十二月三十一日，集團於全球聘用約7,800名員工。

Prospects

The Semiconductor Industry Association (SIA) reported that sales of semiconductors for consumer applications have since 2004 exceeded that for corporate purposes. In future, the health of the chip sector will be more closely tied to macroeconomic conditions and consumer spending. Semiconductor content has been consistently rising as electronics end products continue to demand more functions and capabilities. Based on current market outlook, most industry analysts (SIA, WSTS, Dataquest, iSuppli, VLSI Research) project a moderate single-digit (6.7 – 8.0%) growth for the semiconductor industry in 2006, to be followed by higher growth rate close to 10% in 2007. IC unit volume is forecasted to have a compound annual growth rate (CAGR) of 9.31% over the 2004 – 2009 period, according to the 2005 Electronic Trend Publication.

The constant challenges of higher performance, diversified functionalities, cost reduction and product miniaturization, especially for feature-rich hand-held products, mean that more and more IC packages are being designed with finer line width, chip scale (QFN) and chip size (flip chip) form factors, stacked die, stacked package (PoP) and system-in-package (SiP), requiring the latest generation of assembly equipment. For the assembly equipment market, the rate of change this year will depend on whether the market can sustain the strong momentum of the first two quarters into the second half of 2006. While all pundits project a positive growth for 2006, their numbers are somewhat divergent at this point ranging from 3.6 – 22.1% (VLSI Research 3.6%, SEMI 9.0%, Dataquest 22.1%).

Managing and developing multiple products, especially to serve diversified market segments, is more challenging than a narrowly focused approach. Nevertheless, we have continued with this business strategy over the years to build a thriving company more resilient to inevitable industry fluctuation than our competitors. Our persistent, simultaneous pursuit of differentiation and low cost have resulted in world-class products whose value propositions are unmatched by our rivals. In addition to our leadership position in the die and wire bonder 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 has laid a solid foundation for future growth, empowering ASM to aggressively pursue new market opportunities. After realigning our cost structure and expanding production capacity, our leadframe business is well-poised for further gain in market share. Leading customers have shown their recognition of ASM's leadframe manufacturing capabilities and our long-term commitment to this business, and demonstrated their intention to expand business with us.

展望

半導體行業協會(SIA)報告顯示，消費者應用半導體之銷售自二零零四年起超越企業應用之銷售。未來，晶片行業之發展將更受宏觀經濟及消費市場所影響。由於電子終端產品持續需求更多功能及更卓越的性能，因而刺激半導體的需求。按現時之市場展望，大部份行業分析員(SIA、WSTS、Dataquest、iSuppli及VLSI Research)均預測半導體行業在二零零六年將錄得溫和的單位數字增長(介乎 6.7% - 8.0%)，而二零零七年將升至接近 10% 的較高增長率。根據二零零五年電子時報(Electronic Trend Publication)預測，集成電路產量於二零零四至二零零九年的複合年增長率將達9.31%。

因應市場對高性能、多元化功能、削減成本及產品體積的需求，尤其是多功能之手提產品，越來越多的集成電路組合在設計上均配備更微細的管線闊度、晶積度尺寸(QFN)及晶片大小(覆晶)、多層管芯、多層包裝(PoP)及組裝系統(SiP)，令市場對新一代組裝設備的需求更加殷切。至於組裝設備市場方面，今年的走勢將視乎市場於二零零六年下半年能否承接首兩季之增長。專家們一致看好二零零六年行業將錄得正增長，然而所預測的增長率較為參差，介乎3.6% 至22.1% 之間(VLSI Research 3.6%、SEMI 9.0%、Dataquest 22.1%)。

管理及開發多元化產品以迎合不同的市場需要，比專注於某個範疇更富挑戰性。然而，集團多年來一直貫徹此經營理念，促使集團蓬勃發展，較競爭對手更能經得起行業起伏的考驗。正因為集團一直以來對推出多元化及低成本產品的堅持，方令ASM製造出功能價值均超越競爭對手的世界級產品。集團在管芯焊機及焊線機市場的領導地位，及近年於覆晶晶片焊接、塑封工序設備、整合式測試處理器及管芯級塑封設備領域上所取得的佳績，為我們奠定了穩固的基礎，令ASM可更充分把握未來的發展商機。在調整成本結構及擴充生產能力後，集團的引線框架業務正蓄勢待發，以進一步提升市場佔有率。我們的主要客戶不單對集團引線框架的生產能力及長久以來所付出的努力深表認同，更表示有意與我們加強合作。

0

long-term bank borrowing for the past six years

持續六年
零長期銀行貸款

Prospects continued

Gaining important competitive advantages – and corresponding profitable returns – requires aggressive and consistent investments for the future in R&D, manpower development and facilities. This is precisely the strategy ASM has been pursuing for many years. While all our major competitors have consistently reduced their R&D spending in recent times due to profit squeeze, our R&D expenditures and our talent pool have risen year after year. We have maintained our policy of spending 10% of equipment turnover on research and development (R&D) and ignored short-term sales fluctuation. Similarly, we continue to budget annually substantial capital investment to strengthen our R&D analytical equipment, information technology infrastructure, fabricated parts production capacity and the enhancement of manufacturing capabilities and capacity of our leadframe plants. HK$200 million has been planned for 2006.

Leveraging on our in-house enabling technologies, new product development efforts are centered around a continued rejuvenation of our die and wire bonders, encapsulation system, CSP singulation system and integrated test handler, simultaneously injecting higher performance and lower cost of manufacturing into the new products. We have also organized R&D teams to address the multi-chip die bonding and chip-on-glass (COG) flip chip market segments - applications that our human resources could not cope with in the past.

Solution-selling has become a powerful marketing tool in this knowledge-based economy. Providing customers with innovative, total packaging solutions based on ASM's equipment and leadframes to meet their ever-expanding new product requirements has proven to be our most effective tool to unlock customer doors. This unique business strategy truly differentiates ASM from all our competitors, enabling us to further expand our business and promote newly developed products.

展望續

要建立更強大的競爭優勢及相應的利潤回報，企業需要在產品研發、員工培訓及設施配套上作出進取並持續性的投資。而這正是ASM 多年來堅持的發展方向。相對我們的主要競爭對手近年因應利潤收窄而不斷削減研發開支，ASM仍不斷擴大投放於研發及專業團隊的資源。即使面對短期的銷售波動，我們仍一直堅持將設備營業額的10% 投放於研發上。同時，我們亦貫徹撥出龐大預算作為資本性投資，用以添置研發分析設備、資訊科技基礎建設、提升組裝零件的生產力及引線框架廠房的產能和產量。於二零零六年，集團預計將投放港幣2億元作為資本性投資。

憑藉我們自行研發的先進技術，集團的產品研發團隊專注持續改良集團的管芯焊機及焊線機、塑封工序設備系統、CSP分離系統及整合式測試處理器，並同時研發出高性能及低生產成本的新產品。集團亦已新增研發隊伍，專注開發過去並未曾涉足的多晶片管芯焊接及覆晶晶片直接玻璃封裝的應用市場。

綜合解決方案已成為知識型經濟下非常有力的市場推廣工具。透過應用ASM的設備及引線框架，集團為客戶提供創新及全面的包裝解決方案，滿足客戶對新產品的要求，並證明此策略可成功開啟新客戶之門。這種獨特的業務策略亦令ASM於芸芸競爭對手中突圍而出，進一步擴展業務及推廣新開發的產品。

Twin Eagle

With US$368.4 million annual equipment revenue in 2005, representing the third highest of its kind in the company historical record, ASM maintained the top position in its industry attained since 2002.

於2005年，ASM之設備營業額達3.684億美元，為公司歷來第三高，繼續保持其自2002年起行業的第一位。

#1

in semiconductor assembly equipment industry since 2002

自二零零二年起持續
四年居全球半導體
裝嵌設備行業之冠

Prospects continued

Over the years we have built up a wealth of technologies and human talent within ASM. Our track record of successful execution of our customer-centered business strategy speaks for itself, and coupled with our industry's most efficient cost structure and our wide range of product offerings, ASM is well-positioned to compete in the global arena. In any dynamic market environment, the player with richer resources and more competitive products always has the advantage. As such it is management's belief that ASM will continue to outperform our industry peers and maintain our leadership position in the foreseeable future.

展望續

經過多年來的努力，ASM積累了豐富的技術經驗及專才。我們出眾的往績亦足證集團以客戶為主導策略的成功，再加上擁有業內最具效益的成本結構及廣闊的產品種類，ASM已作好最佳準備迎接全球市場上的各項競爭。在這個瞬息萬變的市場，擁有更豐富的資源及更具競爭力的產品對競爭者而言絕對有利。因此ASM 的管理層深信，集團將可於未來繼續超越同儕，維持領導地位。

Appreciation

Last year we produced exceptional results, and this year, in spite of a more difficult industry situation, ASM has once again come out well ahead of the pack. As I said in 2005, 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. The Board is only too aware that as a company, ASM's success is built on the efforts of those who work within it, and we would like once again to place on record our appreciation of their accomplishments during the past year.

致謝

集團多年來屢創佳績，即使本年度面對行業的不利因素，ASM仍得以扭轉劣勢，再次脱穎而出。如本人於二零零五年所表示，這全靠ASM來自不同國家全體員工的不斷努力及卓越表現。董事局深明ASM的成功實有賴各員工的支持，並謹此再次為他們過去一年的付出致以衷心謝意。

Arthur H. del Prado
Chairman
21 February 2006

主席
Arthur H. del Prado
二零零六年二月二十一日

RFID machine

In 2005 our newly developed RFID (Radio Frequency Identification Device) flip chip bonding machines were shipped to two customers for their pilot-line production.

於2005年，公司已付運新開發的「射頻識別」覆晶焊接機 (RFID) 予兩名客戶作試產之用。

2

billion US dollars
market capitalization for
ASM Pacific Technology

ASM太平洋市值達
二十億美元以上

Overview

Developing and marketing multiple products to serve diversified market segments is certainly more challenging than the narrowly focused approach adopted by most of our competitors. However, this business strategy has time and again proven to be a powerful weapon to protect us against inevitable industry fluctuation and enabled ASM to build a thriving company. We experienced 47% Group revenue growth in the previous year, but starting off 2005 from the trough of the business cycle, the sequential improvement in quarterly bookings and billings during the year could not offset the setback of the first six months. Yet ASM's drop in turnover, common to all leading players in the assembly equipment industry, was smaller than most of its competitors and better than those changes estimated by industry analysts. Our Group turnover, profitability and returns were the third best in our corporate history, clearly reflecting ASM's seamless execution of its winning strategies and continuously increasing momentum in the market place.

The proliferation of package types in leaded, unleaded, ball grid array (BGA), chip scale/size package (CSP) and wafer level package (WLP), as well as those high density packages like stacked die, stacked package (PoP) and system-in-package (SiP) demands a lot more equipment, process and packaging solutions. We intend to win customers by using ASM's technology, cost structure (the most efficient in the industry) and human and financial resources accumulated over the years to further broaden our innovative product offerings, simultaneously pursuing differentiation and low cost with value innovations unmatched by our rivals. This unique business strategy truly distinguishes us from all our competitors, enabling ASM to sustain its global leadership.

總覽

儘管開發和推廣多元化產品以迎合不同市場的需要，比大部份競爭對手所採用專注於某個範疇之策略更富挑戰性，然而時間證明這種多元化的策略正是ASM能經得起行業起伏的最佳武器，促使集團蓬勃發展。集團去年的收益增長達47%，但於二零零五年初因經歷行業低潮，故雖然本年度隨後的季度訂貨及付運額持續上升，仍未能抵銷首六個月的跌幅。在裝嵌設備行業各主要企業的營業額均下跌的情況下，ASM雖仍未能倖免，惟與大部份競爭對手比較，ASM所錄得的跌幅已較為溫和，表現亦較行業分析員預測為佳。集團的營業額、盈利能力和回報是ASM有史以來的第三高，顯示ASM能全面執行其致勝策略，並持續提升其市場競爭能力。

包裝種類日漸增多，如有針、無針、球柵陣列封裝(BGA)、晶積體封裝(CSP)及晶片包裝(WLP)等，再加上如多層管芯、多層包裝(PoP)及組裝系統(SiP)等高密度包裝技術，均需要更多設備、加工及包裝解決方案。ASM憑藉先進科技、業內最具效益的成本結構及多年來累積豐富的人力和財力資源爭取客戶，進一步擴闊嶄新的產品種類，推出非競爭對手所能媲美的多元化、低成本及高價值的創新產品。這個獨特的業務策略將有助ASM從芸芸競爭對手中突圍而出及保持其全球領導地位。

AD9012+SR902 Line

Two top-ten IDMs have adopted our eutectic-solder-reflow-process flip chip bonder for their SiP volume production.

兩間十大集成裝置製造商(「IDMs」)亦已於他們的SiP應用上採用ASM的易熔焊料重熔程序覆晶焊機。

3

decades of profitable growth

三十年內每十年利潤持續增長

Overview continued

Buoyed by strong demands for semiconductors in portable electronics such as cell phones, MP3 players and digital cameras, healthy consumption of the same in PCs, servers, games and automotive applications, and a positive macroeconomic outlook, pundits are currently projecting a moderate single-digit (6.7 – 8.0%) growth for the semiconductor industry in 2006. In fact, assembly equipment orders have been strong in the recent months resulting in a higher order backlog for ASM. While every industry analyst projects a gain for the assembly equipment market in 2006, their numbers are somewhat divergent, ranging from 3.6 – 22.1% (VLSI Research 3.6%, SEMI 9.0%, Dataquest 22.1%). Although most customers are indicating a positive outlook for the first half, order visibility remains limited. The growth of the assembly equipment market this year is generally believed to depend on whether the industry can sustain the strong momentum of the first two quarters into the second half of 2006.

總覽續

受惠於可攜式電子產品如手提電話、MP3機和數碼相機等對半導體的需求強勁，而個人電腦、伺服器、遊戲和汽車的半導體應用亦十分穩定，再加上市場利好的宏觀經濟預測，專家目前預料二零零六年半導體行業將出現單位數字(6.7% - 8.0%)的溫和增長。事實上，ASM在最近幾個月接到大量裝嵌設備的訂單，令未完成訂單總值上升。行業分析員一致看好二零零六年的裝嵌設備市場，預期錄得正增長，然而他們所預測的增長率較為參差，介乎3.6%至22.1%之間（VLSI Research 3.6%、SEMI 9.0%、Dataquest 22.1%）。儘管大部份客戶對上半年的業務前景表示樂觀，但集團難以就未來的訂單數目作出預測。市場普遍相信，裝嵌設備市場於本年度的增長率，須視乎行業於下半年能否承接首兩季的強勁勢頭而定。

Market and Product Development

EQUIPMENT DIVISION

In a year of double-digit decline (Dataquest -11.1%, VLSI Research -13.3%, SEMI -19.1%) for the assembly equipment industry, ASM once again outperformed most of its competitors in revenue change. Building on our industry-largest market share, our equipment business dipped slightly by 11.9% to US$368.4 million, representing 81% of the Group's turnover in 2005 and the third highest in our corporate history. We maintained the number one position in the assembly and packaging equipment industry we have held since 2002 with a revenue gap of US$75 million or 25% between us and our closest rival.

市場及產品發展

設備系列

儘管裝嵌設備行業全年出現雙位數字跌幅（Dataquest -11.1%、VLSI Research -13.3%、SEMI -19.1%），ASM的營業額表現再次超越大部份競爭對手。憑藉擁有最大的市場佔有率，集團的設備業務僅微跌11.9%至3.684億美元，佔集團二零零五年營業額的81%，並為ASM有史以來的第三高。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，收益較最接近的競爭對手高出7,500萬美元或25%。

Image Sensor Line

ASM is the sole leader in providing particle-controlled image sensor in-line assembly solutions, supplying all major manufacturers of such cleanliness-sensitive devices.

ASM是粒子操控影像感應裝嵌解決方案的唯一供應商，為所有主要之製造商提供高潔淨度的產品。

4

hundred fifty-five
million US dollars
turnover in 2005

二零零五年
營業額達四億
五千五百萬美元

Market and Product Development continued

EQUIPMENT DIVISION CONTINUED

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 generation of product. To support device manufacturers facing these challenges, equipment suppliers increasingly have to deliver customized solutions that answer the specific customer's needs. ASM now has multiple platforms for almost every major assembly process: die bonding, aluminum wire bonding, gold wire bonding, flip chip bonding, encapsulation, package singulation, test handling and LED die sorting. In particular, ASM provides two unique products not offered by our competition: the dual-head gold wire bonder (Twin Eagle) and our Osprey molding system. The unmatched low cost-of-ownership of the former, and the built-in flexibility and tooling-investment protection for the latter have attracted many customers who recognize the huge potential savings these new ASM products can generate.

While small relative to our die and wire bonder businesses, we have seen our chip size/scale packaging (CSP) equipment sales rising at a much higher pace in the recent years. Two top-ten IDMs have adopted our eutectic-solder-reflow-process flip chip bonder for their SiP application, whereas some customers have already selected this cost-efficient flip chip bonder for image sensor volume manufacturing. Last year we also shipped newly-developed RFID (radio frequency identification device) bonding machines to two customers for their pilot-line production. Concurrently ASM has become the sole leader in providing particle-controlled image sensor in-line assembly solutions, supplying all major manufacturers of such cleanliness-sensitive devices.

市場及產品發展續

設備系列續

電子行業的特色是要求新一代產品無論在纖細度、速度、電熱性能及一般性能這幾方面均需不斷提升，而成本則需持續下降。為支持裝置製造商應付這些挑戰，設備供應商越來越需提供度身訂造的解決方案，以滿足客戶的特定需要。ASM 目前擁有適用於任何主要裝嵌工序的複合應用平台：管芯焊接、鋁線焊接、金線焊接、覆晶焊接、塑封工序、包裝切割、測試處理及LED晶片分類。此外，ASM更擁有兩項競爭對手沒有的獨家產品：雙頭金線焊機（Twin Eagle）及Osprey塑封工序設備系統。前者極具成本效益，後者則具有內置靈活性及模具投資保障，可大幅節省成本，故廣受客戶認同及歡迎。

儘管晶積體封裝（CSP）設備只佔集團管芯和焊線機業務很小比例，但其銷售額正迅速上升。兩間十大集成裝置製造商（「IDMs」）亦已於他們的SiP應用上採用ASM的易熔焊料重熔程序覆晶焊機，而若干客戶亦已選用我們極具成本效益的覆晶焊機，以大量生產影像感應組件。去年，我們亦已付運新開發的射頻識別（RFID）焊接機予兩名客戶作試產之用。與此同時，ASM是粒子操控影像感應裝嵌解決方案的唯一供應商，為所有主要製造商提供高潔淨度的產品。

Osprey

The world's smallest encapsulation system, a very unique product of its kind only offered by ASM, has attracted many customers who recognize the huge potential savings this unique product can generate.

至今只有ASM擁有之獨家產品 — Osprey，世界最小型之塑封工序設備系統，具有內置靈活性及模具投資保障，可大幅節省成本，故廣受客戶認同及歡迎。

5

factories in Hong Kong, Sha Tou Jiao and Fu Yong in Shenzhen, PRC, Singapore and Malaysia

五間廠房分佈於香港、深圳沙頭角、深圳福永、新加坡及馬來西亞

Market and Product Development continued

EQUIPMENT DIVISION CONTINUED

The underlying strength of our equipment business lies not just in our leadership position in the wire and die bonder market segments – the largest and 2nd largest sectors in our industry – but also in our host of product offerings in CSP equipment, encapsulation, solder ball placement, package singulation, integrated test handling, LED sorting and power LED assembly. As ASM only entered most of these medium-size market segments during the past five years, we stand a good chance of securing a larger share of them in time. With continuous product enhancement and market development efforts, we expect these products to generate valuable dividends in the not too distant future.

LEADFRAME DIVISION

Thanks to increased market demands, capacity expansion and operational improvements in our China, Singapore and Malaysian plants, ASM achieved a 16.8% gain in leadframe turnover last year, with the US$86.5 million revenue representing 19% of the Group's total sales. In fact, our sales in the 2nd half year exceeded US$50 million and we made record billings in the last three consecutive quarters. This compares very favourably with the SEMI November 2005 report estimating the leadframe industry to have grown 1.7% in 2005, and is evidence of our good progress in strengthening our leadframe competitive position through strategic realignment.

Last year, we also succeeded in developing fine pitch, high leadcount TQFP stamped leadframe products at our China factory, generating higher business volume to share the necessary overhead. While the qualification process of our new Malaysian plant for some customers was longer than expected, we have been busy installing and characterizing new plating machines and producing first articles for customers, aiming to complete the transfer of our plating operation from Singapore to Malaysia by mid-2006. This restructuring, when fully operational, should enable us to boost the output of QFN frames and position ASM for further gain in market share.

市場及產品發展續

設備系列續

集團在設備業務方面的優勢不僅在於我們於業內的領導地位(我們是業內最大及第二大的焊線機和管芯焊機供應商)，同時我們在CSP設備、塑封工序、焊球放置、包裝切割、綜合測試處理、LED分類及高性能LED組件等方面亦能提供多元化產品。由於ASM於過去五年始進軍此等中型市場，故未來集團在該等市場中擁極佳商機，進一步提升佔有率。透過不斷改進產品及發展市場，我們預期這些產品於不久將來將提供更具價值的回報。

引線框架系列

受惠於市場需求增長，加上集團設於中國、新加坡和馬來西亞廠房的產能擴充和營運能力提升，ASM去年來自引線框架業務的營業額增長16.8%達8,650萬美元，佔集團總銷售額19%。事實上，我們在下半年的銷售額超逾5,000萬美元，連續三季之付運數量更創新高。與SEMI二零零五年十一月份報告估計引線框架業於二零零五年增長1.7%比較，集團的成績相當理想，足以證明集團在透過策略性調整後，其引線框架業務的市場競爭能力已取得成效。

去年，集團的中國廠房成功開發微距焊點、高針數TQFP沖壓引線產品，令業務量增加以分擔基本運作成本。儘管集團新設的馬來西亞廠房因若干客戶的品質審核程序較預期長，集團現正加緊安裝和調適新的電鍍機器，為客戶生產首批產品，目標是在二零零六年中以前把電鍍業務由新加坡遷至馬來西亞。是次調整在全面投產後，將有助ASM提升QFN框架的產量，以進一步擴大其市場佔有率。

ATM Plating lines

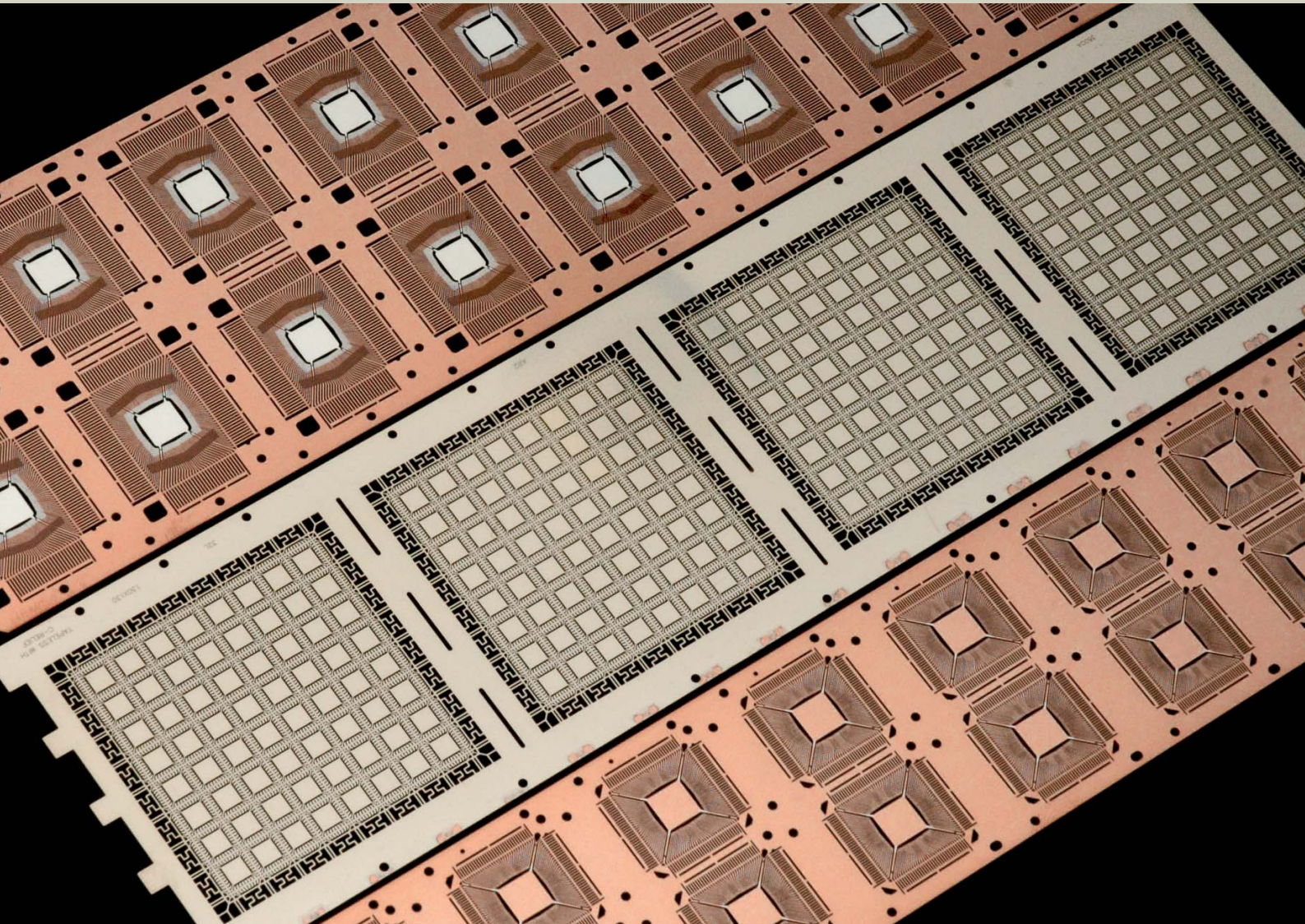
A substantial portion of our HK$194.8 million capital expenditure in 2005 was used to equip our new Malaysian factory with parts fabrication and leadframe processing capabilities to cope with the enlarged volume.

集團於2005年的資本性支出港幣1.948億元，其中大部份為新的馬來西亞廠房增設部件生產及引線框架加工能力，以應付擴大後的產量。

6

hundred plus
R&D staff

六百多名
科研人員



Market and Product Development continued

LEADFRAME DIVISION CONTINUED

Commercializing our past development efforts in super fine pitch etching and stamping, converting our pilot lines for ultra-high precision plating, bleed control and moisture sensitivity level (MSL 1) into high volume automated manufacturing, improving production yield and shortening our manufacturing cycle time all require significant capital investments and further developments in more capable machinery. Fortunately, the migration to lead-free electronics and QFN packaging has provided golden opportunities for ASM. Our palladium-plated leadframes have facilitated ASM's market penetration into several target integrated device manufacturers (IDMs), while we have leveraged on our total packaging solution and QFN frame etching capabilities to build a strong presence in the rapidly expanding QFN leadframe market segment.

市場及產品發展續

引線框架系列續

要把集團開發超微距浸蝕及沖壓技術所取得的成果商品化，及把超高精密電鍍、漏鑄控制及濕度敏感性水平（MSL 1）的試產線轉作大規模自動化生產，以提高產量和縮短生產週期的計劃均需要龐大資金投入及開發更高性能的機械。幸而，轉用無鉛電子產品及QFN包裝為ASM締造了黃金機會。集團的鍍鈀引線框架有助ASM打入若干IDMs目標市場，同時我們亦利用全面包裝解決方案及QFN引線浸蝕技術在不斷迅速擴大的QFN引線框架市場上建立穩固地位。

Financial

Riding on our market-share gains in the gradually recovering assembly equipment and leadframe markets, we achieved earnings in excess of HK$850 million in 2005, although turnover dipped slightly by 7.6% to US$454.9 million. Even though the diversity of ASM's products expands year on year, amidst production run rates in the 4th quarter significantly higher than twelve months ago we only needed to slightly increase (by HK$54.5 million) our total year-end inventory to HK$609.3 million, attaining an inventory turnover of 6.08 times. Receivables have been tightly monitored, resulting in 88 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, a cash conversion cycle of 143.8 days, a free cash flow of HK$619.7 million and a return on invested capital of 55.1% were achieved in 2005.

財務

隨著集團於逐步復甦的裝嵌設備及引線框架市場的佔有率不斷提升，儘管ASM於二零零五年的營業額微跌7.6%至4.549億美元，但我們的盈利仍超逾港幣8.5億元。即使ASM產品種類正逐年擴大，而運作率於第四季明顯較十二個月前為高，我們的年終總存貨量亦僅輕微增加港幣5,450萬元至港幣6.093億元，達到6.08週次的存貨週轉率。在嚴格的監控下，應收賬款週轉率達至88天。若縱使存在壞賬風險，亦屬微不足道，且有關賬款已依據本公司政策作出撥備。因此二零零五年的資金週轉週期相當理想，達143.8天，自由現金流量（Free Cash Flow）達港幣6.197億元，投入資本回報率達55.1%。

Matrix QFP and QFN Leadframes

Our leadframe sales in the second half of 2005 exceeded US$50 million and we made sequential record billings in the last three consecutive quarters.

公司在2005年下半年之引線框架銷售額超逾5,000萬美元，連續三季之付運數量更創新高。

7

thousand plus employees worldwide

七千多名員工
分佈世界各地

Financial continued

Notwithstanding that HK$674.2 million was paid as dividends and HK$194.8 million spent in capital investments during the twelve-month period, cash on hand as of 31 December 2005 was HK$728,927,000 (2004: HK$763,359,000) with the majority of the capital investments being funded by the current year's depreciation of HK$154,445,000.

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 six years. Net interest income amounted to HK$15.0 million for the year. With rigorous control over our current assets and liabilities, the current ratio stood comfortably at 3.42. The Group's shareholders' funds increased 9.9% to HK$2,393,534,000 as of 31 December 2005 (2004: HK$2,177,465,000). Order backlog amounted to US$102 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.

財務續

雖然集團在過去十二個月期間派發了港幣6.742億元股息，並斥資港幣1.948億元作為資本性投資，其於二零零五年十二月三十一日的手頭現金仍達港幣728,927,000元（二零零四年：港幣763,359,000元），而主要的資本性投資乃由是年度港幣154,445,000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為零而資本負債比率與過去六年一樣均為零。年內的淨利息收入為港幣1,500萬元。集團嚴格監控流動資產及流動負債，令流動比率處於3.42的充裕水平。於二零零五年十二月三十一日，集團的股東資金增加9.9%，至港幣2,393,534,000元（二零零四年：港幣2,177,465,000元），於同一日期的未完成訂單總值為1.02億美元。

ASM的財政狀況雄厚穩健，除了有賴過往持續錄得盈利及正現金流的業務表現外，亦有賴集團多年來貫徹審慎的財務策略、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，加上集團持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。

Capacity and Plant Development

In addition to our continuous investments to augment our research and development (R&D) and information technology (IT) infrastructure, substantial portion of the capital expenditure in 2005 were for equipping our new Malaysian factory with parts fabrication and leadframe processing capabilities, as well as expanding our China leadframe operation in Fu Yong with new stamping presses and dies to cope with the enlarged volume. HK$194.8 million was invested last year, in line with our budget announced twelve months ago.

生產力及廠房發展

除不斷投放資金於加強研發及資訊科技基建外，集團亦於二零零五年作出龐大資本性支出，為新的馬來西亞廠房增設部件生產及引線框架加工能力，以及擴充集團在中國福永的引線框架業務，添置沖壓機及模具，以應付擴大後的產量。去年集團共投資港幣1.948億元，與一年前公佈之預算相符。

Multi-chip die bonder development

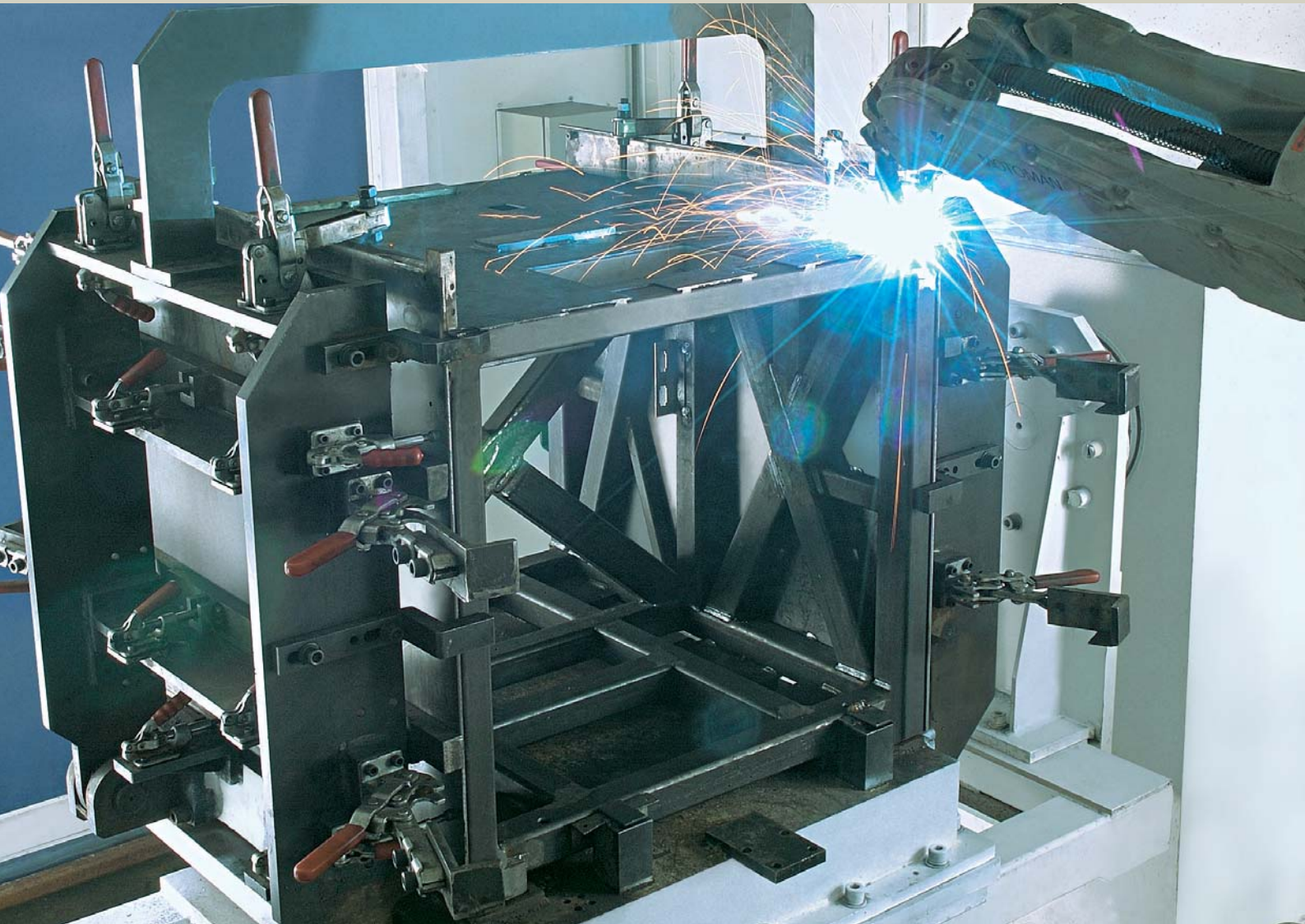
We have dedicated R&D resources to develop equipment for the growing multi-chip die bonding application, aiming for marketable products in 2007.

集團積極投放更多資源開發多晶片管芯焊接應用所需的設備，期望於2007年完成推出市場。

8

hundred fifty million
Hong Kong dollars
profit after tax in 2005

二零零五年之
除稅後溢利達八億
五千萬港元



Capacity and Plant Development continued

While our capital investment strategy for 2006 will follow the traditional path of enhancing our R&D analytical equipment, IT infrastructure, parts fabrication and leadframe production capacity, we intend to upgrade our Singapore etching plant to address the increased QFN demands and also create a new parts fabrication centre at our leadframe plant in Fu Yong, China. The latter move is part of our long-term strategic plan to boost our CNC parts fabrication capacity to support our growing equipment business. Furthermore, we also specifically aim at proliferating laser tube-cutting and robotic welding at our Sha Tou Jiao, China plant to automate our chassis manufacturing for higher quality and efficiency. Altogether HK$200 million has been budgeted for capacity and plant development in 2006.

生產力及廠房發展續

一如既往，集團二零零六年的資本性投資策略將是繼續強化研發分析設備、資訊科技基建、部件生產及引線框架生產力。此外，集團亦計劃提升新加坡浸蝕廠房的效率，以應付市場對QFN不斷增加的需求。作為集團長遠策略的一部份，我們亦將於中國福永引線框架廠房增設新的部件生產中心，旨在提高集團電腦數控機床的部件生產力，以支持不斷增長的設備業務。集團亦將擴展中國沙頭角廠房的激光截管及機械焊接技術，以達致自動化底盤生產，提升品質及效率。整體而言，集團預期將投入港幣2億元，作為於二零零六年提升生產力及發展廠房之用。

Research and Development

After three decades of IC packaging format creations such as through-hole plastic dual-in-line (DIP), surface-mounted device (SMD), ball-grid array (BGA), flip chip (FC) and quad-flat pack with no lead (QFN), and constant evolution towards miniaturization, the semiconductor industry continues its packaging journey in basically two directions: application-driven devices and high-density packaging integrating the known assembly processes. Examples of the former include smart cards, RFID, sensors (a CMOS image sensor as a camera module is one well-known example), MEMS, high brightness LED, photonic devices, etc., and they all require customized equipment to achieve certain performance and cost objectives. On the other hand, high-density packaging such as stacked die (SD), stacked package (PoP), system-in-package (SiP) and multi-chip module (MCM) are typically based on the traditional assembly processes. However, these high-density packages tend to stretch the technology envelopes of the processing machines, requiring new generation of assembly systems with refined capabilities.

研究及發展

過去三十年間，集成電路包裝形式不斷推陳出新，如孔塑雙列直插式封裝（DIP）、表面焊接式封裝設備（SMD）、球柵陣列封裝（BGA）、覆晶焊接及無針方形扁平封裝（QFN），並持續提升纖細度，半導體包裝行業因而繼續朝著應用主導裝置及整合已知組裝程序的高密度包裝這兩個主要方向發展。前者包括智能卡、RFID、感應組件（最為人熟悉的例子為如相機組件的CMOS影像感應組件）、MEMS、高亮度LED及光子器件等，全部均需特定設備以達致若干表現及成本目標。另一方面，高密度包裝，如多層管芯（SD）、多層包裝（PoP）、組裝系統（SiP）及多片組件（MCM）基本上均根據傳統組裝程序進行。然而，此等高密度包裝均需要新一代精密的組裝系統，以符合於處理過程中對設備之更高要求。

Manufacturing automation

We also specifically aim at proliferating laser tube-cutting and robotic welding at our Shatoujiao plant in China to automate our chassis manufacturing for higher quality and efficiency.

集團亦將擴展中國沙頭角廠房的激光截管及機械焊接技術，以達致自動化底盤生產，提升品質及效率。

Research and development continued

While different application niches and known processing technologies will coexist in the future, to sustain our continued leadership in this dynamic industry, management believes ASM should address these challenges simultaneously. Until now we have prioritized our product development programs according to talent availability and market maturity. Building on our advanced enabling technologies such as motion control, vision systems, optics, materials and reliability, in addition to coming up with a new generation of existing products, we have dedicated R&D resources to develop equipment for the growing multi-chip die bonding and chip-on-glass (COG) flip chip applications, aiming for marketable products in 2007. It is our firm belief that solution-selling is the most effective marketing tool in this knowledge-based economy.

Unlike all our major competitors who have consistently reduced their R&D spending and trimmed their development projects due to profit squeeze, we have enlarged our research and development teams based in Hong Kong and Singapore to over 600 people and embarked on further product development. In 2005, our net R&D expenditure increased by 1.9% to HK$267.6 million (2004: HK$262.6 million), representing 9.3% of our equipment sales and in line with our R&D funding guidelines.

研究及發展續

要在此瞬息萬變的行業維持領導地位，管理層相信ASM必須同時應付未來不同應用特性及已知加工技術並存的情況及所帶來的挑戰。至目前為止，集團已按人才及市場之成熟程度為產品開發計劃制定優先次序。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），集團不僅可為現有產品系列研製新一代產品，更積極投放更多資源開發多晶片管芯焊接及覆晶晶片直接玻璃封裝應用所需的設備，並期望目標於二零零七年推出市場。我們深信，嶄新的解決方案銷售模式已成為知識型經濟下最有力之市場推廣工具。

有別於集團的主要競爭對手因利潤下降而持續減少研發開支及縮減發展項目規模，集團年內擴充駐香港及新加坡的研究發展隊伍至逾600人，並進一步開發產品。於二零零五年，集團的研究開發淨開支增加1.9%至港幣2.676億元（二零零四年： 港幣2.626億元），佔銷售設備收入9.3%，與集團的預算指引相符。

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 2005.

董事會謹呈報本公司及其附屬公司(以下統稱為「本集團」)截至二零零五年十二月三十一日止年度之年度報告及經審核財務報表。

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.

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。

Results and appropriations

The Directors recommend the payment of a final dividend of HK$1.00 (2004: HK$1.05) per share, a second special dividend of HK$0.30 (2004: nil) per share which together with the interim dividend of HK$0.50 (2004: HK$0.45) per share and first special dividend of HK$0.20 (2004: HK$0.55) per share paid during the year, makes a total dividend for the year of HK$2.00 (2004: HK$2.05) per share, and the retention of the remaining profit for the year of HK$77,620,000.

Details of the results of the Group are set out in the consolidated income statement on page 55.

業績及分配

董事會現建議派付末期股息每股港幣1.00元(二零零四年：港幣1.05元)，第二次特別股息每股港幣0.30元(二零零四年：無)，連同年內已派付中期股息每股港幣0.50元(二零零四年：港幣0.45元)及每股港幣0.20元之首次特別股息(二零零四年：港幣0.55元)，是年度之全年股息每股為港幣2.00元(二零零四年：港幣2.05元)，及是年度保留之剩餘溢利港幣77,620,000元。

有關本集團業績載於第55頁綜合收益報表。

Property, plant and equipment

During the year, the Group continued to expand its manufacturing facilities. The Group acquired plant and machinery for approximately HK$143 million and invested approximately HK$52 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 17 to the financial statements.

物業、廠房及設備

本集團於年內繼續擴展旗下生產設施。集團斥資約港幣一億四千三百萬元購置機器設備，並投資約港幣五千二百萬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17項。

Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2005 are set out in note 32 to the financial statements.

附屬公司

有關本公司於二零零五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32項。

Share capital

On 15 December 2005, 1,791,000 shares were issued at par to certain employees pursuant to their entitlements under the Company's Employee Share Incentive Scheme.

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

股本

於二零零五年十二月十五日，已根據僱員股份獎勵制度，按面值發行1,791,000股股份予部份僱員。

於本年度，本公司及其任何附屬公司並無購買，出售或贖回任何本公司之上市證券。

Distributable reserves of the Company

The Company's reserves available for distribution to shareholders, calculated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, amounted to HK$1,194,639,000 (2004: HK$1,079,510,000). In accordance with the Company's Articles of Association, dividend can only be distributed out of profits of the Company.

本公司可供分派之儲備

本公司之可供分派予股東儲備，及根據香港會計師公會所頒佈的香港財務報告準則計算，合共港幣1,194,639,000元（二零零四年：港幣1,079,510,000元）。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。

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
Lee Shiu Hung, Robert

In accordance with Articles 113 and 114 of the Company's Articles of Association, Lam See Pong, Patrick and Fung Shu Kan, Alan 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.

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
李兆雄

林師龐先生及馮樹根先生根據本公司組織章程細則第一百一十三條及第一百一十四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+Board（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）。

Directors continued

Lam See Pong, Patrick, Executive Director, aged 57, 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.

Fung Shu Kan, Alan, Executive Director, aged 55, 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 50, 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, aged 60, is an Independent Non-executive Director and has been a member of the Board since September 2004. Mr. Tang qualified as a Chartered Accountants in Canada and is also a member of the Hong Kong Institute of Certified Public Accountants. He has worked in the fields of manufacturing, banking, and public utilities with some major corporations both in Canada and in Hong Kong. Graduated from the University of Toronto, Mr. Tang holds a Bachelor degree in Industrial Engineering and a Masters degree in Business Administration.

董事續

林師龐（執行董事），現年五十七歲，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。

馮樹根（執行董事），現年五十五歲，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），現年五十歲，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），現年六十歲，自二零零四年九月獲委任加入董事會。鄧先生於加拿大獲得特許會計師資格，也是香港會計師公會會員。彼曾在加拿大及香港任職於從事製造行業、銀行業務及公用事業之數間大機構。鄧先生畢業於多倫多大學，持有工業工程學士學位及工商管理碩士學位。

Directors continued

Lee Shiu Hung, Robert, Independent Non-executive Director, aged 73, 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 Chartered Secretaries. He is a member of the Advisory Board of the Society of Chinese Accountants & Auditors, Hong Kong.

董事續

李兆雄(獨立非執行董事)，現年七十三歲，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。彼也是香港華人會計師公會諮詢委員會成員。

Senior management

The Group's senior management team consists of the following executives, whose biographical information is as follows:

Lo Tsan Yin, Peter, aged 57, is the Managing Director of the Northern Region. He has a Bachelor of Science degree in Electronics Engineering from the University of Southampton, England. Mr. Lo joined the Group in 1980. He has over 30 years of experience in the computer and semiconductor industry. Mr. Lo is responsible for managing the business operation of the Group in the northern region of Asia, including Hong Kong, Mainland China, Taiwan, Korea, Japan and Philippines.

Lee Wai Kwong, aged 51, is the Managing Director of the Southern Region. He has a Bachelor of Science degree and a Masters of Science degree from the Chinese University of Hong Kong; both degrees are in Electronics Engineering. He also has a Masters degree in Business Administration from the National University of Singapore. Mr. Lee joined the Group in 1980. He has over 25 years working experience in the semiconductor industry. Mr. Lee is responsible for managing the business operation of the Group in the southern region of Asia, including Singapore, Malaysia, Thailand and India, as well as overseeing the Group's European and American activities.

高級管理層

本集團之高級管理人員包括下列之行政人員，其資料如下：

盧燦然，現年五十七歲，為本集團北部業務之董事總經理。彼持有英國南安普敦大學電子工程學士學位。盧先生於一九八零年加入本集團。彼於電腦及半導體工業具有逾三十年工作經驗。盧先生負責管理本集團於亞洲北部(包括香港、中國大陸、台灣、韓國、日本及菲律賓)之業務。

李偉光，現年五十一歲，為本集團南部業務之董事總經理。彼持有香港中文大學電子工程學士及碩士學位。彼亦持有新加坡國立大學工商管理碩士學位。李先生於一九八零年加入本集團。彼於半導體行業具有逾二十五年工作經驗。李先生負責管理本集團於亞洲南部(包括新加坡，馬來西亞，泰國，印度)以及歐洲及美洲之業務。

Senior management continued

Chow Chuen, James, aged 49, is the Managing Director of China Operation. He has a Bachelor of Science degree in Electrical Engineering from the University of Hong Kong and a Masters of Science degree in Manufacturing System Engineering from the University of Warwick, England. Mr. Chow joined the Group in 1982. He has over 25 years working experience in the electronics and semiconductor industry. Mr. Chow is responsible for managing the manufacturing operations in Mainland China.

Liu Chou Kee, Peter, aged 63, is the Chief Technology Officer of the Group. He has a Bachelor of Science degree and a Masters of Science degree from the University of Manitoba, Canada, and Doctor of Philosophy degree from the University of McMaster, Canada. All the degrees are in Electronics Engineering. Mr. Liu joined the Group in 1995. He has over 30 years working experience in telecommunication, semiconductor industry and tertiary education. Mr. Liu is responsible for managing the research and development teams of the Group.

高級管理層續

周全， 現年四十九歲，為本集團中國業務董事總經理。彼持有香港大學電機工程學及英國University of Warwick製造系統工程學碩士學位。周先生於一九八二年加入本集團。彼於電子及半導體行業具有逾二十五年工作經驗。周先生負責管理本集團於中國大陸之製造業務。

廖秋棋， 現年六十三歲，為本集團之首席科技總監。彼持有加拿大曼尼托巴大學電子工程學學士及碩士學位，彼亦持有加拿大University of McMaster之電子工程學博士學位。廖先生於一九九五年加入本集團。彼於電訊、半導體工業及高等教育具有逾三十年工作經驗。廖先生負責管理本集團研究及發展部門。

Employee Share Incentive Scheme

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

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

On 21 February 2006, 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 2005 upon the expiration of a defined qualification period.

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)。

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。

董事會於二零零六年二月二十一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二零零五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。

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 2005 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:

董事股份權益

於二零零五年十二月三十一日，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：

Long positions

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

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	53.59%
Lam See Pong, Patrick (Note 2)	林師龐(附註2)	Beneficial owner	實益持有人	970,000	0.25%
Fung Shu Kan, Alan	馮樹根	Beneficial owner	實益持有人	191,000	0.05%

(b) Share options of ASM International: (Note 3)

(b) ASM International之認股權：(附註3)

Name of director 董事姓名	Date of grant 授出日期	Exercisable period 行使期	Exercise price 行使價	At 1 January 2005 於二零零五年一月一日	Exercised during the year 已於本年度行使	At 31 December 2005 於二零零五年十二月三十一日
Arthur H. del Prado	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

Directors' interests in shares continued

Notes:

1. As at 31 December 2005, Arthur H. del Prado, a member of his immediate family and a foundation controlled by him together held about 21.79% 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 2005. 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.

2. As at 31 December 2005, Lam See Pong, Patrick beneficially owns 395,300 shares of ASM International.

3. Details of the share option scheme of ASM International are set out in note 30 to the financial statements.

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 2005, none of the Directors or chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

董事股份權益續

附註：

1. 於二零零五年十二月三十一日，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七九。於二零零五年十二月三十一日，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。

2. 於二零零五年十二月三十一日，林師龐實益持有395,300股ASM International股份。

3. 有關ASM International之認股權制度之詳細資料載於財務報表附註第30項。

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，於二零零五年十二月三十一日，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 sub-section headed "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.

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。

Substantial shareholders

As at 31 December 2005, the following persons (other than the interests disclosed above in respect of 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:

主要股東

於二零零五年十二月三十一日，除上述所載本公司董事或行政總裁之權益外，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：

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	53.59%
Advanced Semiconductor Materials (Netherlands Antilles) N.V	Beneficial owner	實益持有人	207,427,500	53.59%
Aberdeen Asset Management Plc and its associates on behalf of accounts managed by Aberdeen Asset Management Plc and its associates	Investment manager	投資經理	19,400,000	5.01%

Save as disclosed above, as at 31 December 2005, 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 interests or short positions in the shares or underlying shares of the Company.

除本文所披露者外，於二零零五年十二月三十一日，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。

Directors' interests in contracts and connected transactions

During the year, the Group entered into certain transactions with the ASM International group of companies, details of which are set out in note 31 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 sub-section headed "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31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連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).

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。

Emolument policy

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The emoluments of the Directors and the senior management of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company currently had an Employee Share Incentive Scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 24 to the financial statements.

酬金政策

本集團僱員的酬金政策乃由管理層按其貢獻、資歷及才幹而制訂。

本公司的董事及高級管理階層的酬金乃由薪酬委員會視乎集團的業績，個人表現及市場統計比較而決定。

本公司現行有僱員股份獎勵制度以獎勵董事及個別應嘉許之員工，制度的詳細資料載於財務報表第24項。

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.

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。

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.

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。

Donations

During the year, the Group made charitable and other donations amounting to approximately HK$506,000.

捐款

年內，本集團之慈善及其他捐款約為港幣506,000元。

Appointment of Independent Non-executive Directors

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.

委任獨立非執行董事

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3.13條所規定的書面年度確認，確認其獨立性。本公司認為全部獨立非執行董事確屬獨立人士。

Sufficiency of public float

The Company has maintained a sufficient public float throughout the year ended 31 December 2005.

充足的公眾持股量

本公司於截至二零零五十二月三十一日止年度內已維持充足的公眾持股量。

Auditors

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

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。

On behalf of the Board
Lam See Pong, Patrick
Director

21 February 2006

承董事會命
董事
林師龐

二零零六年二月二十一日

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identify and formalize the best corporate governance practices appropriate to the needs of its business.

The Company's corporate governance practices are based on the principles ("Principles") and the code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). The Company has complied with most of the Code Provisions save for the Code Provisions on internal controls which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code and certain deviations from the Code Provisions in respect of Code Provisions A.4.1 and A.4.2 and Code Provision E.1.2, details of which are explained below. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

The Company wishes to highlight the importance of its Board of Directors ("Board") in ensuring effective leadership and control of the Company and transparency and accountability of all operations.

The key corporate governance principles and practices of the Company are summarised as follows:

本公司深明優良的企業管治對公司健全發展的重要性，故致力尋求及釐訂最優秀和切合集團業務需要的企業管治方案。

本公司之企業管治方案乃根據香港聯合交易所有限公司(「聯交所」)制訂之證券上市規則(「上市規則」)附錄十四「企業管治常規守則」(「守則」)所附載的原則(「原則」)和守則條文(「守則條文」)而釐訂。本公司遵守大部份守則條文，除於二零零五年七月一日起或以後之財政年度生效之內部監控守則條文，而就守則條文A4.1、A4.2和E.1.2，本公司有若干偏離守則條文行為，將於以下詳述。本公司定時檢討企業管治方案，以確保其一直符合守則之要求。

本公司欲在此強調其董事會(「董事會」)於領導、管理公司，並確保所有業務透明度及問責度的重要性。

本公司主要的企業管治原則及方案撮列如下：

The Board

RESPONSIBILITIES

The Company has formalised and adopted the written terms on the division of functions reserved to the Board and delegated to the management.

The day-to-day operations of the Company are delegated to the management while the Board provides leadership and approves strategic policies and plans with a view to enhance shareholder interests.

The Board reserves for its decisions all major matters of the Company, including: objectives and overall strategies of the Company; annual budgets and financial matters; internal control and risk management systems; equity related transactions such as issue of shares/options, repurchase of shares, dividend, raising of capital loan; determination of major business strategy; merger and acquisition; disposal of business unit; major investment; annual financial budget in turnover, profitability and capital expenditure; review and approval of financial performance and announcement; and matters as required by laws and ordinance.

董事會

責任

本公司已釐訂及執行有關董事會及管理層職能分配之書面守則。

為保障股東利益，管理層被委派管理公司之日常運作，而董事會則負責領導及審批策略性措施及計劃。

董事會對於公司所有主要事務保留決策權，包括：公司的目標及全面策略、年度預算和財務事項、內部監控和風險管理機制、與股票證券有關的交易如發行股票/認股証、股票回購、股息、籌募資本貸款、制訂主要業務策略、收購合併、出售業務、重大投資、年度營業額、盈利能力和資本性支出的財政預算、審閱及審批財政表現及公告，以及處理法律和條例要求的事務。

The Board continued

RESPONSIBILITIES CONTINUED

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Managing Director (who is also the Chief Executive Officer) and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the Chief Executive Officer and the senior management to discharge its responsibilities.

董事會續

責任續

所有董事能全權和適時取得所有有關的資料，以及公司秘書的意見和服務，以確保遵守董事會程序及所有適用規則及規例。

在合理及適當的情況下，每位董事均可要求以本公司經費諮詢獨立專業意見。

本公司日常的管理、行政和運作皆授權予董事總經理（同時亦為行政總裁）及高級管理層，董事會亦會定時檢討所授予之職能和工作任務。上述管理層所進行的任何重大業務交易均須得到董事會核准。

董事會得到行政總裁及高級管理層全力支持以履行其職責。

COMPOSITION

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

The Board of the Company comprises the following directors:

Executive Directors

Arthur H. del Prado (Chairman of the Board and Remuneration Committee)

Lam See Pong, Patrick (Managing Director and Chief Executive Officer)

Fung Shu Kan, Alan (Financial Director)

Non-Executive Director

Arnold J. M. van der Ven (Appointment effective on 14 March 2006)

組成

為了決策獨立和履行業務所需，董事會成員具備適當所需技巧和經驗。

本公司董事會擁有以下董事：

執行董事

Arthur H. del Prado（董事會主席及薪酬委員會主席）

林師龐（董事總經理及行政總裁）

馮樹根（財務董事）

非執行董事

Arnold J. M. van der Ven（委任於二零零六年三月十四日生效）

The Board continued

COMPOSITION CONTINUED

Independent Non-Executive Directors

Orasa Livasiri (Chairman of Audit Committee and Member of Remuneration Committee)

Tang Koon Hung, Eric (Member of Audit Committee and Remuneration Committee)

Lee Shiu Hung, Robert (Member of Audit Committee and Remuneration Committee)

None of the members of the Board is related to one another.

During the year ended 31 December 2005, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The non-executive directors together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors. The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company.

董事會續

組成續

獨立非執行董事

Orasa Livasiri（審核委員會主席及薪酬委員會成員）

鄧冠雄（審核委員會及薪酬委員會成員）

李兆雄（審核委員會及薪酬委員會成員）

所有董事會成員皆沒有任何親屬關係。

截至二零零五年十二月三十一日止年度，董事會一直符合上市規則內有關委任至少三位獨立非執行董事，而至少一位獨立非執行董事具備適當的專業資格，或具備適當的會計或相關的財務管理專長。

根據上市規則規定，本公司已收到每位獨立非執行董事之書面年度確認，確認其獨立性。本公司根據上市規則裡的獨立守則認為全部獨立非執行董事確屬獨立人士。

非執行董事們擁有豐富實務經驗，包括審計、法律事務、營運、會計、企業內部監控及管制事宜。透過積極參與董事會會議，帶領處理牽涉利益衝突之事務，以及成為董事委員會成員，所有非執行董事對本公司制訂更有效業務方向貢獻良多。

董事委任及接任制度

董事會整體負責檢討其成員組合、建立及制訂其遴選及董事委任的程序，並監察其委任及接任制度，以及評核獨立非執行董事的獨立性。董事會亦定期檢討成員架構、人數及成員組合，務求平衡各方的專業知識、技巧及資歷，以符合本公司的業務要求。

The Board continued

APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS CONTINUED

The Chairman and the Managing Director (also being the Chief Executive Officer) are responsible for the selection and recommendation of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. Mr. Arnold J. M. van der Ven was selected and recommended for directorship during the year whose appointment as a non-executive director was formalised and effective on 14 March 2006.

The Company has not yet adopted Code Provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election. All the non-executive directors of the Company are not appointed for a specific term although in practice they are subject to retirement on rotation and re-election at the Company's annual general meetings pursuant to the Company's Articles of Association. In accordance with Article 113 of the Company's Articles of Association, one-third of the directors (save for the Managing Director), or if their number is not three nor a multiple of three, then the number nearest to one-third but not exceeding one-third, shall retire from office and being eligible, offer themselves for re-election at annual general meetings. As the Company had a total of six directors, Messrs Arthur H. del Prado, Lam See Pong, Patrick, Fung Shu Kan, Alan, Tang Koon Hung, Eric and Lee Shiu Hung, Robert and Miss Orasa Livasiri during the year ended 31 December 2005 (Mr. Arnold J. M. van der Ven was appointed on 14 March 2006) which is a multiple of three, and in practice, the Company's Managing Director, also being an Executive Director, has also been subject to retirement by rotation at annual general meetings, all directors are subject to retirement by rotation once every three years.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

董事會續

董事委任及接任制度續

主席及董事總經理(同時亦為行政總裁)負責根據候選人的專長、資歷、專業知識、個人誠信及所投入時間，以及本公司的需求和其他相關法定要求及守則，作出遴選及推薦。於本年度，Arnold J. M. van der Ven先生獲推薦並選為非執行董事，並於二零零六年三月十四日起生效。

根據守則條文第A.4.1條規定，非執行董事應有指定任期，並須接受重新選舉，惟本公司尚未採納該守則條文。本公司全部非執行董事均沒有指定任期，然而實際上根據本公司之組織章程細則，非執行董事須於股東週年大會輪換卸任及須再次參選方可連任。按組織章程細則第113條，三分之一的董事(董事總經理除外)或如董事會人數不是三或其倍數，則計算其最接近而不超過三分之一的人數須於股東週年大會上退任，並可接受重選。截至二零零五年十二月三十一日止年度，本公司共有六名董事，分別為Arthur H. del Prado先生、林師龐先生、馮樹根先生、鄧冠雄先生、李兆雄先生及Orasa Livasiri小姐(Arnold J. M. van der Ven先生於二零零六年三月十四日獲委任)，由於董事會成員人數為三的倍數，及按照慣例，本公司的董事總經理同時擔任執行董事，須於股東週年大會上輪流退任；所有董事須於每三年輪流退任一次。

根據守則條文第A.4.2條規定，所有為填補臨時空缺而被委任的董事，須於其獲委任後首次股東大會上接受股東選舉。每位董事(包括有指定任期的董事)須輪流退任，至少每三年一次。

The Board continued

APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS CONTINUED

In accordance with Article 117 of the Company's Articles of Association, any new director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, when he/she shall be eligible for re-election. Mr. Arnold J. M. van der Ven was appointed as an additional director by the Board on 14 March 2006 and he shall retire and offer himself for re-election by shareholders at the forthcoming annual general meeting pursuant to this Article. In addition, Messrs Lam See Pong, Patrick and Fung Shu Kan, Alan shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting pursuant to Article 113.

The Board recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

In order to ensure full compliance of the Company's Articles of Association with Code Provisions A.4.1 and A.4.2 of the CG Code, a special resolution will be proposed at the forthcoming annual general meeting of the Company to amend the Company's Articles of Association so that all directors will be subject to retirement by rotation once every three years and any new director appointed to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

董事會續

董事委任及接任制度續

根據本公司組織章程細則第117條，於年度內獲委任的新董事須在任至下次股東週年大會，屆時他/她便可接受重選。Arnold J. M. van der Ven先生於二零零六年三月十四日獲委任為新增董事，根據此細則他須於即將舉行之股東週年大會退任並表示願意膺選連任。此外，根據第113條，林師龐先生及馮樹根先生亦將於即將舉行之股東週年大會退任，而彼等具資格並表示願意膺選連任。

董事會建議於即將舉行之本公司股東週年大會重新委任正待重選之董事。

為了確保本公司組織章程細則完全遵守守則條文於第A.4.1及A.4.2條之規定，於即將舉行之股東週年大會上，本公司將提出更改本公司組織章程細則的特別決議案，規定所有董事均須每三年輪流退任一次，而為填補臨時空缺而被委任的董事則須於其獲委任後首次股東大會上接受股東投票重選。

TRAINING FOR DIRECTORS

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

董事訓練

每位新委任董事均在首次接受委任時獲得全面、正式及特為其而設的就任須知，以確保他/她對本公司的業務及運作均有適當的理解，以及全面認知其本身在上市規則及相關監管規定下對其責任及義務的要求。

本公司亦會在有需要時為董事提供持續簡報及專業培訓。

The Board continued

BOARD MEETINGS

Number of Meetings and Directors' Attendance

Seven Board meetings were held during the year.

The individual attendance (either in person or through other electronic means of communication) record of each director at the meetings of the Board, the Remuneration Committee and the Audit Committee during the year ended 31 December 2005 is set out below:

董事會續

董事會會議

會議數目及董事出席率

本公司於年度內舉行了七次董事會會議。

下表詳列截至二零零五年十二月三十一日止年度，個別董事於董事會、薪酬委員會及審核委員會的會議出席紀錄（親身及透過電子通訊設備出席會議）。

Directors 董事名稱		Attendance/ Number of Meetings 出席次數／會議總數 Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
Executive Directors	*執行董事*			
Arthur H. del Prado (Chairman of the Board and Remuneration Committee)	Arthur H. del Prado （董事會主席及薪酬委員會主席）	4/7	1/1	N/A
Lam See Pong, Patrick (Managing Director and Chief Executive Officer)	林師龐 （董事總經理及行政總裁）	5/7	N/A	N/A
Fung Shu Kan, Alan (Financial Director)	馮樹根（財務董事）	7/7	N/A	N/A
Independent Non-Executive Directors	*獨立非執行董事*			
Orasa Livasiri (Chairman of Audit Committee)	Orasa Livasiri（審核委員會主席）	6/7	1/1	6/6
Tang Koon Hung, Eric	鄧冠雄	6/7	1/1	6/6
Lee Shiu Hung, Robert	李兆雄	6/7	1/1	6/6

Practices and Conduct of Meetings

Notices of regular Board meetings are served to all directors at least 14 days before the meetings while reasonable notice is generally given for other board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or to the relevant committee members at least 2 days before each Remuneration Committee Meeting or at least 4 days before each Audit Committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

會議的應用指引及守則

所有董事均於董事會定期會議舉行至少十四天前接獲通知，而其他董事會會議則於合理時間前發出通知。委員會會議亦按有關職權範圍所規定的通知期發出通知。

會議議程、會議文件及有關適當、完備及可靠資訊至少於董事會會議前三天送交全體董事，在薪酬委員會會議前兩天、或審核委員會會議前四天送交有關委員會成員，以確保董事能夠在掌握公司最新的發展及財務狀況下作出決定。董事會及每位董事在需要時有自行接觸高級管理人員的獨立途徑。

The Board continued

BOARD MEETINGS CONTINUED

Practices and Conduct of Meetings continued

Minutes of all Board meetings and committee meetings are kept by the Company Secretary. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

董事會續

董事會會議續

會議的應用指引及守則續

公司秘書備存所有董事會及委員會的會議紀錄。會議紀錄初稿在會議後合理期間內先予所有董事傳閱及表達意見，而最後定稿則公開予所有董事查閱。

根據現行董事會守則，任何牽涉大股東或董事有利益衝突的重大交易，應由董事會以適當的董事會議處理。本公司之組織章程細則亦有條款要求有關董事於董事會會議上表決通過涉及其或其任何聯繫人的重大利益之交易時，必須放棄表決權，且不得計入通過會議的法定人數。

Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority.

The positions of the Chairman and the Chief Executive Officer are held by Mr. Arthur H. del Prado and Mr. Lam See Pong, Patrick (who is also the Managing Director) respectively. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The Chief Executive Officer, supported by the executive directors, is responsible for managing the Group's business, including implementation of objectives, policies and major strategies and initiatives adopted by the Board.

主席及行政總裁

公司全力支持主席及行政總裁之間的職責分工，以確保權力和授權分佈均衡。

主席及行政總裁之職位現分別由Arthur H. del Prado先生及林師龐先生（亦為公司的董事總經理）擔任，其各自的職責已清楚界定並以書面列載。

主席領導及負責使董事會按良好的企業管治常規有效運作。在高級管理人員的支援下，主席亦負責確保董事適時收到充分、完備及可靠的資訊，以及於董事會會議上就商討之事項得到所需的簡報。

在執行董事的支援下，行政總裁負責管理集團的業務，包括實行由董事會制訂的目標、政策及主要策略及建議。

Board Committees

The Board has established two committees, namely, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and are available to shareholders upon request.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

REMUNERATION COMMITTEE

Mr. Arthur H. del Prado is the chairman while all the three independent non-executive directors are the members of the Remuneration Committee.

The primary objectives of the Remuneration Committee include establishing a formal and transparent procedure for setting policy on the remuneration of the executive directors and for fixing the remuneration packages of all directors and the senior management. The Remuneration Committee is also responsible for ensuring the remuneration packages are sufficient to attract and retain the directors needed to run the Company successfully; to avoid over-paying and ensure no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets towards the end of each year for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and other related matters. The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy, structure and remuneration packages.

The Remuneration Committee met once during the year ended 31 December 2005 and reviewed the remuneration policy and packages of the executive directors for the year under review.

董事委員會

董事會已成立兩個委員會，分別為薪酬委員會及審核委員會以監察公司不同層面的事務。所有公司董事委員會之成立均有書面界定之職權範圍，各董事委員會的職權範圍已刊載於公司網頁，如股東有需要時可向公司索取查閱。

董事委員會獲得充足資源以履行其職責，並在合理的要求下，於適當情況尋求獨立專業意見，費用由公司支付。

薪酬委員會

Arthur H. del Prado先生為委員會主席，而全體三位獨立非執行董事為薪酬委員會成員。

薪酬委員會的主要目的包括設立一套正規而具透明度的程序，以制訂有關執行董事酬金的政策、及釐訂所有董事及高級管理人員的薪酬待遇。薪酬委員會亦負責確保所定的酬金待遇足以吸引及挽留公司成功營運所需的一眾董事，委員會亦須避免公司支付過多的酬金，並同時確保任何董事或其任何聯繫人士不得參與訂定其本身的酬金。該酬金將按個人及公司的表現，以及市場的常規和情況而釐定。

薪酬委員會通常會在每年年底開會以檢討酬金政策和結構、決定執行董事的每年酬金待遇，以及其他相關事項。薪酬委員會應就薪酬政策、架構及薪酬待遇的有關建議咨詢公司主席及/或行政總裁。

薪酬委員會已於截至二零零五年十二月三十一日止年度期間舉行一次會議，並檢討執行董事於該回顧年內的酬金政策及待遇。

Board Committees continued

AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors (including two independent non-executive directors who possess the appropriate professional qualifications or accounting or related financial management expertise) and Ms. Orasa Livasiri is the chairman of the committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

(a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board.

(b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held six meetings with the Financial Director during the year ended 31 December 2005 to review the financial results and reports; financial controls, internal controls and risk management systems; and the re-appointment of the external auditors. The Company's annual results for the year ended 31 December 2005 has been reviewed by the Audit Committee.

There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

董事委員會續

審核委員會

審核委員會成員為三位獨立非執行董事(包括兩位持有合適專業資格，或於會計、相關財政管理擁有專門知識的獨立非執行董事)，委員會主席由Orasa Livasiri小姐擔任，審核委員會中並無任何成員曾為本公司現時外聘核數師的前合夥人。

審核委員會的主要責任如下:

(a) 審閱財務報表、財務報告及考慮所有由合資格會計師或外聘核數師提出的重大或不尋常事項。

(b) 審閱公司與外聘核數師的關係，就外聘核數師的工作、酬金及聘用條款，向董事會提供有關外聘核數師之委任、重新委任及罷免的建議。

(c) 審閱公司財務申報制度、內部監控系統、風險管理系統及有關程序是否足夠及有效。

審核委員會於截至二零零五年十二月三十一日止年度內與財務董事共召開了六次會議，以審閱業績、財務報告、 財務監控、內部監控和風險管理系統，並重新委任外聘核數師。審核委員會已審閱公司截至二零零五年十二月三十一日止年度之全年業績。

並無任何重大不明朗事件或情況可能會影響本公司持續經營的能力。

董事會及審核委員會並無就挑選、委任、辭職或解僱外聘核數師出現意見不一致的情況 。

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31st December, 2005.

The Company also has established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

進行證券交易的標準守則

本公司已採納上市規則之附錄十「上市發行人董事進行證券交易的標準守則」(「標準守則」)。

本公司已對全體董事作出具體查詢，而董事確認於截至二零零五年十二月三十一日止年度內均遵守「標準守則」。

本公司亦已就有關僱員買賣證券事宜設定書面指引(「僱員書面指引」)，指引內容不比標準守則寬鬆。有關僱員指可能會擁有關於本公司的未公開股價敏感資料的僱員。

本公司並無發現有任何僱員不遵守「僱員書面指引」。

Responsibilities in respect of the financial statements and auditors' remuneration

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2005.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on page 54.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2005 amounted to HK$4,327,000 and HK$2,151,000 respectively.

有關於財務報表的責任及核數師酬金

董事會負責平衡、清晰及明白地評審公司之年度及中期報告、涉及股價敏感資料之公佈及根據上市規則及其他監管規條規定須予披露的其他財務資料。

董事已確認負上編製截至二零零五年十二月三十一日止年度財務報表的責任。

本公司外聘核數師已於刊載於第54頁之《核數師報告》就他們的申報責任作出聲明。

截至二零零五年十二月三十一日止年度，本公司對外聘核數師就審核及非審核服務之酬金開支分別為港幣4,327,000元及港幣2,151,000元。

Shareholder rights and investor relations

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights and procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

股東權利及投資者關係

股東之權利及有關要求在股東大會以投票方式表決的程序已載列於公司之組織章程細則。有關權利及程序的詳情亦載列於所有股東通函內，並將在會議期間解釋。每當有需要以投票方式表決時，將會解釋投票程序詳情。

Shareholder rights and investor relations continued

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Company and of the Stock Exchange.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. Although the Chairman of the Board has not attended the 2005 annual general meeting of the Company (which is deviated from Code Provision E.1.2) during his absence in Hong Kong, the Managing Director (who is also the Chief Executive Officer) has chaired the meeting and answered questions at the meeting. The chairman of the Audit Committee was also available to answer questions thereat.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at asmpacific.com, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

股東權利及投資者關係續

投票結果將於股東大會後第一個工作天刊登於報章，並於公司和聯交所的網站公佈。

公司的股東大會為股東和董事會提供溝通機會。儘管董事會主席因不在香港而未能參與二零零五年股東週年大會(未能符合守則條文E.1.2之要求)，董事總經理(同時是行政總裁)代替主席於會議上主持會議及回答問題，審核委員會主席亦可對提問作出回應。

股東大會中已就各項問題提出個別決議案，包括個別董事之選舉。

本公司一直致力加強與投資者的溝通和關係。專責的高級管理人員與各機構投資者和分析員保持緊密聯繫，向他們發放有關公司最新發展的消息，並確保投資者的查詢均能適時獲得充份資料的回應。

為促進有效通訊，本公司亦已設立asmpacific.com網站，向公眾廣泛發佈有關公司業務發展、營運、財務狀況、企業管治常規與其他資料及其最新情況。

Auditors' Report
核數師報告

To the Shareholders of ASM Pacific Technology Limited

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of ASM Pacific Technology Limited (the "Company") and its subsidiaries on pages 55 to 102 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 consolidated financial statements which give a true and fair view. In preparing consolidated 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 Hong Kong Standards on Auditing 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 consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of 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 consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 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, 21 February 2006

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ASM Pacific Technology Limited(「公司」)及附屬公司載於第55頁至第102頁按照香港普遍接納之會計原則編製的綜合財務報表。

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綜合財務報表。在編製該等綜合財務報表時，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香港核數準則進行審核工作。審核範圍包括以抽查方式查核與綜合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綜合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，使本行能獲得充份的憑證，就該等綜合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，本行亦已衡量該等綜合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

本行認為上述的綜合財務報表均真實與公平地反映貴集團於二零零五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，二零零六年二月二十一日

Consolidated Income Statement
綜合收益報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Notes 附註	**2005** **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Turnover	營業額	6	**3,536,855**	3,828,930
Cost of sales	銷貨成本		**(1,926,077)**	(2,097,617)
Gross profit	毛利		**1,610,778**	1,731,313
Other income	其他收益		**21,283**	9,278
Selling expenses	銷售費用		**(316,950)**	(291,733)
General and administrative expenses	一般管理費用		**(143,534)**	(123,876)
Research and development expenses, net	研究及發展淨支出	8	**(267,638)**	(262,585)
Finance costs	財務費用	9	**(15)**	(15)
Profit before taxation	除稅前溢利		**903,924**	1,062,382
Income tax expense	所得稅開支	10	**(53,439)**	(59,787)
Profit for the year	本年度溢利	11	**850,485**	1,002,595
Dividends	股息	15	**772,865**	788,002
Earnings per share	每股溢利	16		
— Basic	— 基本		**HK$2.21** **港幣2.21元**	HK$2.61 港幣2.61元
— Diluted	— 攤薄		**HK$2.20** **港幣2.20元**	HK$2.60 港幣2.60元

Consolidated Balance Sheet
綜合資產負債表

At 31 December 2005
於二零零五年十二月三十一日

		Notes 附註	**2005 二零零五年 HK$'000 港幣千元**	2004 二零零四年 HK$'000 港幣千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	17	**808,030**	772,006
Prepaid lease payments	預付租賃費用	18	**8,951**	9,370
Deferred tax assets	遞延稅項資產	25	**118**	1,999
			817,099	783,375
Current assets	**流動資產**			
Inventories	存貨	19	**609,345**	554,830
Trade and other receivables	貿易及其他應收賬款	20	**892,255**	642,223
Prepaid lease payments	預付租賃費用	18	**448**	446
Bank balances and cash	銀行結餘及現金		**728,927**	763,359
			2,230,975	1,960,858
Current liabilities	**流動負債**			
Trade and other payables	貿易及其他應付賬款	21	**585,020**	461,284
Taxation	應付稅項		**66,101**	103,099
Notes payable to a bank	應付銀行票據	22	**462**	—
			651,583	564,383
Net current assets	**流動資產淨值**		**1,579,392**	1,396,475
			2,396,491	2,179,850
Capital and reserves	**資本及儲備**			
Share capital	股本	23	**38,706**	38,527
Dividend reserve	股息儲備		**503,177**	404,532
Other reserves	其他儲備		**1,851,651**	1,734,406
Equity attributable to equity holders of the parent	**母公司權益持有人應佔權益**		**2,393,534**	2,177,465
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延稅項負債	25	**2,957**	2,385
			2,396,491	2,179,850

The consolidated financial statements on pages 55 to 102 were approved and authorised for issue by the Board of Directors on 21 February 2006 and are signed on its behalf by:

第55頁至第102頁之綜合財務報表經於二零零六年二月二十一日獲董事會批准發佈，並由下列董事代表簽署：

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
綜合股東權益變動表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Attributable to equity holders of the parent 母公司權益持有人應佔權益								
		Share capital 股本 HK$'000 港幣千元	Share premium 股本溢價 HK$'000 港幣千元	Employee share-based compensation reserve 以股份支付的僱員酬金儲備 HK$'000 港幣千元	Capital redemption reserve 資本贖回儲備 HK$'000 港幣千元	Capital reserve 資本儲備 HK$'000 港幣千元	Translation reserve 匯兌儲備 HK$'000 港幣千元	Retained profits 累積溢利 HK$'000 港幣千元	Dividend reserve 股息儲備 HK$'000 港幣千元	Total 總額 HK$'000 港幣千元
At 1 January 2004	於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
Exchange differences on translation of foreign operations	換算海外營運公司匯兌差額	–	–	–	–	–	8,558	–	–	8,558
Profit for the year	本年度溢利	–	–	–	–	–	–	1,002,595	–	1,002,595
Total recognised income and expense for the year	本年度已確認之收支總額	–	–	–	–	–	8,558	1,002,595	–	1,011,153
Sub-total	小計	38,502	126,528	–	–	70,944	(63,985)	2,431,251	323,415	2,926,655
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)
Interim dividend declared	宣告中期股息	–	–	–	–	–	–	(172,561)	172,561	–
Special dividend declared	宣告特別股息	–	–	–	–	–	–	(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 and 1 January 2005	於二零零四年十二月三十一日及二零零五年一月一日	38,527	84,198	–	155	70,944	(63,985)	1,643,094	404,532	2,177,465
Exchange differences on translation of foreign operations	換算海外營運公司匯兌差額	–	–	–	–	–	(17,150)	–	–	(17,150)
Profit for the year	本年度溢利	–	–	–	–	–	–	850,485	–	850,485
Total recognised income and expense for the year	本年度已確認之收支總額	–	–	–	–	–	(17,150)	850,485	–	833,335
Sub-total	小計	38,527	84,198	–	155	70,944	(81,135)	2,493,579	404,532	3,010,800
Recognition of equity-settled share based payments	確認以權益結算之以股份支付的支出	–	–	56,954	–	–	–	–	–	56,954
Shares issued under the Employee Share Incentive Scheme	根據僱員股份獎勵制度發行之股份	179	56,775	(56,954)	–	–	–	–	–	–
Interim dividend declared	宣告中期股息	–	–	–	–	–	–	(192,634)	192,634	–
First special dividend declared	宣告首次特別股息	–	–	–	–	–	–	(77,054)	77,054	–
Second special dividend proposed	建議第二次特別股息	–	–	–	–	–	–	(116,118)	116,118	–
Final dividend proposed	建議末期股息	–	–	–	–	–	–	(387,059)	387,059	–
Dividends paid	已派付股息	–	–	–	–	–	–	–	(674,220)	(674,220)
At 31 December 2005	於二零零五年十二月三十一日	38,706	140,973	–	155	70,944	(81,135)	1,720,714	503,177	2,393,534

Consolidated Cash Flow Statement
綜合現金流量變動表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Note 附註	**2005** **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Operating activities	**營運活動**			
Profit before taxation	除稅前溢利		**903,924**	1,062,382
Adjustments for:	調整：			
Depreciation	折舊		**154,445**	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損		**3,551**	32,247
Amortisation of prepaid lease payments	預付租賃費用攤銷		**448**	—
Share-based payment under the Employee Share Incentive Scheme	根據僱員股份獎勵制度之以股份支付的支出		**56,954**	180
Interest income	利息收入		**(15,025)**	(7,923)
Interest expense	利息支出		**15**	15
Operating cash flows before movements in working capital	未計營運資金之營運現金流量		**1,104,312**	1,269,015
Increase in inventories	存貨之增加		**(57,586)**	(23,714)
(Increase) decrease in trade and other receivables	貿易及其他應收賬款之(增加)減額		**(255,781)**	104,749
Increase (decrease) in trade and other payables	貿易及其他應付賬款之增加(減額)		**124,881**	(31,653)
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		**(6,400)**	2,864
Cash generated from operations	營運所得之現金		**909,426**	1,321,261
Income taxes paid	支付所得稅		**(88,124)**	(33,557)
Interest paid	支付利息		**(15)**	(15)
Net cash from operating activities	**營運活動淨現金收入**		**821,287**	1,287,689
Investing activities	**投資項目**			
Interest received	利息收入		**15,025**	7,923
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		**584**	865
Purchase of property, plant and equipment	購買物業、廠房及設備		**(194,848)**	(299,779)
Acquisition of a subsidiary	收購一間附屬公司	26	**—**	1,730
Net cash used in investing activities	**投資項目之淨現金支出**		**(179,239)**	(289,261)

		2005	2004
		二零零五年	二零零四年
		HK$'000	HK$'000
		港幣千元	港幣千元
Financing activities	**融資項目**		
Dividends paid	派付股息	**(674,220)**	(706,885)
Notes payable to a bank	應付銀行票據	**462**	—
Repurchase of shares	回購之股份	**—**	(42,485)
Net cash used in financing activities	**融資項目之淨現金支出**	**(673,758)**	(749,370)
Net (decrease) increase in cash and cash equivalents	現金及現金等額之（減額）增加	**(31,710)**	249,058
Cash and cash equivalents at beginning of the year	年初之現金及現金等額	**763,359**	513,078
Effect of foreign exchange rate changes	外幣匯率轉變引致之影響	**(2,722)**	1,223
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**	**728,927**	763,359

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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 parent and ultimate holding company is ASM International N.V. ("ASM International"), a company incorporated in the Netherlands. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

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.

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。本公司之母公司及最終控股公司為於荷蘭註冊成立之ASM International N.V.(「ASM International」)。本公司註冊辦事處及主要營業地點於本年報公司組織結構中披露。

本財務報表以港幣呈列，港幣亦為本公司之功能貨幣。

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。

2. Application of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("INT") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

採用香港財務報告準則

於本年度，本集團首次採用由香港會計師公會所頒佈的一系列新訂的香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(以下統稱「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期間生效。採用新訂香港財務報告準則已導致綜合收益表、綜合資產負債表及綜合股東權益變動表之呈報方式有所變動。呈報方式之變動已追溯應用。本集團因採用新訂香港財務報告準則而改變以下的會計政策，對本期及過往的會計年度的財務表現之編製及呈列方式構成影響。

2. Application of Hong Kong Financial Reporting Standards continued

SHARE-BASED PAYMENT

In the current year, the Group has applied HKFRS 2 "Share-based Payment" ("HKFRS 2") which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of the shares of the Company granted to the directors and employees under the Employee Share Incentive Scheme (the "Scheme"), which are calculated with reference to the market value of shares at the date of grant, over the vesting period. Prior to the application of HKFRS 2, the costs on the Scheme are recognised as expenses with reference to the nominal value of shares issued under the Scheme.

Following the adoption of HKFRS 2, the costs on the Scheme are calculated with reference to the fair value of shares at the date of grant, adjusted to take into account the terms and conditions upon which the shares are granted, and are amortised over the relevant vesting period to the income statement.

The Group has applied HKFRS 2 to shares granted on or after 1 January 2005. In relation to shares granted before 1 January 2005, the Group has not applied HKFRS 2 to shares granted on or before 7 November 2002 and shares granted after 7 November 2002 and vested before 1 January 2005 in accordance with the relevant transitional provisions. The Group had no shares granted after 7 November 2002 and had not yet vested on 1 January 2005 and accordingly no retrospective restatement is required.

However, the adoption of HKFRS 2 has had a significant impact on the results of operations and financial position of the Group for accounting periods beginning on 1 January 2005. An amount of HK$56,954,000 representing the estimated fair value of shares granted in February 2005 under the Scheme was charged to the income statement during the year, with an corresponding increase in share capital of HK$179,000 and other reserve of HK$56,775,000.

採用香港財務報告準則續

以股份支付的支出

於本年度，本集團採用了香港財務報告準則第2號「以股份支付的支出」，規定集團以股份或股權換購貨品或換取服務（權益結算交易）、或以某數量之股份或股權換取等值之其他資產（現金結算交易），均需確認為開支。香港財務報告準則第2號對本集團之主要影響為根據僱員股份獎勵制度（「制度」）授予董事及僱員之股份，須參照股份授予當日之市場價值計算其公平價值，並在歸屬期間攤銷為開支。在採用香港財務報告準則第2號之前，該制度之費用以發行之股份之票面值確認為開支。

採用香港財務報告準則第2號之後，該制度之費用乃參照股份授予當日之公平價值計算，並根據授予股份之條款作調整，在有關之歸屬期間於收益報表中攤銷。

本集團遵照香港財務報告準則第2號，計算二零零五年一月一日或之後授予之股份。至於二零零五年一月一日前授予之股份，即二零零二年十一月七日或之前授予之股份，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已歸屬之股份，本集團不會遵照香港財務報告準則第2號計算，只會根據該準則列出的過渡期條款列賬。由於本集團沒有於二零零二年十一月七日後授予並於二零零五年一月一日尚未歸屬之股份，因此沒有追溯重報的需要。

然而，香港財務報告準則第2號之採用對本集團二零零五年一月一日後會計期間的營運業績及財務狀況起了重大的影響。於二零零五年二月根據制度授出股份之估計公平價值港幣56,954,000元，已於本年度之收益報表內扣除，並相對增加股本港幣179,000元及其他儲備港幣56,775,000元。

2. Application of Hong Kong Financial Reporting Standards continued

FINANCIAL INSTRUMENTS

In the current year, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" ("HKAS 32") and HKAS 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39"). HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 and HKAS 39 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods.

OWNER-OCCUPIED LEASEHOLD INTEREST IN LAND

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases" ("HKAS 17"). Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. The unamortised prepaid lease payment for property interest in land has been separately shown in the consolidated balance sheet.

採用香港財務報告準則續

金融工具

於本年度， 本集團已採用香港會計準則第32號「金融工具： 披露及呈列」及香港會計準則第39號「金融工具： 確認及計量」。香港會計準則第32號須作追溯性應用， 而香港會計準則第39號於對二零零五年一月一日或之後開始的年度期間生效，一般不容許追溯性確認、終止確認或計量金融資產及負債。採用香港會計準則第32號及香港會計準則第39號對本集團現行或過往期間呈列之金融工具並無重大影響。

業主自用的土地租賃權益

於過往年度，業主自用的租賃土地及樓宇以成本模式歸納在物業、廠房及設備內。於本年度，本集團採用了香港會計準則第17號「租賃」。根據香港會計準則第17號，為了租賃分類的目的，凡土地及樓宇租賃應分開考慮土地及樓宇兩部分，除非土地及樓宇的租賃費用不能可靠地分配，在此情況下，整份租賃會被界定為融資租賃。當土地及樓宇的租賃費用能可靠地分配，該土地之租賃權益會重新分類為經營租賃下的預付租賃費用按成本列賬，並以直線法於租約年期內攤銷。此會計政策之改變已作追溯重報。未攤銷的土地業權預付租賃費用已在綜合資產負債表內分開呈列。

2. Application of Hong Kong Financial Reporting Standards continued

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these Standards or Interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures[1]
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures [2]
HKAS 21 (Amendment)	Net investment in a foreign operation [2]
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions [2]
HKAS 39 (Amendment)	The fair value option [2]
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts [2]
HKFRS 6	Exploration for and evaluation of mineral resources [2]
HKFRS 7	Financial Instruments: Disclosures [1]
HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease [2]
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds[2]
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market - waste electrical and electronic equipment[3]
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[4]

[1] Effective for annual periods beginning on or after 1 January 2007.
[2] Effective for annual periods beginning on or after 1 January 2006.
[3] Effective for annual periods beginning on or after 1 December 2005.
[4] Effective for annual periods beginning on or after 1 March 2006.

採用香港財務報告準則續

本集團並無提早採用下列已頒佈但未生效之新香港財務報告準則及詮釋。本公司董事預期採用該等準則或詮釋對本集團之財務報表並無重大影響。

香港會計準則第1號（經修訂）	股本披露[1]
香港會計準則第19號（經修訂）	精算損益、集團計劃及披露[2]
香港會計準則第21號（經修訂）	境外業務投資淨額[2]
香港會計準則第39號（經修訂）	預測集團內公司間交易之現金流量對沖會計處理法[2]
香港會計準則第39號（經修訂）	公平價值之選擇[2]
香港會計準則第39號及香港財務報告準則第4號（經修訂）	財務擔保合約[2]
香港財務報告準則第6號	礦產資源之勘探及評估[2]
香港財務報告準則第7號	金融工具：披露[1]
香港（國際財務匯報準則）— 詮釋第4號	釐定安排是否包括租賃[2]
香港（國際財務匯報準則）— 詮釋第5號	終止運作、復原及環境修復基金所產生權益之權利[2]
香港（國際財務匯報準則）— 詮釋第6號	參與特定市場－廢棄電力及電子設備之負債[3]
香港（國際財務匯報準則）— 詮釋第7號	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法[4]

[1] 於二零零七年一月一日或之後開始之年度期間生效。
[2] 於二零零六年一月一日或之後開始之年度期間生效。
[3] 於二零零五年十二月一日或之後開始之年度期間生效。
[4] 於二零零六年三月一日或之後開始之年度期間生效。

3. Significant accounting policies

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values at initial recognition, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

主要會計政策

誠如下列會計政策所述，綜合財務報表乃按歷史成本基準編製，惟若干金融工具按首次確認時之公平價值計算者除外。

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。此外，綜合財務報表載列聯交所證券上市規則及香港公司條例規定之適用披露。

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All 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.

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。所有集團內公司間之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。

REVENUE RECOGNITION

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

Revenue is measured at the fair value of consideration received or receivable less returns.

Management service fee income is recognised when management services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

收入確認

貨物銷售於付運貨物或當移交業權後確認。

收入乃按已收代價或應收賬款扣除回退之公平價值計算。

管理服務費用之收入乃於提供管理服務時予以確認。

來自金融資產之利息收入乃按時間基準，並參照尚存本金及按所適用之實際利率應計入賬，而該利率為透過金融資產之預期年期將估計日後現金收入按實際折現至該資產之賬面淨值之比率。

3. Significant accounting policies continued

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less subsequent accumulated 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the item and is included in the income statement in the year in which the item is derecognised.

主要會計政策續

物業、廠房及設備

物業、廠房及設備乃按成本減除其後累計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使用年期，按直線法將其成本撇銷。

物業、廠房及設備項目於出售時或當繼續使用該資產而預期不會產生任何日後經濟利益時取消確認。終止確認資產所產生之盈虧，均按該項目之出售所得款項淨額及賬面價值之差額釐定，並於該項目終止確認之年度內列入收益報表。

INVENTORIES

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

存貨

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本乃按先入先出方式計算。

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 and carried at cost less subsequent accumulated amortisation and any accumulated impairment loss.

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

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，因發展費用而引致之內部產生之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，並按成本值減除其後累計攤銷及累計減值後列賬。

倘並無內部產生之無形資產可予確認，則發展費用於產生之期間確認為開支。

GOVERNMENT GRANTS

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 and are deducted in reporting the related expenses.

政府津貼

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，並已於呈報相關開支時扣除。

3. Significant accounting policies continued

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

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。倘本集團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。

倘某項減值虧損其後撤回，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。

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 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated 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 profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises 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.

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。本集團之本期稅項負債乃按結算日已頒佈或證實已頒佈之稅率計算。

遞延稅項乃就綜合財務報表資產及負債賬面值及計算應課稅溢利相應稅基之差額確認，並以資產負債表負債法計算。遞延稅項負債通常會就全部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，因業務合併以外原因初次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。

3. Significant accounting policies continued

TAXATION CONTINUED

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 based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

主要會計政策續

稅項續

於每個結算日均審閱遞延稅項資產之賬面值，並在沒可能有足夠應課稅溢利收回全部或部份資產時作調減。

遞延稅項乃根據結算日已頒佈或證實已頒佈之稅率，按預期於償還負債或變現資產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。

LEASING

Leases are classified as finance leases whenever 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 rental payable are charged to the income statement on a straight line basis over the term of the relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease terms on a straight line basis.

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，其租金乃以直線法按其租約計入收益報表內。因訂立一項經營租約作為獎勵之已收及應收利益乃以直線法按租約年期確認為租金支出減少。

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

金融工具

金融資產及金融負債乃當集團成為工具合約其中一方時在資產負債表上確認。於初次確認時，金融資產及金融負債按公平價值計量。收購或發行金融資產及金融負債直接應佔之交易成本（透過損益以公平價值列賬之金融資產及金融負債除外）乃於初次確認時計入金融資產或金融負債之公平價值，或自金融資產或金融負債之公平價值內扣除（如合適）。收購透過損益以公平價值列賬之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

3. Significant accounting policies continued

FINANCIAL INSTRUMENTS CONTINUED

Financial assets

The Group's financial assets are mainly loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities, including bank borrowings and trade and other payables, are subsequently measured at amortised cost, using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

主要會計政策續

金融工具續

金融資產

集團之金融資產主要為貸款及應收賬款。

貸款及應收賬款為固定或可確定付款金額及在活躍市場並無報價的非衍生金融資產。於初次確認後各結算日，貸款及應收賬款(包括貿易應收賬款、其他應收賬款、按金及銀行結餘)均按採用實際利率法計算之已攤銷成本減除任何已識別減值虧損入賬。減值虧損乃當可客觀證明資產減值時於損益中確認，並按資產之賬面值與估計未來現金流量按原來的實際利率折算之現值兩者間的差額計算。當資產之可收回數額增加，而該增加是可客觀地與確認減值後發生的事件有關時，則減值虧損會於隨後的會計期間予以回撥，惟該資產於減值被回撥之日的賬面值不得超過從未被確認減值時之已攤銷成本。

金融負債及權益

集團實體發行之金融負債及權益性工具乃根據合約之性質安排與金融負債及權益性工具之定義分類。權益性工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合約。

集團之金融負債包括銀行借貸及貿易與其他應付賬款乃隨後採用實際利率法按已攤銷成本計量。本公司發行之權益性工具乃按已收所得款項扣除直接發行成本記賬。

終止確認

若從資產收取現金流之權利已到期，或金融資產已轉移及本集團已將其於金融資產擁有權之風險及回報實質上全部轉移，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收代價及已直接於股東權益確認之累計損益總和之差額，將於損益中確認。

3. Significant accounting policies continued

FINANCIAL INSTRUMENTS CONTINUED

Derecognition continued

For financial liabilities, they are removed from the Group's balance sheet when, and only when they are extinguished (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements (if any).

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

主要會計政策續

金融工具續

終止確認續

就金融負債而言，只有當他們被終止時，則於本集團之資產負債表中移除（即倘於有關合約之特定責任獲解除、取消或到期）。終止確認之金融負債賬面值與已付代價之差額乃於損益中確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易當日之適用匯率換算為功能貨幣（即該實體經營所在主要經濟地區之貨幣）記賬。於各結算日，以外幣為單位之貨幣性項目均按結算日之適用匯率重新換算。

於結算及換算貨幣性項目時產生之匯兑差額均於彼等產生期間內於損益賬中確認，惟組成本集團海外業務投資淨額部份之貨幣性項目所產生之匯兑差額除外，該等匯兑差額乃於綜合財務報表中確認為股東權益（如適合）。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣（即港幣），而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率換算。匯兑差額（如有）的產生乃確認為股東權益之獨立部分（匯兑儲備）。該等匯兑差額乃於海外業務被出售之期間內於損益賬內確認。

3. Significant accounting policies continued

SHARE-BASED PAYMENT TRANSACTIONS

In respect of the shares granted to the directors and employees of the Group under the Scheme, the fair value of services received is determined by reference to the fair value of shares granted at the date of grant and is expensed on a straight line basis over the vesting period, with a corresponding increase in equity (employee share-based compensation reserve).

At the time when the shares are subsequently issued, the amount previously recognised in the employee share-based compensation reserve will be transferred to share capital and share premium.

主要會計政策續

以股份支付的支出交易

關於根據僱員股份獎勵制度授予集團董事及僱員之股份，集團所收到服務之公平價值按授予日之股份公平價值計算，於歸屬期間以直線法攤銷為開支並相對增加股東權益（以股份支付的僱員酬金儲備）。

當股份隨後發行時，先前在以股份支付的僱員酬金儲備確認之金額將轉移至股本及股本溢價。

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.

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。

4. Critical accounting judgment and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in note 3, management had made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

關鍵性會計判斷及預計不確定因素的主要來源

於應用本集團之會計政策（如附註第3項所述）時，管理層作出下列對於財務報表中已確認之數額產生重大影響之判斷。

INVENTORIES

Note 3 describes that inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

存貨

如附註第3項所述存貨乃按成本值或可變現淨值兩者之較低值入賬。製成品及在製品的成本包含原材料、直接人工、其他直接成本及相關的生產經常費用。可變現淨值是以在正常業務範圍內估計之銷售價格，扣除銷售費用之估計成本。

4. Critical accounting judgment and key sources of estimation uncertainty continued

INVENTORIES CONTINUED

The Group has the operational procedures to put in place to monitor the risk of inventories as majority of working capital is devoted to inventories and the nature of inventories are subject to frequent technological changes. The management reviews inventory age listing on a periodical basis for those slow-moving inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, physical count on all inventories are carried out on a periodical basis in order to determine whether allowance need to be made in respect of any obsolete and defective inventories identified. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

TRADE RECEIVABLES

Note 3 describes that trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In making the judgment, management considered detailed procedures have been in place to monitor this risk as a significant proportion of the Group's working capital is devoted to trade receivables. In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the responsible sales personnel discuss with the relevant customers and report on the recoverability. Specific allowance is only made for trade receivables that are unlikely to be collected. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate allowance for doubtful debts has been made in the financial statements in light of the historical records of the Group and the circumstances of the semiconductor manufacturing industry as a whole.

關鍵性會計判斷及預計不確定因素的主要來源續

存貨續

因本集團之大部份營運資金投放於存貨，而其性質受頻繁的科技轉變影響，故本集團執行管理程序，以監控存貨之風險。管理層定期審核存貨賬齡，包括對陳舊存貨項目的賬面值及其可變現淨值之比較，目的是確定對任何過時及滯銷的存貨在財務報表進行撥備。同時，定期盤點所有存貨以確定是否需要對任何已確認為過時存貨及次貨進行撥備。就此而言，集團董事確信此風險為微不足道，及已在財務報表對過時及滯銷存貨作出足夠撥備。

貿易應收賬款

如附註第3項所述貿易應收賬款以初次確認之公平價值計算，其後以實際利率法計算已攤銷成本。當有客觀證明確定資產減值時，對無法追討的估計款項所作出之適當撥備及在損益中確認。

因應收賬款佔集團營運資金的重大部份，當管理層作出判斷時已考慮到集團已實施週詳程序以監控此風險。集團考慮賬齡狀況及收賬的可能性以確定對呆壞賬進行撥備。當呆賬被認定後，負責銷售人員與有關客戶商討及對可收回賬款之可能性作出報告。集團只會對不太可能收回之貿易應收賬款作出特定之撥備。就此而言，集團考慮過往的歷史記錄及半導體製造業的整體情況，集團董事確信此風險為微不足道，及已在財務報表對呆賬作出足夠撥備。

5. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and trade payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

CURRENCY RISK

The Group has minimal currency exposure as the majority of all sales were denominated in U.S. Dollars which are linked up with Hong Kong Dollars. On the other hand, the disbursements were mainly in U.S. dollars, Hong Kong dollars and Renminbi, which are the functional currency of the relevant subsidiaries. The currency risk of some limited Japanese Yen-based receivables were eliminated against some Japanese Yen accounts payables. The management conducted periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arises.

CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

財務風險管理目標及政策

本集團之主要金融工具包括貿易應收賬款及貿易應付賬款。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保能及時和有效地實行適當之措施。

貨幣風險

集團主要之銷售貨幣單位為與港幣掛鈎之美元， 因此匯率風險非常低。另一方面，集團主要以有關附屬公司之功能貨幣美元、港幣及人民幣支付開銷。有限量之日圓應收賬款的匯率風險與部份日圓應付賬款抵銷。管理層定期檢討風險及對各種不同貨幣的需求，並會考慮於必要時對沖重大外幣風險。

信貸風險

倘交易對方未能履行彼等於二零零五年十二月三十日之債務，則本集團就每類已確認金融資產之最大信貸風險為於綜合資產負債表列值之資產之賬面金額。為降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額，信貸審批及其他監控措施，以確保落實跟進行動以收回逾期未付之債項。此外，於各結算日，本集團評估每項個別貿易應收賬款之可收回金額， 以確保就無法收回之金額作出足夠之減值虧損。就此而言， 本公司董事認為本集團之信貸風險已大幅降低。

本集團並無重大集中之信貸風險， 有關風險乃分散至多個交易對手及客戶。

6. Turnover

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

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。

7. Business and geographical segments 業務及地區分類

(A) BUSINESS SEGMENTS (甲)業務分類

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.

在管理方面，本集團現時分成兩大營運部門 — 設備及引線框架。該等部門乃本集團據以呈報主要分類資料之基礎。

Principal activities are as follows:

主要業務為：

Equipment — manufacture and marketing of semiconductor machines and tools

設備 — 製造及銷售半導體設備及工具

Leadframe — manufacture and marketing of semiconductor materials

引線框架 — 製造及銷售半導體物料

(i) Segment information about these businesses for the year ended 31 December 2005 is presented below:

(一)截至二零零五年十二月三十一日止年度有關之業務分類資料呈列如下：

Income statement **收益報表**

		HK$'000 港幣千元
Turnover	營業額	
Equipment	設備	2,864,384
Leadframe	引線框架	672,471
		3,536,855
Result	業績	
Equipment	設備	779,358
Leadframe	引線框架	109,556
		888,914
Interest income	利息收入	15,025
Finance costs	財務費用	(15)
Profit before taxation	除稅前溢利	903,924
Income tax expense	所得稅開支	(53,439)
Profit for the year	本年度溢利	850,485

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	1,805,362	464,732	2,270,094
Unallocated corporate assets	未分配之公司資產			777,980
Consolidated total assets	綜合資產總額			3,048,074
Liabilities	負債			
Segment liabilities	分部負債	484,570	99,036	583,606
Unallocated corporate liabilities	未分配之公司負債			70,934
Consolidated total liabilities	綜合負債總額			654,540

7. Business and geographical segments continued 業務及地區分類續

(A) BUSINESS SEGMENTS CONTINUED （甲）業務分類續

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	119,569	75,279	194,848
Depreciation of property, plant and equipment	物業、廠房及設備折舊	111,770	42,675	154,445
Amortisation of prepaid lease payments	預付租賃費用攤銷	112	336	448
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	3,549	2	3,551

(ii) Segment information about these businesses for the year ended 31 December 2004 is presented below:

（二）截至二零零四年十二月三十一日止年度有關之業務分類資料呈列如下：

Income statement **收益報表**

		HK$'000 港幣千元
Turnover	營業額	
Equipment	設備	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
Interest income	利息收入	7,923
Finance costs	財務費用	(15)
Profit before taxation	除稅前溢利	1,062,382
Income tax expense	所得稅開支	(59,787)
Profit for the year	本年度溢利	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	1,578,976	292,517	1,871,493
Unallocated corporate assets	未分配之公司資產			872,740
Consolidated total assets	綜合資產總額			2,744,233
Liabilities	負債			
Segment liabilities	分部負債	381,316	79,339	460,655
Unallocated corporate liabilities	未分配之公司負債			106,113
Consolidated total liabilities	綜合負債總額			566,768

7. Business and geographical segments continued 業務及地區分類續

(A) BUSINESS SEGMENTS CONTINUED （甲）業務分類續

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 of property, plant and equipment	物業、廠房及設備折舊	115,354	66,760	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	32,060	187	32,247

(B) GEOGRAPHICAL SEGMENTS （乙）地域分類

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.

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。

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

(一)本集團之營業額及除稅前溢利按營運地區分析如下：

		Turnover 營業額		Profit before taxation 除稅前溢利	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元	**2005 二零零五年 HK$'000 港幣千元**	2004 二零零四年 HK$'000 港幣千元
Location of operation	**營運地區**				
The PRC	中國	**1,859,197**	1,992,532	**508,725**	549,981
Singapore and Malaysia	新加坡及馬來西亞	**1,677,658**	1,836,398	**380,189**	504,493
		3,536,855	3,828,930	**888,914**	1,054,474
Interest income	利息收入			**15,025**	7,923
Finance costs	財務費用			**(15)**	(15)
Profit before taxation	除稅前溢利			**903,924**	1,062,382

7. Business and geographical segments continued 業務及地區分類續

(B) GEOGRAPHICAL SEGMENTS CONTINUED

（乙）地區分類續

(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區分類細列如下：

Location of market	**市場地區**	**2005 二零零五年 HK$'000 港幣千元**	2004 二零零四年 HK$'000 港幣千元
Mainland China	中國大陸	**774,972**	742,272
Taiwan	台灣	**742,304**	850,975
Malaysia	馬來西亞	**445,371**	539,390
Korea	韓國	**322,805**	222,670
Hong Kong	香港	**256,515**	281,008
Philippines	菲律賓	**255,488**	335,571
Thailand	泰國	**246,546**	280,609
Singapore	新加坡	**150,068**	197,768
United States of America and Latin America	美國及拉丁美洲	**147,741**	204,795
Europe	歐洲	**107,325**	66,302
Japan	日本	**45,790**	55,445
Others	其他	**41,930**	52,125
		3,536,855	3,828,930

(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區分析之分類資產賬面值及物業、廠房及設備之增額：

		Carrying amount of segment assets 分類資產賬面金額		Additions to property, plant and equipment 物業、廠房及設備增額	
		31.12.2005 二零零五年 十二月三十一日 HK$'000 港幣千元	31.12.2004 二零零四年 十二月三十一日 HK$'000 港幣千元	**Year ended 31.12.2005 二零零五年 十二月三十一日止之年度 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
The PRC	中國	**2,223,532**	2,022,703	**122,854**	188,894
Singapore and Malaysia	新加坡及馬來西亞	**824,424**	719,531	**71,994**	110,885
		3,047,956	2,742,234	**194,848**	299,779

8. Research and development expenses, net

研究及發展淨支出

The Group received research and development grants from government sources. During the year ended 31 December 2004, government grant of HK$992,000 had been deducted from research and development expenses. The Group did not receive any grant for the year ended 31 December 2005.

Included in research and development expenses is depreciation on property, plant and equipment of HK$6,040,000 (2004: HK$5,927,000) and rental of land and buildings under operating leases of HK$2,826,000 (2004: HK$2,606,000).

集團獲政府給予研究及發展津貼。於二零零四年十二月三十一日止年內，政府津貼共港幣992,000元已在研究及發展費用扣除。集團於二零零五年十二月三十一日止年內並無獲得任何津貼。

研究及發展支出包括物業、廠房及設備之折舊為港幣6,040,000元（二零零四年：港幣5,927,000元），及以營業租約租用的土地及樓宇租金為港幣2,826,000元（二零零四年：港幣2,606,000元）。

9. Finance costs

財務費用

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

須於五年內全部償還的銀行貸款利息款項。

10. Income tax expense

所得稅開支

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Current tax:	本期稅項：		
Hong Kong	香港	**44,334**	61,347
Other jurisdictions	其他司法權區	**7,695**	7,016
		52,029	68,363
Under(over)provision in prior years:	以往年度備撥不足（過多）		
Hong Kong	香港	**2**	(86)
Other jurisdictions	其他司法權區	**(1,061)**	(2,028)
		(1,059)	(2,114)
Deferred tax charge (credit) (note 25)	遞延稅項支出（抵免）（附註25）		
Current year	本年度	**2,469**	(6,462)
		53,439	59,787

Hong Kong Profits Tax has been calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

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

香港利得稅是按本年度估計應課稅溢利以稅率17.5%（二零零四年：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。

10. Income tax expense continued

所得稅開支續

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

收益表所列除稅前溢利與是年度之稅項支出對照如下：

		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Profit before taxation	除稅前溢利	**903,924**	1,062,382
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	以本地所得稅率17.5%（二零零四年：17.5%）計算之稅項	**158,187**	185,917
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	**12,480**	4,032
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	**(10,997)**	(7,324)
Tax effect of tax losses not recognised	未予以確認稅項虧損對稅務之影響	**23,818**	14,530
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	**(49,515)**	(41,718)
Effect of tax exemption under the MH status	「生產總部」地位而獲稅項豁免之影響	**(74,469)**	(90,114)
Effect of tax concession/exemption granted to PRC subsidiaries	中國附屬公司獲得稅項豁免或優惠之影響	**(5,124)**	(5,028)
Overprovision in prior years	往年度備撥過多	**(1,059)**	(2,114)
Others	其他	**118**	1,606
Tax charge for the year	本年度稅項開支	**53,439**	59,787

Note:

The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

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 were exempted from PRC Income Taxes for two years starting from their first profit-making year, which is 2003, followed by a 50% reduction for the next three years.

附註：

本地稅率（即香港所得稅率）乃採用集團的主要營運司法權區的稅率。

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從首個獲利年度二零零三年起豁免兩年中國所得稅，其後三年可減半。

11. Profit for the year 本年度溢利

		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Profit for the year has been arrived at after charging:	*本年度溢利已扣除：*		
Auditors' remuneration	核數師酬金	**4,626**	3,685
Amortisation of prepaid lease payment	預付租賃費用攤銷	**448**	—
Depreciation	折舊	**154,445**	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	**3,551**	32,247
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	**31,503**	32,551
Shipping and handling expenses (included in selling expenses)	運輸及搬運開支（包括在銷售費用內）	**9,989**	9,340
Employee benefits expense, including directors' emoluments	僱員福利開支，包括董事酬金	**776,939**	747,686
and after crediting:	*並已計入：*		
Interest income	利息收入	**15,025**	7,923

12. Directors' emoluments 董事酬金

The emoluments paid or payable to each of the six (2004: seven) directors were as follows:

已支付或應付予以下個別之六位（二零零四年：七位）董事的酬金如下：

		Year ended 31 December 2005 二零零五年十二月三十一日止之年度						
		Arthur H. del Prado HK$'000 港幣千元	Lam See Pong, Patrick 林師龐 HK$'000 港幣千元	Fung Shu Kan, Alan 馮樹根 HK$'000 港幣千元	Orasa Livasiri HK$'000 港幣千元	Tang Koon Hung, Eric 鄧冠雄 HK$'000 港幣千元	Lee Shiu Hung, Robert 李兆雄 HK$'000 港幣千元	Total 總額 HK$'000 港幣千元
Fees	袍金	—	—	—	300	299	299	898
Other emoluments	其他酬金							
Salaries and other benefits	薪金及其他利益	—	12,131	2,272	—	—	—	14,403
Contributions to retirement benefits schemes	退休福利制度之供款	—	719	170	—	—	—	889
Performance related incentive payments (Note)	有關表現之獎金（附註）	—	2,500	450	—	—	—	2,950
Total emoluments	酬金總額	—	15,350	2,892	300	299	299	19,140

12. Directors' emoluments continued 董事酬金續

		Year ended 31 December 2004 二零零四年十二月三十一日止之年度							
		Arthur H. del Prado HK$'000 港幣千元	Lam See Pong, Patrick 林師龐 HK$'000 港幣千元	Fung Shu Kan, Alan 馮樹根 HK$'000 港幣千元	Orasa Livasiri HK$'000 港幣千元	Tang Koon Hung, Eric 鄧冠雄 HK$'000 港幣千元	Lee Shiu Hung, Robert 李兆雄 HK$'000 港幣千元	Paulus Cornelis Van den Hoek HK$'000 港幣千元	Total 總額 HK$'000 港幣千元
Fees	袍金	—	—	—	300	96	8	300	704
Other emoluments	其他酬金								
Salaries and other benefits	薪金及其他利益	—	6,107	1,444	—	—	—	—	7,551
Contributions to retirement benefits schemes	退休福利制度之供款	—	685	166	—	—	—	—	851
Performance related incentive payments (Note)	有關表現之獎金（附註）	—	2,500	350	—	—	—	—	2,850
Total emoluments	酬金總額	—	9,292	1,960	300	96	8	300	11,956

Note:
The performance related incentive payment is determined with reference to the operating results, individual performance and comparable market statistics during both years.

附註：
有關表現之獎金乃參考集團兩年間的經營業績，個人表現及市場統計比較而決定。

For the year ended 31 December 2005, 205,000 shares of the Company were issued to certain executive directors under the Scheme, and the fair value of these shares at date of grant was included in salaries and other benefits above.

截至二零零五年十二月三十一日止年度，本公司根據制度向若干執行董事發行205,000股本公司股份。該等股份於授出日之公平價值已包括在上述之薪金及其他利益內。

For the year ended 31 December 2004, 205,000 shares of the Company were issued to certain executive directors under the Scheme. The value of such shares was calculated with reference to the nominal value of shares issued and included in salaries and other benefits above.

截至二零零四年十二月三十一日止年度，本公司根據制度向若干執行董事發行205,000股本公司股份。該等股份之價值乃參照已發行股份之賬面值而計算並已包括在上述之薪金及其他利益內。

13. Employees' emoluments

僱員薪酬

The five highest paid individuals included two (2004: two) directors, details of whose emoluments are set out in note 12. The emoluments of the remaining three (2004: three) individuals were as follows:

五位最高薪酬之人士包括兩位董事(二零零四年：兩位)，有關其酬金之詳情載於財務報表附註第12項。餘下三位人士(二零零四年：三位)之酬金如下：

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Salaries and other benefits	薪金及其他利益	**12,390**	6,223
Performance related incentive payments	有關表現之獎金	**2,064**	1,342
Contribution to retirement benefits scheme	退休福利制度之供款	**581**	388

For the year ended 31 December 2005, 205,000 shares of the Company were issued to the relevant highest-paid employees under the Scheme, and the fair value of these shares at date of grant was included in salaries and other benefits above.

截至二零零五年十二月三十一日止年度，本公司根據制度向有關最高薪酬之人士發行205,000股本公司股份。該等股份於授出日之公平價值已包括在上述之薪金及其他利益內。

For the year ended 31 December 2004, 180,000 shares of the Company were issued to the relevant highest-paid employees under the Scheme. The value of such shares was calculated with reference to nominal value of shares issued and was included in salaries and other benefits above.

截至二零零四年十二月三十一日止年度，本公司根據制度向有關最高薪酬之人士發行180,000股本公司股份。該等股份之價值乃參照已發行股份之賬面值而計算並已包括在上述之薪金及其他利益內。

Their emoluments were within the following bands:

有關僱員薪酬幅度如下：

		Number of employees 僱員人數	
		2005 **二零零五年**	2004 二零零四年
HK$2,000,001 to HK$2,500,000	港幣2,000,000元 — 港幣2,500,000元	**—**	2
HK$3,000,001 to HK$3,500,000	港幣3,000,001元 — 港幣3,500,000元	**—**	1
HK$4,000,001 to HK$4,500,000	港幣4,000,001元 — 港幣4,500,000元	**1**	—
HK$4,500,001 to HK$5,000,000	港幣4,500,001元 — 港幣5,000,000元	**1**	—
HK$5,500,001 to HK$6,000,000	港幣5,500,001元 — 港幣6,000,000元	**1**	—

14. Retirement benefits plans

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.

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, Singapore and Malaysia 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 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 and Malaysia, by the Central Provident Fund Board of Singapore and Employee Provident Fund of Malaysia respectively.

退休福利計劃

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（「職業退休計劃」）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性公積金計劃（「強積金計劃」）。該等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。

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僱員工資成本之5%，而僱員之供款比率亦相同。

本集團在中國大陸，新加坡及馬來西亞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份比。本集團對該等計劃僅有之責任只是作出指定之供款。該等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。而在新加坡及馬來西亞之供款則由新加坡中央公積金局及馬來西亞僱員公積金各自監管。

14. Retirement benefits plans continued

The amount charged to the income statement which amounted to HK$42,757,000 (2004: HK$39,781,000) represents contributions payable to the plans by the Group at rates specified in the rules of the plans less forfeitures of HK$549,000 (2004: HK$830,000) arising from employees leaving the Group prior to completion of qualifying service period.

At the balance sheet date, there were forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years amounting to HK$66,000 (2004: nil).

退休福利計劃續

在收益報表扣除之款項港幣42,757,000元（二零零四年：港幣39,781,000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549,000元（二零零四年：港幣830,000元）。

於資產負債表結算日，因僱員退出退休金計劃而產生可供未來年度減少須支付供款之沒收款項為港幣66,000元（二零零四年：無）。

15. Dividends

股息

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Interim dividend paid of HK$0.50 (2004: HK$0.45) per share on 385,268,500 (2004: 383,470,000) shares	中期股息每股港幣0.50元（二零零四年：港幣0.45元）派發予385,268,500股（二零零四年：383,470,000股）	**192,634**	172,561
First special dividend paid of HK$0.20 (2004: HK$0.55) per share on 385,268,500 (2004: 383,470,000) shares	首次特別股息每股港幣0.20元（二零零四年：港幣0.55元）派發予385,268,500股（二零零四年：383,470,000股）	**77,054**	210,909
Proposed final dividend of HK$1.00 (2004: HK$1.05) per share on 387,059,500 (2004: 385,268,500) shares	建議末期股息每股港幣1.00元（二零零四年：港幣HK$1.05元）派發予387,059,500股（二零零四年：385,268,500股）	**387,059**	404,532
Proposed second special dividend of HK$0.30 (2004: nil) per share on 387,059,500 shares	建議第二次特別股息每股港幣0.30元（二零零四年：無）派發予387,059,500股	**116,118**	—
		772,865	788,002

The final dividend of HK$1.00 (2004: HK$1.05) and second special dividend of HK$0.30 (2004: nil) per share have been proposed by the directors and are subject to approval by the shareholders in general meeting.

董事會建議派付末期股息每股港幣1.00元（二零零四年：港幣1.05元）及第二次特別股息每股港幣0.30元（二零零四年：無），須待股東週年大會上獲通過後，方可分派。

16. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

每股溢利

母公司權益持有人應佔每股基本及攤薄溢利乃根據下列數據計算：

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Earnings for the purposes 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	**850,485**	1,002,595
		Number of shares (in thousand) 股份之數量（以千位計）	
Weighted average number of shares for the purposes of basic earnings per share	計算每股基本溢利之加權平均股數	**385,352**	384,313
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	**1,450**	1,451
Weighted average number of shares for the purposes of diluted earnings per share	計算每股攤薄溢利之加權平均股數	**386,802**	385,764

17. Property, plant and equipment 物業、廠房及設備

		Buildings outside Hong Kong 香港以外之樓宇 HK$'000 港幣千元	Leasehold improvements 租約物業裝修 HK$'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	229,108	188,066	1,265,085	73,982	1,756,241
Exchange adjustment	匯兌調整	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 1 January 2005	於二零零五年一月一日	321,863	184,506	1,400,460	20,942	1,927,771
Exchange adjustment	匯兌調整	(412)	(168)	(1,463)	(137)	(2,180)
Additions	增額	17,236	29,054	143,347	5,211	194,848
Disposals	出售	—	(1,513)	(65,283)	(1,127)	(67,923)
Reclassification	重新分類	(48,433)	49,738	524	(1,829)	—
At 31 December 2005	於二零零五年十二月三十一日	290,254	261,617	1,477,585	23,060	2,052,516
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
Exchange adjustment	匯兌調整	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 1 January 2005	於二零零五年一月一日	137,978	137,910	863,749	16,128	1,155,765
Exchange adjustment	匯兌調整	(368)	(56)	(1,366)	(146)	(1,936)
Provided for the year	是年度撥備	12,176	21,708	119,761	800	154,445
Eliminated on disposals	出售時撇除	—	(1,513)	(61,155)	(1,120)	(63,788)
Reclassification	重新分類	(46,298)	46,298	41	(41)	—
At 31 December 2005	於二零零五年十二月三十一日	103,488	204,347	921,030	15,621	1,244,486
Carrying values	**賬面值**					
At 31 December 2005	於二零零五年十二月三十一日	186,766	57,270	556,555	7,439	808,030
At 31 December 2004	於二零零四年十二月三十一日	183,885	46,596	536,711	4,814	772,006

17. Property, plant and equipment continued

物業、廠房及設備續

Items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

物業、廠房及設備之項目均按直線法以下列年率計算折舊：

Buildings	樓宇	4.2% to 4.5%
Leasehold improvements	租約物業裝修	33 1/3%
Plant and machinery	機器設備	10% to 33 1/3%
Furniture, fixtures and equipment	傢俬、裝置及設備	10% to 20%

18. Prepaid lease payments

預付租賃費用

The Group's prepaid lease payments represent property interest in leasehold land outside Hong Kong under medium-term leases.

集團之預付租賃費用是指於香港以外以中期租賃持有之租賃土地財產權益。

Analysed for reporting purposes as:

以列報為目的之分析為：

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Current	流動	**448**	446
Non-current	非流動	**8,951**	9,370
		9,399	9,816

19. Inventories

存貨

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Raw materials	原料	**153,595**	157,334
Work in progress	在製品	**373,227**	326,062
Finished goods	製成品	**82,523**	71,434
		609,345	554,830

20. Trade and other receivables 貿易及其他應收賬款

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Trade receivables	貿易應收賬款	**843,280**	597,164
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	**46,810**	44,466
Amounts due from ASM International group companies — trade (Note)	ASM International 集團公司所欠款項 — 貿易(附註)	**2,165**	593
		892,255	642,223
An aging analysis of trade receivables is as follows:	*貿易應收賬款賬齡分析如下：*		
Not yet due	尚未到期	**595,643**	380,045
Overdue within 30 days	逾期30天	**151,619**	132,935
Overdue within 31 to 60 days	逾期31至60天	**64,098**	56,985
Overdue within 61 to 90 days	逾期61至90天	**24,221**	19,331
Overdue over 90 days	逾期超過90天	**7,699**	7,868
		843,280	597,164

Credit policy:
Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable within 30 days to 60 days of issuance, except for certain well established customers, where the terms are extended to 3 to 4 months. Each customer has a pre-set maximum credit limit.

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

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

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

The fair value of the Group's trade receivables, other receivables and deposits at 31 December 2005 was approximate to the corresponding carrying amounts.

本集團於截至二零零五年十二月三十一日之貿易應收賬款、其他應收賬款及按金的公平價值接近其賬面金額。

21. Trade and other payables 貿易及其他應付賬款

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Trade payables	貿易應付賬款	**315,032**	193,448
Other payables and accrued charges	其他應付賬款及應計費用	**269,402**	267,428
Amounts due to ASM International group companies — trade (Note)	欠ASM International 集團公司款項 — 貿易(附註)	**586**	408
		585,020	461,284
An aging analysis of trade payables is as follows:	*貿易應付賬款賬齡分析如下：*		
Not yet due	尚未到期	**191,659**	93,201
Overdue within 30 days	逾期30天	**82,442**	55,543
Overdue within 31 to 60 days	逾期31至60天	**39,330**	39,275
Overdue within 61 to 90 days	逾期61至90天	**1,384**	5,334
Overdue over 90 days	逾期超過90天	**217**	95
		315,032	193,448

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。

The fair value of the Group's trade and other payables at 31 December 2005 was approximate to the corresponding carrying amounts.

本集團於截至二零零五年十二月三十一日之貿易應付賬款的公平價值接近其賬面金額。

22. Notes payable to a bank 應付銀行票據

The amount represents discounted bills with recourse in which the Group remains the credit risk of the bills receivable and the carrying amount approximated to the corresponding fair value.

此金額為已貼現之附追索權票據，本集團仍保持此應收票據之信貸風險，其賬面值接近其公平價值。

23. Share capital of the company 公司股本

		Number of shares 股份數目		Share capital 股本	
		2005 二零零五年 (in thousand) (以千位計)	2004 二零零四年 (in thousand) (以千位計)	**2005 二零零五年 HK$'000 港幣千元**	2004 二零零四年 HK$'000 港幣千元
Issued and fully paid:	*已發行及繳足股本：*				
At 1 January	於一月一日	**385,269**	385,018	**38,527**	38,502
Shares issued under the Scheme	根據制度發行之股份	**1,791**	1,799	**179**	180
Shares repurchased and cancelled	回購及註銷之股份	**—**	(1,548)	**—**	(155)
At 31 December	於十二月三十一日	**387,060**	385,269	**38,706**	38,527

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元，分為五億股，每股面值港幣0.10元。

During the year, 1,791,000 shares were issued at par to eligible employees and members of management under the 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1,791,000股。

On 21 February 2006, the Group 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 at par in the Company upon the expiry of a defined qualification period.

於二零零六年二月二十一日，本集團議決供款港幣180,000元，使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。

24. 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 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 upon expiration of the defined qualification period as determined by the Board of Directors. The vesting period for the year is from 24 February 2005 to 15 December 2005. 1,791,000 of these shares entitlements were issued on 15 December 2005 and the estimated fair value of these shares at the date of grant amounted to approximately HK$56,954,000. 9,000 shares were unallotted by the Company on the same date. The fair value was determined with reference to market value of shares at date of grant, and adjusted for the terms and condition upon which the shares are granted.

On 21 February 2006, 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 upon the expiration of a defined qualification period.

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能就本集團僱員及管理階層成員於董事會指定合格期間屆滿時，為其受益認購合共1,800,000股本公司股份。本年度的歸屬期為二零零五年二月二十四至二零零五年十二月十五日。於二零零五年十二月十五日已發行1,791,000股，於授予日該項股份之估計公平價值為港幣56,954,000元。在當日公司已註銷其中未被發行的9,000股。公平價值乃參照股份授予當日之市場價值決定，並根據授予股份之條款作調整。

董事會於二零零六年二月二十一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受益認購合共1,800,000股本公司股份。

25. 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 2004	於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	匯兑差額	(3)	—	(23)	(26)
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日及二零零五年一月一日	2,963	—	(2,577)	386
Charge (credit) to income for the year	本年度收入之支出(抵免)	9,888	(6,695)	(724)	2,469
Exchange differences	匯兑差額	(5)	3	(14)	(16)
At 31 December 2005	於二零零五年十二月三十一日	12,846	(6,692)	(3,315)	2,839

25. Deferred taxation continued

遞延稅項續

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

以下為遞延稅項結餘按資產負債表列賬所作之分析：

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Deferred tax liabilities	遞延稅項負債	**2,957**	2,385
Deferred tax assets	遞延稅項資產	**(118)**	(1,999)
		2,839	386

At 31 December 2005, the Group has unused tax losses of HK$179,317,000 (2004: HK$139,233,000) available to offset future taxable profits. At 31 December 2005, a deferred tax asset amounted to HK$6,692,000 (2004: nil) was recognised for such losses and no deferred tax asset was recognised in respect of the remaining tax losses of HK$141,077,000 (2004: HK$139,233,000) due to the unpredictability of future profit stream. Included in unrecognised tax losses are losses of HK$41,444,000 that will expire during the year 2007 to 2012 (2004: HK$31,302,000 that will expire during the year 2007 to 2011). Other losses may be carried forward indefinitely.

在二零零五年十二月三十一日，本集團有港幣179,317,000元（二零零四年：港幣139,233,000元）的可用於抵銷未來應課稅溢利的稅務虧損。於二零零五年十二月三十一日，當中就該虧損確認了港幣6,692,000元（二零零四年：無）的遞延稅項資產。剩餘的稅務虧損為港幣141,077,000元（二零零四年：港幣139,233,000元），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。於未確認的稅務虧損中有港幣41,444,000元將於二零零七年至二零一二年到期（二零零四年：港幣31,302,000元的虧損將於二零零七年至二零一一年到期）。其他虧損可以無限期地結轉後期。

26. 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。

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'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 in the previous year.

去年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。

27. Contingent liabilities

或然負債

		The Group 集團	
		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Guarantees given to Singapore government for working permit of foreign workers in Singapore	給予新加坡政府為外地工人於新加坡工作提供擔保	**581**	715

28. Capital commitments

資本承擔

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'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	**17,279**	37,311
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	**180,895**	156,671
		198,174	193,982

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

本公司在資產負債表結算日並無重大資本承擔。

29. Operating lease commitments

營業租約承擔

At 31 December 2005, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of property interest in land and buildings which fall due as follows:

於二零零五年十二月三十一日，本集團根據不可撤銷營業租約就土地及樓宇之權益之未來最低租約付款承擔為：

		The Group 集團	
		2005 二零零五年 HK$'000 港幣千元	2004 二零零四年 HK$'000 港幣千元
Within one year	一年內	**28,700**	25,915
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	**54,499**	46,714
Over five years	超過五年	**25,824**	29,314
		109,023	101,943

Operating lease payments represent rentals payable by the Group for certain of its manufacturing plants, office properties and quarters. Except for land leased from the Singapore Housing & Development Board for a period of 30 years (renewable upon expiry for a further term of 30 years), other leases are negotiated for an average terms of two to five years.

營業租約付款為本集團就若干廠房、辦公室及宿舍之應付租金。除了向新加坡房屋及發展委員會租用為期三十年的土地外（並可續約三十年），其他租約平均每兩年至五年釐定一次。

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

本公司在資產負債表結算日並無營業租約承擔。

30. 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 in respect of services provided to ASM International 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有關其提供給ASM International的服務的變動概述如下：

		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)	(27,910)
At 31 December 2004	於二零零四年十二月三十一日	357,000	291,800
Forfeited during the year	於本年內沒收	—	(2,000)
Exercised during the year	於本年內行使	—	(3,200)
At 31 December 2005	於二零零五年十二月三十一日	357,000	286,600

The exercise prices of the above outstanding options are ranged from US$15.44 to US$19.32 (2004: 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美元之間（二零零四年：介乎15.44美元至19.32美元之間）。

31. Connected and related party transactions

(a) During the year, the Group paid an annual management fee of HK$1,500,000 (2004: 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) On 10 August 2005, the Company entered into a service agreement (the "Service Agreement") with ASM Front-End Manufacturing Singapore Pte. Ltd. ("FEMS"), a wholly owned subsidiary of ASM International. Pursuant to the Service Agreement, the Group provides computer software installation consultancy services to FEMS in its implementation of a particular enterprise resources planning software in its production facility in Singapore, at a quarterly fee of US$90,000. The Service Agreement was for a term of one year and commenced from 16 August 2005 to 15 August 2006. Details of the Service Agreement are set out in the announcement dated 15 August 2005 made by the Company. Management service fee received during the year amounted to approximately HK$1,047,000 (2004: nil).

關聯及關連交易

(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（二零零四年：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) 於二零零五年八月十日，本公司與ASM International 之全資附屬公司ASM Front-End Manufacturing Singapore Pte. Ltd.（「FEMS」）簽訂了一項服務協議。根據該服務協議，本集團向FEMS提供電腦軟件安裝的顧問服務，為其位於新加坡的生產設施安裝一個特定的企業資源計劃軟件，每季費用為美元90,000元。該服務協議為期一年由二零零五年八月十六日至二零零六年八月十五日止。服務協議之詳細內容已刊載於本公司於二零零五年八月十五日之公告。於本年度，本集團已收取之服務費約為港幣1,047,000元（二零零四年：無）。

31. Connected and related party transactions continued

(c) On 16 March 2004, the Company entered into a management and production agreement (the "M & P Agreement") with ASM International. The M & P 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 M & P Agreement are set out in the announcement dated 18 March 2004 made by the Company.

Pursuant to the M & P 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 (2004: HK$375,000). Management service fee received during the year amounted to HK$1,500,000 (2004: HK$1,187,500).

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 approximately HK$8,279,000 (2004: HK$1,996,000).

關聯及關連交易續

(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（「M & P」協議）。該M & P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。M & P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M & P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（二零零四年：港幣375,000元）。於本年度，本集團已收取之管理費為港幣1,500,000元（二零零四年：港幣1,187,500元）。

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約為港幣8,279,000（二零零四年：港幣1,996,000元）。

31. Connected and related party transactions continued

關聯及關連交易續

(d) Compensation of key management personnel

The emoluments of directors and other members of key management during the year was as follows:

(d) 主要管理人員之薪酬

本年度董事及其他主要管理成員之酬金如下：

		2005 **二零零五年** **HK$'000** **港幣千元**	2004 二零零四年 HK$'000 港幣千元
Short-term benefits	短期利益	**23,731**	22,034
Share-based payments	以股份支付的支出	**13,992**	45
		37,723	22,079

Certain shares of the Company were issued to the key management under the Scheme. The estimated fair value of such shares were included in short-term benefits for the year ended 31 December 2005. For the year ended 31 December 2004, the value of such shares is calculated with reference to the nominal value of such shares in accordance with the preceding accounting standards.

本公司根據制度向主要管理層發行若干本公司股份。該等股份估計之公平價值已包括在二零零五年十二月三十一日止年度的短期利益內。截至二零零四年十二月三十一日止年度，該等股份之價值乃依據其按照以前會計準則之賬面值而計算。

The emoluments of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員的酬金乃由薪酬委員會視乎個人表現及市場趨向而決定。

(e) During the year ended 31 December 2004, the Group acquired the entire interest of a subsidiary from ASM International at a consideration of HK$466,000.

(e) 於二零零四年十二月三十一日年度，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。

32. Particulars of principal subsidiaries of the Company

集團主要附屬公司之摘要

Details of the principal subsidiaries at 31 December 2005 are as follows:

於二零零五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日圓	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$53,000,000 53,000,000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

32. Particulars of principal subsidiaries of the Company continued

集團主要附屬公司之摘要續

Details of the principal subsidiaries at 31 December 2005 are as follows:

於二零零五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 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
ASM Technology (M) Sdn. Bhd.	Malaysia 馬來西亞	—	MYR74,000,000 74,000,000馬來西亞元	100%	—	Manufacture of semiconductor equipment and materials 製造半導體器材及物料
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) (附註)	—	(Note) (附註)	Manufacture of parts of semiconductor equipment 製造半導體器材配件

32. Particulars of principal subsidiaries of the Company continued

Note:

Under a joint venture agreement, the Group has committed to contribute 100% of the registered capital of HK$477,300,000 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 2005, the Group has paid up approximately HK$447,300,000 as registered capital of MET. The Group has 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. On 1 April 2004, the Group applied for the de-registration of Shenzhen ASM Precision Machinery Manufactory Limited ("PMM") and approval to merge the operations of PMM with MET. PMM is the subsidiary of the Company as at 31 December 2004. On 27 July 2005, the de-registration of PMM was approved and the operations of PMM were merged with MET from that date.

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

集團主要附屬公司之摘要續

附註：

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477,300,000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。於二零零五年十二月三十一日，本集團已支付約港幣447,300,000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。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。於二零零四年十二月三十一日深圳先進精密機械製造有限公司為集團的附屬公司，於二零零五年七月二十七日，有關其撤銷註冊已獲當局批准並由該日將其經營業務和微電子科技合併。

*在中國成立為外商獨資企業。

32. Particulars of principal subsidiaries of the Company continued

Note: 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.

集團主要附屬公司之摘要續

附註：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証券，或在年結時無未償還之貸款証券。

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。

Five Year Financial Summary
五年財務摘要

		For the year ended 31 December 截至十二月三十一日止年度				
		2005 二零零五年 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$'000 港幣千元	2002 二零零二年 HK$'000 港幣千元	2001 二零零一年 HK$'000 港幣千元
Results	**業績**					
Turnover	營業額	**3,536,855**	3,828,930	2,604,823	1,846,016	1,560,227
Profit before taxation	除稅前溢利	**903,924**	1,062,382	587,128	302,181	249,126
Income tax expense	所得稅開支	**(53,439)**	(59,787)	(51,255)	(17,477)	(17,880)
Profit for the year	本年度溢利	**850,485**	1,002,595	535,873	284,704	231,246

		At 31 December 於十二月三十一日				
		2005 二零零五年 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$'000 港幣千元	2002 二零零二年 HK$'000 港幣千元	2001 二零零一年 HK$'000 港幣千元
Assets and Liabilities	**資產與負債**					
Non-current assets	非流動資產	**817,099**	783,375	698,560	710,325	757,578
Current assets	流動資產	**2,230,975**	1,960,858	1,783,315	1,412,955	1,407,930
Current liabilities	流動負債	**(651,583)**	(564,383)	(557,146)	(357,004)	(320,925)
Net current assets	流動資產淨值	**1,579,392**	1,396,475	1,226,169	1,055,951	1,087,005
Non-current liabilities	非流動負債	**(2,957)**	(2,385)	(9,227)	(10,204)	(15,536)
Equity attributable to equity holders of the parent	母公司權益持有人應佔權益	**2,393,534**	2,177,465	1,915,502	1,756,072	1,829,047

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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

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